HOME BUILDERS FEDERATION

South West

Housing crisis report

June 2012

Home Builders Federation
1st Floor Byron House, 7-9 St James's Street, London SW1A 1EE
Tel: 0207 960 1600 F: 0207 960 1601
Email: info@hbf.co.uk Website: www.hbf.co.uk Twitter: @HomeBuildersFed

England's Housing Crisis

- In 2010 and 2011 England saw the lowest peacetime house building rates since the 1920s.

- Affordability has plummeted – in the last 40 years the average house price to salary ratio has almost doubled; the price of the average home purchased is now more than 7x the average annual salary of the buyer.

- First time buyers are at record lows. Eight out of ten first-time buyers require financial help from family or friends, and the average age of unassisted first-time buyers has soared.

- A total of 1.8 million men and 1.1 million women aged 20 to 34 still live with their parents.

- Social Housing Waiting Lists have almost doubled in the last 13 years to 1.84 million households; 8.2% of all households - around 5 million people - are waiting for a home.

- 50,000 families live in temporary accommodation and 250,000 families in social housing are in over-crowded accommodation.

- **Official projections show the need for an additional 232,000 homes in England per year just to meet growth in the number of households.**

South West Housing Crisis

The South West of England is no exception to the housing crisis:

- The local plans in the region have reduced housing numbers by 20% which will mean 115,000 fewer houses built over the next twenty years.

- House building has fallen by a third since 2006/07; there were 20,860 housing starts in 2006/7 and just 13,890 in 2011/12.

- Planning permissions have collapsed over the last four years with total permissions granted across the region in 2011/12 down by more than 36% since the same period in 2007/8.

- The government's own household projections calculate that between 2008 and 2033 the number of households in the South West of England will increase by 680,000 – over 27,000 per annum.

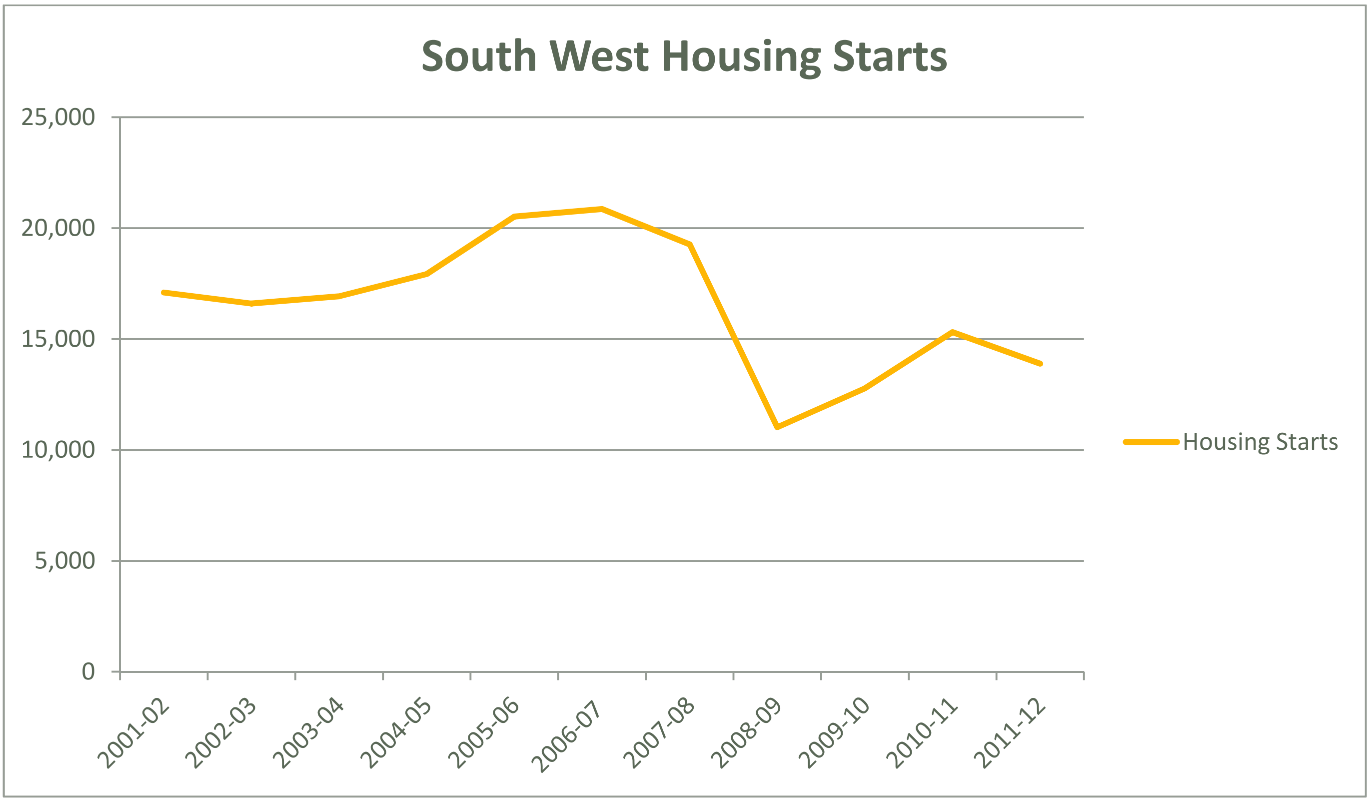
- The social housing waiting lists in the region have more than doubled in the last ten years – 186,000 families are waiting for home.

- Over the last ten years the median house price has more than doubled from £93,000 to £186,000.

