

The housing crisis in the North West

The North West is a strong, vibrant region but its acute housing crisis needs to be addressed so it can meet its economic aspirations. While overall house prices are lower than the national average at £166,181 compared to £265,888, in many areas there is a mounting affordability crisis. Homes cost around seven times the average income and in pockets of high value like Eden and South Lakeland, this rises to more than 10 times.

The region is a desirable place to live, but currently nowhere near enough homes are being built to keep up with demand. **Last year 7,480 too few homes were built to keep up with rising demand.** Forecasts show unless urgent action is taken now this housing shortfall will become even more acute, with predictions that 399,000 households will form in the region by 2037.

Fixing the housing crisis in the North West goes beyond increasing the supply of new homes. Parts of the region are also in desperate need of regeneration. **There are 40,461 homes standing empty long term in the North West, the highest of all the regions.** The North West also suffers from poor quality older houses, which do not meet the needs and aspirations of local communities.

Levels of unemployment here are higher than the national average at 7.1% compared to 6.2% nationally and the picture is even starker **in Manchester and Liverpool where unemployment levels soar to 9.5% and 12% respectively.** Yet work is no guarantee of being able to pay for housing costs, with nearly a fifth of all housing benefit claimants in the region being employed.



Solving the housing crisis

Britain is in the midst of a housing crisis that has been a generation in the making. This is experienced differently across the country and requires a range of interventions rather than a single solution.

It was no surprise that housing was a top five vote-deciding issue at the last election. The public is demanding action and the Government is responding with a range of initiatives designed to increase supply and help people get a foot on the property ladder.

We have a once in a generation opportunity to tackle the housing crisis and deliver the homes the country so desperately needs. Public attitudes towards housebuilding have shifted and now twice as many people support more new homes being built in their local area. The devolution agenda also provides promising new opportunities for addressing England's housing challenges on a local level.

Housing associations are a key part of the solution to our housing crisis. They are amongst the most successful public private partnerships in Britain's history, securing £75bn in private investment since the Conservative Government's Housing Act in 1988. For every £1 invested by the taxpayer, associations put in £6 of their own money. They invest in communities, house five million people in England and built 50,000 homes last year, 40% of all new homes in the country and one third of all new homes over the last Parliament. Housing associations work to make home ownership more affordable, having helped over 275,000 people to buy their own home over the last 30 years and want to help even more.

By providing secure homes for all we can build a foundation on which anyone and everyone can make a better life for themselves and thousands more people can achieve their aspiration of a home to call their own. We can close the gap between the 'haves' and 'have nots' and end the housing crisis within a generation.

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HOME TRUTHS 2015/16

The housing market in the North West



North West



	Average (mean) house prices in 2014 ¹	Average (mean) monthly private sector rents in 2013/2014 ²	Mean annual earnings in 2014 ³	Ratio of house prices to incomes ^{1,3}	Income required for 80% mortgage 2014 (80% at 3.5x) ¹	% of housing benefit claimants in employment in Feb 2015 ⁴	Unemployment rate (Dec 2014) ⁵	Four-year shortfall 2011-2014 ⁶	Second homes ⁷	All long-term vacant stock ⁸	Total HA rented homes 2014 ⁹
ENGLAND	£265,888	£720	£26,499	10.0	£60,774	23.8%	6.2%	-515,340	251,518	205,821	2,573,781
NORTH WEST	£166,181	£532	£24,305	6.8	£37,984	18.5%	7.1%	-36,160	27,055	40,461	501,290
Blackburn with Darwen	£117,866	£469	£21,263	5.5	£26,941	16.4%	8.2%	315	152	1,248	11,755
Blackpool	£108,222	£491	£17,638	6.1	£24,736	18.5%	8.7%	27	553	1,554	2,282
Halton	£145,829	£533	£22,807	6.4	£33,332	15.3%	7.2%	419	62	473	14,283
Warrington	£186,326	£563	£27,040	6.9	£42,589	22.7%	4.6%	-2,466	468	807	15,149
Cheshire East	£239,295	£651	£32,287	7.4	£54,696	23.5%	4.2%	-2,332	1,097	1,736	20,080
Cheshire West and Chester	£209,000	£594	£26,140	8.0	£47,771	21.3%	5.0%	146	950	1,776	17,969
Cumbria	£172,783	£504	£23,410	7.4	£39,493	18.2%	5.5%	-363	8,288	4,030	30,612
Allerdale	£169,752	£488	£23,863	7.1	£38,801	17.4%	5.7%	397	1,250	784	8,673
Barrow-in-Furness	£120,848	£475	£22,355	5.4	£27,622	14.6%	7.6%	-303	341	592	798
Carlisle	£145,853	£458	£21,362	6.8	£33,338	18.3%	5.0%	36	500	539	7,828
Copeland	£134,411	£498	£29,500	4.6	£30,722	15.9%	6.1%	-125	933	659	6,158
Eden	£201,770	£548	£19,542	10.3	£46,119	22.4%	2.9%	-107	1,360	499	2,595
South Lakeland	£240,184	£602	£23,878	10.1	£54,899	24.4%	3.2%	-261	3,904	957	4,560
Greater Manchester	£160,709	£542	£23,665	6.8	£36,733	19.5%	7.7%	-23,653	10,386	12,280	195,111
Bolton	£134,807	£472	£22,568	6.0	£30,813	17.9%	7.3%	-2,603	690	1,585	26,114
Bury	£153,335	£512	£24,752	6.2	£35,048	20.0%	6.4%	-2,166	376	877	4,695
Manchester	£154,813	£575	£22,532	6.9	£35,386	21.0%	9.5%	-2,419	5,739	1,996	53,092
Oldham	£134,661	£503	£22,105	6.1	£30,780	21.0%	8.4%	-1,104	208	1,254	18,901
Rochdale	£133,424	£485	£23,421	5.7	£30,497	16.5%	8.8%	-219	391	1,046	21,527
Salford	£138,523	£577	£23,254	6.0	£31,662	18.5%	8.1%	-4,249	1,165	913	21,618
Stockport	£205,709	£639	£25,797	8.0	£47,019	19.8%	5.5%	-2,997	705	1,159	7,126
Tameside	£128,696	£506	£21,138	6.1	£29,416	19.3%	6.9%	-1,976	193	1,152	22,115
Trafford	£250,547	£802	£28,324	8.8	£57,268	21.6%	5.5%	-2,815	590	617	16,228
Wigan	£128,516	£477	£23,140	5.6	£29,375	18.1%	6.7%	-3,105	329	1,681	3,695
Lancashire	£158,177	£507	£24,024	6.6	£36,155	18.7%	6.1%	-7,514	3,074	8,029	56,334
Burnley	£96,598	£436	£22,573	4.3	£22,080	17.1%	9.2%	n/a	157	1,116	5,871
Chorley	£177,270	£543	£24,019	7.4	£40,519	19.8%	4.1%	179	151	563	6,649
Fylde	£200,876	£589	£27,284	7.4	£45,915	20.9%	4.3%	-565	652	506	2,680
Hyndburn	£100,365	£443	£21,632	4.6	£22,941	16.2%	7.9%	-497	59	901	4,932
Lancaster	£162,633	£487	£23,873	6.8	£37,173	18.9%	6.5%	-1,736	735	923	2,716
Pendle	£115,258	£443	£23,000	5.0	£26,345	18.1%	7.4%	-1,051	202	1,022	4,525
Preston	£142,030	£466	£20,878	6.8	£32,464	19.8%	6.9%	-1,296	279	832	11,659
Ribble Valley	£228,173	£623	£30,389	7.5	£52,154	16.8%	3.7%	-250	190	206	2,023
Rossendale	£135,655	£469	£23,275	5.8	£31,007	15.5%	6.5%	-377	147	543	4,704
South Ribble	£167,123	£574	£24,476	6.8	£38,200	22.1%	4.6%	-990	97	461	5,203
West Lancashire	£192,904	£565	£25,423	7.6	£44,092	18.1%	5.7%	-432	84	641	1,420
Wyre	£160,460	£555	£24,034	6.7	£36,677	20.7%	4.3%	-990	321	315	3,952
Merseyside	£148,924	£497	£24,014	6.2	£34,040	15.9%	10.0%	-739	2,025	8,528	137,715
Knowsley	£122,593	£565	£22,464	5.5	£28,021	15.9%	9.7%	215	53	803	18,393
Liverpool	£134,908	£424	£24,164	5.6	£30,836	14.5%	12.0%	1,267	217	2,978	58,951
St. Helens	£133,258	£498	£22,682	5.9	£30,459	15.4%	10.0%	-608	695	971	17,818
Sefton	£166,083	£556	£23,644	7.0	£37,962	17.5%	7.5%	-934	359	1,729	19,684
Wirral	£167,017	£541	£25,506	6.5	£38,175	17.8%	7.9%	-679	701	2,047	22,869

1. Land registry 2014

2. VOA Private sector rents 2013/14

3. ASHE Income table 8.1a 2014 all employees

4. DWP Stat Explore Feb 2015

5. ONS Model Based Estimates of Unemployment Dec 2014

6. Housing Need based on Holmans / TCPA projections weighted by DCLG household projections to a local level; Delivery figures compiled from DCLG

Live Table 253a

7. Council tax base local authority level data 2014

8. DCLG Table 615 Vacant dwellings

9. HCA Statistical Data Return