House-Building in the South West

House-building in the South West of England has collapsed over the last three years with starts averaging 18,459 in the seven years up to 2007/8 but just 13,250 from 2008/9 – 2011/12, a drop of more than 25%

South West	
Year	No. of Starts
2001-02	17,100
2002-03	16,600
2003-04	16,930
2004-05	17,930
2005-06	20,520
2006-07	20,860
2007-08	19,270
2008-09	11,020
2009-10	12,780
2010-11	15,310
2011-12	13,890



Planning Permissions

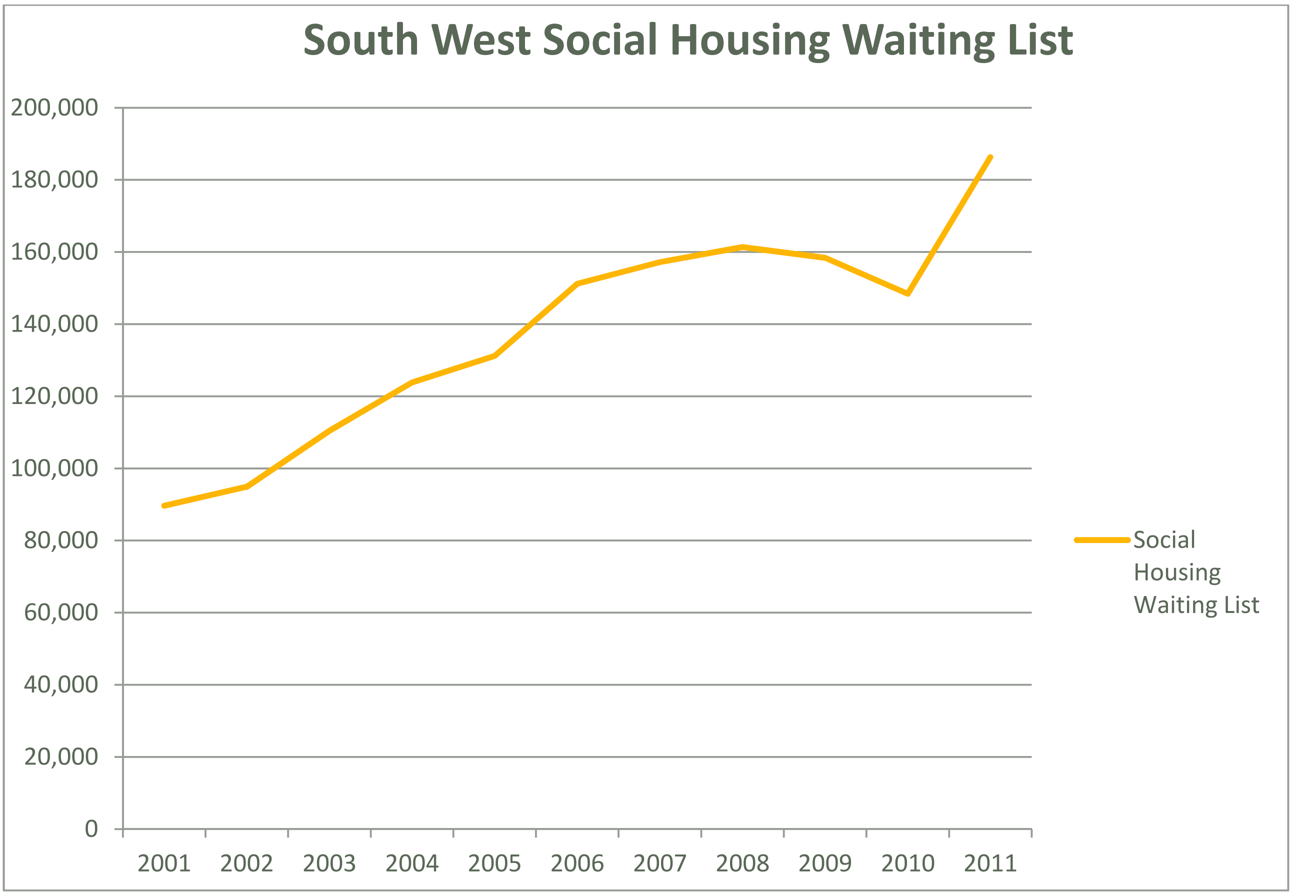
The number of granted planning permissions is the best indicator of future housing growth. In the South West of England planning permissions have fallen by 36% over the last year compared with 2007/8.

Planning Permissions	
Year	**South West**
Q2 2007 – Q1 2008	24,501
Q2 2011 – Q1 2012	15,560

Social Housing Waiting List

This is the number of families in the South West region waiting for access to social housing; there are over 186,000 households on the local authority waiting lists, almost 100,000 more families than a decade ago.

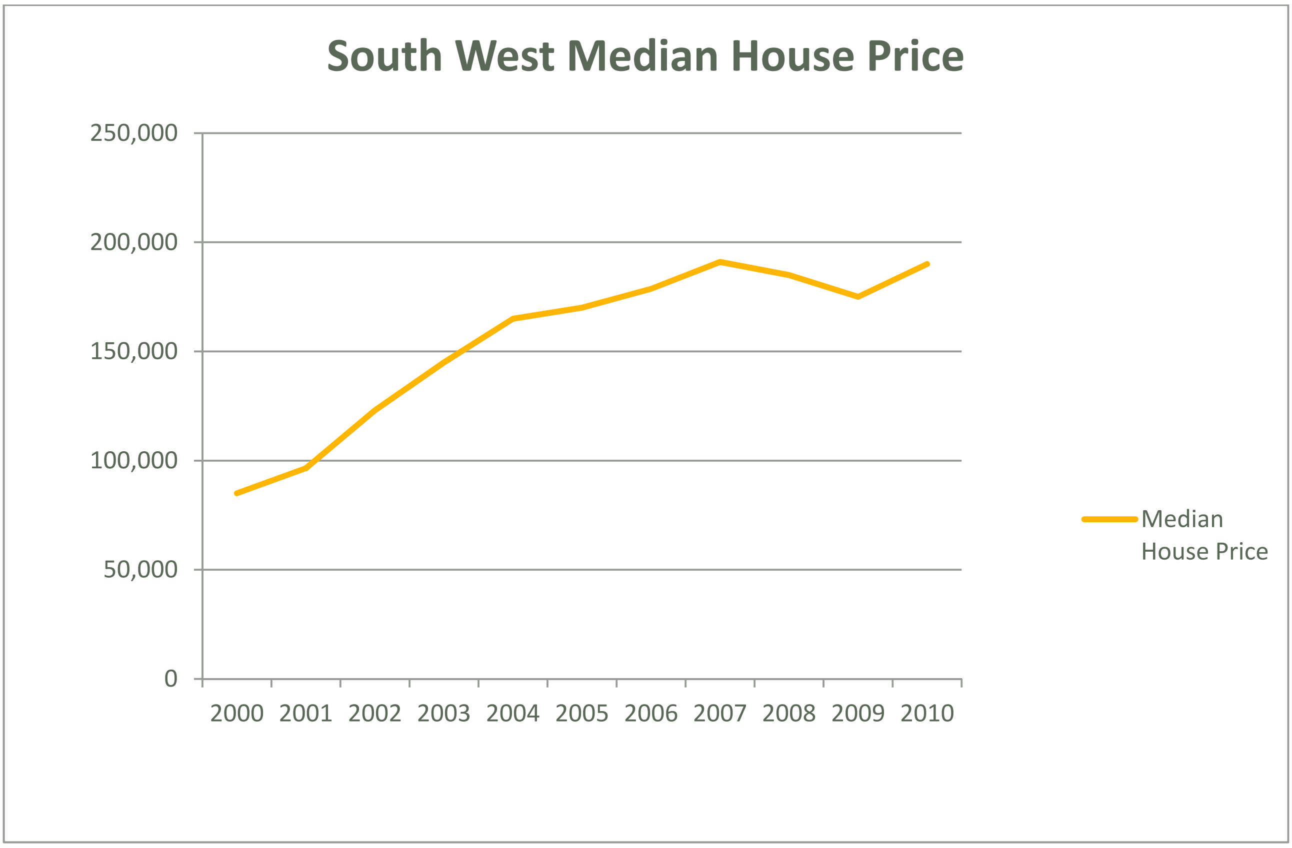
Social Housing Waiting List	
Year	**South West**
2001	89,633
2002	94,918
2003	110,445
2004	123,845
2005	131,193
2006	151,220
2007	157,183
2008	161,353
2009	158,399
2010	148,422
2011	186,305



South West House Prices

Median house prices in the region have more than doubled since 2000 for local authorities and are now around £190,000. This chart uses completed calendar years, the most recent figures compare the same periods in 2000/01 and 2010/11, (see tables 5&7)

Median House Prices (£)	
Year	**South West**
2000	85,000
2001	96,500
2002	123,000
2003	145,000
2004	165,000
2005	170,000
2006	178,650
2007	190,950
2008	185,000
2009	175,000
2010	190,000



Home Builders Federation
1st Floor Byron House, 7-9 St James's Street, London SW1A 1EE
Tel: 0207 960 1600 F: 0207 960 1601
Email: info@hbf.co.uk Website: www.hbf.co.uk Twitter: @HomeBuildersFed

Household Projections

Between 2008 and 2033 the government has estimated that the number of households in the South West of England will increase by around 680,000 – over 27,000 households per year. The largest increases are predicted in Bristol where 86,000 new households will be formed by 2033, while Cornwall and Wiltshire will see a rise of 70,000 and 54,000 families respectively.

Local Authority	Household Projected Growth (2008-2033)	Household Projections p.a.
Cheltenham	13000	520
Christchurch	5000	200
Cotswold	10000	400
East Devon	20000	800
East Dorset	8000	320
Exeter	12000	480
Forest of Dean	9000	360
Gloucester	14000	560
Mendip	13000	520
Mid Devon	11000	440
North Devon	10000	400
North Dorset	6000	240
Purbeck	4000	160
Sedgemoor	15000	600
South Hams	8000	320
South Somerset	20000	800
Stroud	11000	440
Taunton Deane	13000	520
Teignbridge	16000	640
Tewkesbury	9000	360
Torridge	12000	480
West Devon	8000	320
West Dorset	11000	440
West Somerset	4000	160
Weymouth and Portland	4000	160
Bath and North East Somerset UA	20000	800
Bournemouth UA	11000	440
Bristol, City of UA	86000	3440
Cornwall UA	70000	2800
North Somerset UA	45000	1800
Plymouth UA	26000	1040
Poole UA	12000	480
South Gloucestershire UA	40000	1600
Swindon UA	35000	1400
Torbay UA	15000	600
Wiltshire UA	54000	2160
South West	**682000**	**27280**

Household projections are not an exact science but they are the only means by which Government can attempt to predict household growth over the coming years. It must be noted that these predictions have in the past been both too high and too low but are, over the long term, fairly reliable. The figures do not simply relate to increased population but also to increased life expectancy and social changes.

Economic Growth

House building is vital to local and national economies, bringing local employment and local economic growth. The government's incentive for local authorities, the New Homes Bonus, will also ensure economic investment for each house built.

Employment Calculator

1. Every home built means the creation of 1.5 full-time 'direct' jobs Labour Needs of Extra Housing Input Professor Michael Ball - http://tinyurl.com/6k9xgj6

2. Building 27,280 homes per year (to Government household projection levels) would create 40,920 direct jobs in the region per year. Taking the current level of starts that would mean at least **16,095 extra local jobs as a result of increased construction**

3. The HBF estimates that at least twice that employment is created in the supply chain for example, brick manufacturers, flooring suppliers – meaning a total of **more than 50,000 extra local jobs could be created by meeting household projections.**

New Homes Bonus

The New Homes Bonus is central government match funding the council tax from each new house for 6 years. This is based on annual net additions so includes bringing empty homes back into use as well as construction. Across the South West of England, if enough homes were built to meet the projected need the local authorities (and, where relevant, their county councils) would share around £236million between them every year (from year 6)[1].

[1] 79 million more than they stand to receive currently from the most recent New Homes Bonus allocations.

South West Housing Crisis League Tables

Under the Coalition Government local authorities have been given more power to shape their areas and tackle planning and development. Across the South West of England the thirty-six local authorities are reacting differently to the region's housing crisis; some with relative success are pro-actively enabling house-building, others are struggling to do so in the midst of upheaval of the planning system.
Below are a series of tables which rank local authorities on various housing crisis indicators.

Table 1 reflects the level of housing starts in each local authority over the last five years and compares the difference between house building in 2006/7 and in 2010/11.

Table 2 examines the level of house building in each local authority area in comparison with the projected growth of households in that area.

Table 3 reveals the South West local authorities' plans for future housing and compares them with both their original Regional Spatial Strategy (RSS) numbers and government household projections.

Table 4 examines the levels of social housing need in each local authority area and how it has changed over the last decade.

Tables 5 & 6 examine median house prices and the median house price to salary ratio in each local authority area and compare them to the regional and national averages.

Tables 7 & 8 examine lower quartile house prices – those most often purchased by first time buyers - and the house price to salary ratio in each local authority area and compare them to the regional and national average.

Table 9 shows how much New Homes Bonus money each local authority in the South West of England is currently receiving and what they could potentially earn if they allowed construction of homes to match household projections.

Table 10 reveals the extent of potential job creation from increased housing construction in the region.

Table 1: Housing Starts, comparison between 2006/7 and 2010/11

Table 1
Across the South West of England as a whole house building starts are down 35% in the six years between 2006/7 and 2011/12.

Just 9 Local Authorities (out of 36) have maintained or increased house-building over that period, 18 have seen house-building fall while 9 do not have the necessary information. 11 local authorities (excluding those with insufficient data) have suffered house-building falls of 50% or more with Cheltenham and Christchurch both experiencing collapses of 80% or more.

Table 1: Housing Starts, comparison between 2006/7 and 2010/11

Rank	Housing Starts	2006/7	2011/12	Difference between 2006/7 and 2011/12	%difference
1	Cotswold	170	430	260	153
2	South Hams	70	170	100	143
3	East Devon	210	360	150	71
4	Taunton Deane	250	410	160	64
5	Forest of Dean	270	410	140	52
6	East Dorset	110	150	40	36
7	Teignbridge	240	310	70	29
8	South Somerset	490	620	130	27
9	Stroud	400	400	0	0
10	Mendip	380	370	-10	-3
11	North Dorset	260	250	-10	-4
12	Tewkesbury	380	360	-20	-5
13	Plymouth UA	560	480	-80	-14
14	West Dorset	220	170	-50	-23
15	Mid Devon	370	270	-100	-27
16	Exeter	200	120	-80	-40
17	Torbay UA	500	230	-270	-54
18	Torridge	360	160	-200	-56
19	West Somerset	140	60	-80	-57
20	Gloucester	870	360	-510	-59
21	North Devon	330	120	-210	-64
22	Bournemouth UA	1,240	380	-860	-69
23	Purbeck	230	70	-160	-70
24	Poole UA	670	200	-470	-70
25	Swindon UA	1,880	550	-1330	-71
26	Cheltenham	570	110	-460	-81
27	Christchurch	180	30	-150	-83
28	Bath & North East Somerset UA	n/a	n/a	n/a	n/a
29	Bristol, City of UA	n/a	n/a	n/a	n/a
30	North Somerset UA	n/a	n/a	n/a	n/a
31	South Gloucestershire UA	n/a	n/a	n/a	n/a
32	Wiltshire	n/a	n/a	n/a	n/a
33	Cornwall	n/a	n/a	n/a	n/a
34	West Devon	n/a	n/a	n/a	n/a
35	Weymouth and Portland	n/a	n/a	n/a	n/a
36	Sedgemoor	n/a	n/a	n/a	n/a
	South West	**11,550**	**7550**	**-4000**	**-35**

Table 2: Housing Starts, comparison with projected housing need 2008-2033

Table 2
While the statistics in Table 1 demonstrating how house-building levels have changed over the last 5 years are interesting, the vital figures reveal whether local authorities are anywhere near meeting their projected housing need – and therefore tackling the housing crisis. Across the South West of England only 54% of homes are being built to meet household projections.

Just four local authorities are exceeding their current projected housing need while 32 (including those without necessary stats) are failing to get to the necessary house-building levels. 6 councils out of 36 are presiding over housing construction of less than a third of that needed including Christchurch where just 15% of homes are being started.

Table 2: Housing Starts, comparison with projected housing need 2008-2033[2]

Rank	Local Authority	Starts 2011/12	Household Projections p.a.	%household projections currently being started
1	Forest of Dean	410	360	114
2	Cotswold	430	400	108
3	North Dorset	250	240	104
4	Tewkesbury	360	360	100
5	Stroud	400	440	91
6	Bournemouth UA	380	440	86
7	Taunton Deane	410	520	79
8	South Somerset	620	800	78
9	Mendip	370	520	71
10	Bath & North East Somerset UA	**540**	800	68
11	Gloucester	360	560	64
12	Cornwall UA	**1770**	2800	63
13	Wiltshire UA	**1360**	2160	63
14	Mid Devon	270	440	61
15	South Hams	170	320	53
16	Teignbridge	310	640	48
17	East Dorset	150	320	47
18	Plymouth UA	480	1040	46
19	East Devon	360	800	45
20	South Gloucestershire UA	**720**	1600	45
21	Purbeck	70	160	44
22	Poole UA	200	480	42
23	Swindon UA	550	1400	39
24	West Dorset	170	440	39
25	Torbay UA	230	600	38
26	West Somerset	60	160	38
27	Torridge	160	480	33
28	North Devon	120	400	30
29	Exeter	120	480	25
30	North Somerset UA	**410**	1800	23
31	Cheltenham	110	520	21
32	West Devon	60	320	19
33	Christchurch	30	200	15
34	Sedgemoor	..	n/a	n/a
35	Weymouth and Portland	..	n/a	n/a
36	Bristol, City of UA	..	n/a	n/a
	South West	**12,410**	**23000**	54

[2] Throughout this report, if figures are not available but are complete for an adjacent year that year's figures will be used

Table 3: Planned Housing Growth

Table 3
This table reveals the South West local authorities' plans for future housing and compares them with both their original Regional Spatial Strategy (RSS) numbers and government household projections. These are the most up-to-date and comprehensive statistics available and are taken from either adopted core strategies or local authorities' emerging plans (where available).

Across the South West there has been a 20% reduction in planned housing numbers from the RSS figures and a 15% shortfall when judged against household projections. Over the RSS period this will mean a reduction in homes built of over 115,000.

Some areas have cut planned housing numbers severely with Purbeck and Tewkesbury both reducing planned housing by more than 60% and Bath and North East Somerset and North Somerset local authorities reducing plans by almost 50%. This report does not set out to affirm the original RSS figures and there may well be satisfactory reasons for reductions particularly where other local authorities are prepared to make up the shortfall. For instance, Tewkesbury has flooding issues when planning future housing growth. Nevertheless it is concerning that there have been such widespread reductions.

The two sets of figures also demonstrate that the RSS proposals and household projections do not always correspond with each other and that it can be difficult to correctly identify accurately future housing need. There can be no doubt however that the indicators in the tables in this report point to high housing need/shortage in the region.

Table 3: Planned Housing Growth

Local Authorities	Adopted Core Strategy / Emerging Plan Housing Numbers	Adopted Core Strategy / Emerging Plan Annual Average	SW RSS Annual Average	Household projections	Annual difference between RSS and new plans	% Annual difference between RSS and new plans	Annual difference between HP and new plans	% difference between HP and new plans
Bath & North East Somerset Council	11000	550	1065	800	-515	-48	-250	-31
Borough of Poole Council	14000	700	500	480	200	40	220	46
Bournemouth Borough Council	14600	730	805	440	-75	-9	290	66
Bristol City Council	26400	1320	1825	3440	-505	-28	-2120	-62
Cheltenham Borough Council	10050	503	405	520	98	24	-18	-3
Christchurch Borough Council	3020	201	173	200	28	16	1	1
Cornwall Council	48000	2400	3410	2800	-1010	-30	-400	-14
Cotswold District Council	Early stages	Early Stages	n/a	n/a	n/a	n/a	n/a	n/a
East Devon District Council	15000	750	855	800	-105	-12	-50	-6
East Dorset District Council	5250	350	320	320	30	9	30	9
Exeter City Council	12000	600	750	480	-150	-20	120	25
Forest of Dean District Council	6200	310	310	360	0	0	-50	-14
Gloucester City Council	13750	688	575	560	113	20	128	23
Mendip District Council	9130	457	415	520	42	10	-64	-12
Mid Devon District Council	6800	340	370	440	-30	-8	-100	-23

North Devon District Council	10900	545	545	400	0	0	145	36
North Dorset District Council	7000	350	350	240	0	0	110	46
North Somerset Council	14000	700	1338	1800	-638	-48	-1100	-61
Plymouth City Council	17250	1150	1650	1040	-500	-30	110	11
Purbeck District Council	2400	92	258	160	-166	-64	-68	-42
Sedgemoor District Council	10605	505	510	600	-5	-1	-95	-16
South Gloucestershire Council	26400	1320	1640	1600	-320	-20	-280	-18
South Hams District Council	8350	557	615	320	-58	-9	237	74
South Somerset District Council	16600	830	985	800	-155	-16	30	4
Stroud District Council	9350	468	455	440	13	3	28	6
Swindon Borough Council	25000	1250	1710	1400	-460	-27	-150	-11
Taunton Deane Borough Council	17000	850	1090	520	-240	-22	330	63
Teignbridge District Council	10000	500	795	640	-295	-37	-140	-22
Tewkesbury Borough Council	5630	282	730	360	-449	-61	-79	-22
Torbay Council	10000	500	750	600	-250	-33	-100	-17
Torridge District Council	10700	535	535	480	0	0	55	11
West Devon Borough Council	4400	220	220	320	0	0	-100	-31
West Dorset District Council	Early stages	Joint with W&P	n/a	n/a	n/a	n/a	n/a	n/a
West Somerset District Council	2500	125	125	160	0	0	-35	-22
Weymouth & Portland Borough Council	Early stages	Joint with WDDC	n/a	n/a	n/a	n/a	n/a	n/a
Wiltshire Council	37000	1850	2220	2160	-370	-17	-310	-14
South West	**440285**	**22526**	**28299**	**26200**	**-5773**	**-20**	**-3674**	**-14**
Over 20 year RSS period					**-115464**		**-73484**	

Table 4: Social Housing Waiting List (Changes over the last ten years)

Table 4
In the ten years since 2001 the number of families on social housing waiting lists across the South West of England has more than doubled from 90,000 to 186,000. The increased need for social and affordable housing is the symptom of a deeper lack of housing supply in general.

Only 2 local authorities out of 36 have decreased the size of their waiting lists over the last decade, 16 more have seen increases between 6% and 98% while 18 – half the total - have presided over rises of more than 100%.

Plymouth, Bournemouth and West Dorset have seen the largest rises of 373%, 396% and 433% respectively.
More populous areas with huge increases include Cornwall which has 10,464 more families (an increase of 194%) and Swindon which has 9,661 more families (an increase of 272%) waiting for social housing.

Table 4: Social Housing Waiting List (Changes over the last ten years)

Rank	Social Housing Waiting List	Social Housing Waiting List 2001	Social Housing Waiting List 2011	Difference between 2001 & 2011	% difference between 2001 & 2011
1	North Dorset	1,361	1,240	-121	-9
2	Bristol, City of UA	11,853	11,167	-686	-6
3	East Devon	2,863	3,049	186	6
4	Tewkesbury	1,471	1,702	231	16
5	East Dorset	1,869	**2,169**	300	16
6	Torridge	1,106	1,311	205	19
7	Cotswold	1,644	1,952	308	19
8	Gloucester	2,875	3,884	1,009	35
9	South Gloucestershire UA	5,530	7,495	1,965	36
10	West Somerset	997	1,481	484	49
11	Teignbridge	2,189	3,390	1,201	55
12	Poole UA	2,474	4,103	1,629	66
13	Cheltenham	2,335	3,882	1,547	66
14	North Devon	2,059	3,493	1,434	70
15	Wiltshire UA[3]	7,835	13,875	6,040	77
16	Mendip	1,944	3,521	1,577	81
17	Forest of Dean	1,202	2,261	1,059	88
18	North Somerset UA	4,000	7,939	3,939	98
19	Mid Devon	964	1,968	1,004	104
20	Stroud	1,248	2,605	1,357	109
21	Purbeck	784	1,804	1,020	130
22	West Devon	716	1,660	944	132
23	Cornwall UA[3]	7,907	18,371	10,464	132
24	South Somerset	2,357	5,790	3,433	146
25	South Hams	795	1,959	1,164	146
26	Bath & North East Somerset UA	3,521	10,344	6,823	194
27	Christchurch	523	**1,635**	1,112	213
28	Weymouth and Portland	1,316	4,206	2,890	220
29	Swindon UA	3,557	13,218	9,661	272
30	Taunton Deane	1,368	5,248	3,880	284
31	Exeter	2,008	7,791	5,783	288
32	Sedgemoor	1,206	4,752	3,546	294
33	Torbay UA	981	3,966	2,985	304
34	Plymouth UA	2,553	12,065	9,512	373
35	Bournemouth UA	1,624	8,047	6,423	396
36	West Dorset	541	2,883	2,342	433
	South West	**89,576**	**186,226**	**96,650**	**108**

Tables 5 & 6: Median House Prices

Table 5: Median House prices

Rank	Median House Prices – local authority	Q4 2000 - Q3 2001 (£)	Q4 2010 - Q3 2011 (£)
1	Gloucester	73,613	137,150
2	Plymouth UA	61,363	142,119
3	Swindon UA	93,500	150,125
4	Torbay UA	79,738	160,249
5	Sedgemoor	80,363	161,375
6	Bristol, City of UA	86,363	170,750
7	Forest of Dean	82,613	173,238
8	South Somerset	87,475	174,100
9	Taunton Deane	86,313	177,063
10	Weymouth & Portland	85,238	178,375
11	South Gloucestershire UA	93,113	178,688
12	Torridge	85,050	180,363
13	Mid Devon	92,561	181,250
14	Mendip	87,919	181,313
15	North Somerset UA	93,868	184,849
16	Tewkesbury	101,675	185,875
17	North Devon	90,488	186,144
18	Exeter	80,869	186,625
19	Cornwall UA	82,409	187,063
20	West Devon	95,250	187,375
21	West Somerset	94,063	187,625
22	Stroud	99,363	190,437
23	Teignbridge	91,538	193,500
24	Cheltenham	105,813	193,813
25	Bournemouth UA	99,313	194,531
26	North Dorset	109,369	196,306
27	Wiltshire UA	113,750	203,625
28	Poole UA	111,738	207,875
29	East Devon	101,250	223,938
30	West Dorset	116,625	230,000
31	Bath & North East Somerset UA	120,750	230,188
32	Purbeck	121,125	233,500
33	South Hams	112,806	244,125
34	Christchurch	136,750	245,000
35	East Dorset	151,494	260,188
36	Cotswold	138,769	263,500
	South West	**93,113**	**186,125**

Table 4 key
Below National median house prices
Below South West median house prices
Above South West median house prices

Table 5 *shows the average of the last four quarters median house prices in each of the 36 local authorities and gives a comparison with prices in the same period of 2000/1.*

The median house price across the South West of England is £186,125 while the median house price across England is £179,749.

25 South Western local authorities have median house prices above the national average while 20 have median house prices above the regional average.

Table 6 *examines the ratio between median house prices and median earnings in each local authority area in the South West of England – a key indicator of affordability.*
The ratio is 6.55 nationally and 7.55 across the region – i.e. house prices are 7.55 x income in the South West of England.

22 of 36 local authorities have a house price to earnings ratio above the regional average (30 are above the national average).

Table 6: Median house Price to Earnings

Rank	Median House Price to Earnings - local authority	2001	2011
1	Gloucester	3.82	5.23
2	Swindon UA	4.33	5.32
3	Plymouth UA	3.29	5.78
4	Bristol, City of UA	4.32	6.47
5	South Gloucestershire UA	4.37	6.51
6	North Somerset UA	4.70	6.87
7	South Somerset	4.76	7.10
8	Cheltenham	5.26	7.18
9	Tewkesbury	5.22	7.28
10	Exeter	4.07	7.32
11	Sedgemoor	4.71	7.38
12	Torbay UA	4.99	7.45
13	Forest of Dean	4.50	7.47
14	Taunton Deane	4.82	7.47
15	Mendip	5.18	7.57
16	Stroud	5.28	7.65
17	Mid Devon	5.51	7.82
18	Poole UA	5.69	7.85
19	Wiltshire UA	6.43	8.03
20	Bournemouth UA	6.32	8.28
21	Weymouth and Portland	4.80	8.46
22	Cornwall UA	5.16	8.57
23	Teignbridge	5.54	8.71
24	Bath and North East Somerset UA	6.17	8.76
25	West Devon	5.78	8.89
26	Purbeck	6.56	8.99
27	North Devon	6.02	9.08
28	West Dorset	6.70	9.67
29	Christchurch	7.58	9.82
30	North Dorset	6.17	9.89
31	Torridge	6.53	10.01
32	East Devon	6.17	10.51
33	East Dorset	7.94	11.13
34	Cotswold	7.20	11.65
35	South Hams	6.84	11.77
36	West Somerset	n/a	n/a
	South West	**5.00**	**7.55**

Table 5 Key
Below National median house price to salary ratio
Below South West median house price to salary ratio
Above South West median house price to salary ratio

Tables 7 & 8: Lower Quartile House Prices

Table 7: Lower Quartile House Prices

Rank	Lower Quartile House Prices - local authority	Lower Quartile House Price Q4 2000 to Q3 2001 (£)	Lower Quartile House Price Q4 2010 to Q3 2011 (£)
1	Gloucester	49,999	110,609
2	Plymouth UA	39,738	111,366
3	Swindon UA	66,686	115,750
4	Sedgemoor	50,750	120,688
5	Torbay UA	52,500	122,500
6	Forest of Dean	53,812	127,854
7	South Somerset	58,998	133,050
8	Torridge	53,344	133,497
9	Bristol, City of UA	56,863	134,188
10	Taunton Deane	62,788	139,344
11	Stroud	62,238	141,119
12	West Somerset	59,963	141,250
13	Mid Devon	57,887	141,281
14	Weymouth & Portland	57,669	142,313
15	Cornwall UA	53,755	143,625
16	North Devon	59,375	143,919
17	South Gloucestershire UA	66,338	144,184
18	North Somerset UA	62,884	144,488
19	West Devon	58,706	144,562
20	Teignbridge	58,725	144,916
21	Tewkesbury	64,316	145,556
22	Bournemouth UA	63,975	147,438
23	Mendip	60,863	147,625
24	Cheltenham	67,488	147,747
25	Wiltshire UA	71,850	150,563
26	Exeter	56,500	152,281
27	North Dorset	70,500	153,750
28	East Devon	64,819	165,500
29	Poole UA	75,125	166,375
30	Bath and North East Somerset UA	74,838	167,375
31	South Hams	65,969	169,688
32	West Dorset	76,725	169,875
33	Purbeck	77,113	180,625
34	Christchurch	87,375	184,688
35	Cotswold	91,375	187,938
36	East Dorset	99,125	209,019
	South West	**60,000**	**142,250**

Table 7 key
Below National Lower Quartile house prices
Below South West Lower Quartile house prices
Above South West Lower Quartile house prices

Table 7 *shows lower quartile house prices in each of the 36 South West local authorities and gives a comparison with prices in the same period ten years ago.*

Lower quartile priced houses are those most often purchased by first time buyers.

Across the South West the average lower quartile house price is £142,250 while across England this is £123,500. 30 local authorities in the South West have lower quartile house prices above the national average, a further 23 are above the higher regional average.

Table 8 *examines the ratio between lower quartile house price and lower quartile earnings in local authority areas across the region.*

This ratio is currently 6.53 nationwide and 7.84 across the South East.

92% of the South West's local authorities have a house price to earnings ratio above the national average. 11 out of the 36 have ratios of more than 9.

Affordability is particularly low in South Ham, Cotswold and East Dorset where house prices are more than 10x average earnings

Table 8: Lower Quartile House Price to Earnings

Rank	Lower Quartile House Price to Earnings - local authority	2001	2011
1	Swindon UA	4.83	5.73
2	Gloucester	4.33	5.92
3	Plymouth UA	3.46	6.32
4	Bristol, City of UA	4.68	6.87
5	Forest of Dean	4.01	7.12
6	South Somerset	5.12	7.20
7	Torbay UA	5.27	7.45
8	Sedgemoor	4.23	7.52
9	Stroud	5.13	7.57
10	South Gloucestershire UA	4.93	7.64
11	Tewkesbury	5.24	7.65
12	Cheltenham	5.54	7.74
13	Mid Devon	5.20	7.74
14	North Somerset UA	5.26	7.91
15	Taunton Deane	5.68	8.02
16	Weymouth & Portland	5.32	8.06
17	Wiltshire UA	6.24	8.22
18	Exeter	4.73	8.25
19	Bournemouth UA	6.08	8.43
20	Teignbridge	5.19	8.63
21	West Devon	5.52	8.75
22	North Devon	6.05	8.78
23	Poole UA	6.35	8.83
24	Mendip	5.29	8.96
25	Torridge	6.16	9.03
26	Bath & North East Somerset UA	6.18	9.03
27	Cornwall UA	5.20	9.08
28	North Dorset	5.90	9.45
29	East Devon	5.73	9.47
30	Christchurch	8.02	9.56
31	Purbeck	7.69	9.58
32	West Somerset	**5.28**	9.85
33	West Dorset	6.34	9.87
34	South Hams	6.35	10.00
35	Cotswold	6.80	10.81
36	East Dorset	8.27	11.77
	South West	**5.18**	**7.84**

Table 8 Key
Below National Lower Quartile price to earnings ratio
Below South West Lower Quartile price to earnings ratio
Above South West Lower Quartile price to earnings ratio

Table 9: Economic Growth through House Building

Table 9
Throughout the South West of England local authorities are, using the most recent New Homes Bonus allocations based on net additions, due to receive almost £157 million in New Homes Bonus annually from year 6. If the local authorities enabled house building to reach the levels necessary to meet household projections in their areas they would see that funding increased by £79million (50% of the current total) annually.
Where local authorities are already exceeding the household projection numbers they would notionally lose money if they reduced current net addition rates.
Other local authorities, particularly North Devon, Purbeck, and Mid Devon, would see a huge increase in funding (over 200%) if they met household projections. North Somerset and Bristol would also benefit, by £9.7million and £14million each year respectively.

Table 9: Economic Growth through House Building

Rank	local authority	Actual New Homes Bonus (£)		Potential New Homes Bonus (£)		Difference between Potential New Homes Bonus Year 6 & Actual New Homes Bonus Yr 6 (£)	% Difference
		Yr 1	Yr 6	Yr 1	Yr 6		
1	Bournemouth UA	1190196	7141176	633160	3798960	-3342216	-47
2	Exeter	933499	5600997	690720	4144320	-1456677	-26
3	West Devon	568622	3411730	460480	2762880	-648850	-19
4	South Hams	528751	3172503	460480	2762880	-409623	-13
5	North Dorset	363692	2182149	345360	2072160	-109989	-5
6	Weymouth and Portland	214167	1285002	230240	1381440	96438	8
7	Torbay UA	789986	4739917	863400	5180400	440483	9
8	Sedgemoor	772746	4636478	863400	5180400	543922	12
9	Wiltshire UA	2744922	16469533	3108240	18649440	2179907	13
10	Cotswold	503782	3022693	575600	3453600	430907	14
11	Taunton Deane	647745	3886473	748280	4489680	603207	16
12	Tewkesbury	410594	2463566	518040	3108240	644674	26
13	Gloucester	632535	3795211	805840	4835040	1039829	27
14	Cornwall UA	3134920	18809521	4029200	24175200	5365679	29
15	Poole UA	529142	3174855	690720	4144320	969465	31
16	South Somerset	790317	4741903	1151200	6907200	2165297	46
17	Swindon UA	1332046	7992275	2014600	12087600	4095325	51
18	Mendip	492609	2955657	748280	4489680	1534023	52
19	West Somerset	147213	883280	230240	1381440	498160	56
20	Stroud	379931	2279587	633160	3798960	1519373	67
21	Torridge	406950	2441701	690720	4144320	1702619	70
22	Teignbridge	531756	3190536	920960	5525760	2335224	73
23	South Gloucestershire UA	1251220	7507323	2302400	13814400	6307077	84
24	Bristol, City of UA	2611131	15666789	4950160	29700960	14034171	90
25	Bath & North East Somerset UA	606839	3641032	1151200	6907200	3266168	90
26	Forest of Dean	269136	1614818	518040	3108240	1493422	92
27	Plymouth UA	705682	4234090	1496560	8979360	4745270	112
28	West Dorset	277585	1665507	633160	3798960	2133453	128
29	Christchurch	120737	724422	287800	1726800	1002378	138
30	Cheltenham	293285	1759707	748280	4489680	2729973	155
31	East Devon	447830	2686982	1151200	6907200	4220218	157
32	North Somerset UA	929026	5574155	2590200	15541200	9967045	179
33	East Dorset	159568	957408	460480	2762880	1805472	189
34	North Devon	188327	1129963	575600	3453600	2323637	206
35	Purbeck	62966	377793	230240	1381440	1003647	266
36	Mid Devon	154976	929854	633160	3798960	2869106	309
	South West	26124431	156746586	39255920	235535520	78788934	50

Table 10: Job Creation through House Building

Table 10

Increasing house building to meet projected household growth in the South West of England would create more than 16,000 extra local direct jobs and more than 30,000 in the supply chain.

North Somerset would be the biggest beneficiary with 2,085 new jobs created simply by building homes to house future generations. Cornwall, Wiltshire, South Gloucestershire and Swindon would all also see large numbers of local jobs created.

Table 10: Job Creation through House Building

Rank	Local Authority	Starts 2011/12	Direct jobs from current starts	Household projections	Potential jobs from household projections	Extra jobs created
1	Forest of Dean	410	615	360	540	-75
2	Cotswold	430	645	400	600	-45
3	North Dorset	250	375	240	360	-15
4	Tewkesbury	360	540	360	540	0
5	Stroud	400	600	440	660	60
6	Bournemouth UA	380	570	440	660	90
7	Purbeck	70	105	160	240	135
8	West Somerset	60	90	160	240	150
9	Taunton Deane	410	615	520	780	165
10	Mendip	370	555	520	780	225
11	South Hams	170	255	320	480	225
12	Christchurch	30	45	200	300	255
13	East Dorset	150	225	320	480	255
14	Mid Devon	270	405	440	660	255
15	South Somerset	620	930	800	1200	270
16	Gloucester	360	540	560	840	300
17	Bath & North East Somerset UA	540	810	800	1200	390
18	West Devon	60	90	320	480	390
19	West Dorset	170	255	440	660	405
20	North Devon	120	180	400	600	420
21	Poole UA	200	300	480	720	420
22	Torridge	160	240	480	720	480
23	Teignbridge	310	465	640	960	495
24	Exeter	120	180	480	720	540
25	Torbay UA	230	345	600	900	555
26	Cheltenham	110	165	520	780	615
27	East Devon	360	540	800	1200	660
28	Plymouth UA	480	720	1040	1560	840
29	Swindon UA	550	825	1400	2100	1275
30	South Gloucestershire UA	**720**	1080	1600	2400	1320
31	Wiltshire UA	**1220**	1830	2160	3240	1410
32	Cornwall UA	**1770**	2655	2800	4200	1545
33	North Somerset UA	410	615	1800	2700	2085
34	Bristol, City of UA	n/a	n/a	n/a	n/a	n/a
35	Sedgemoor	n/a	n/a	n/a	n/a	n/a
36	Weymouth and Portland	n/a	n/a	n/a	n/a	n/a
	South West	**12270**	**18405**	**2300**	**34500**	**16095**

South West Housing Crisis

The South West of England, like the country as whole, is in the midst of a housing crisis. Housing supply has collapsed by a third alongside decreasing affordability whilst the number of families waiting for social housing has more than doubled. Of greatest concern however is the evidence of planning to address the current shortfall and future housing need, particularly with planning permissions granted a third lower than four years ago. It is critical for future generations that local authorities and local communities take a long-term view of housing in their areas and make efforts to allow construction of the homes the region needs. The statistics from emerging local plans and adopted core strategies are worrying and if maintained mean we will see a reduction of 115,000 homes over the next 20 years.

There are areas that are being proactive in responding to this crisis, notably North Dorset which is enabling the construction of the homes they desperately need. Despite these few brighter spots the overall picture is not good; there is an increasingly serious housing shortfall and housing accessibility problem emerging that needs to be addressed before it creates lasting social and economic damage. Areas like Bath & North East Somerset and North Somerset are at particular risk of neglecting housing growth at the expense of their communities and the local economy but altogether 32 out of 36 local authorities are currently failing to build the homes they need.

Building new homes is vital to economic growth across the region both in terms of central government investment through the New Homes Bonus and increasing local employment but it is also crucial to the creation and maintenance of sustainable communities.

About HBF

The Home Builders Federation (HBF) is the representative body of the home building industry in England and Wales. The HBF's members account for around 80% of all new homes built in England and Wales in any one year, and include companies of all sizes, ranging from multi-national, household names through regionally based businesses to small local companies.

Contact us
Home Builders Federation Ltd
1st Floor Byron House
7-9 St James's Street
London SW1A 1EE
Tel: 020 7960 1620
Fax: 020 7960 1601
Email: info@hbf.co.uk
Website: www.hbf.co.uk

HBF

HOME BUILDERS FEDERATION

"The voice of the home building industry"