



HOME TRUTHS 2015/16

The housing market in the South East



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.

Contact:
 National Housing Federation, Lion Court
 25 Procter Street, London WC1V 6NY
 T: 020 7067 1010 E: info@housing.org.uk [#housingcrisis](https://twitter.com/housingcrisis)

The housing crisis in the South East

There is an acute housing crisis in the South East. **House prices in the region are the highest outside of London with an average home costing £312,242, nearly 11 times the average salary.** However, the region is polarised, with house prices ranging from nearly £700,000 in Elmbridge compared to just over £180,000 in Hastings.

While average earnings in the region are £2,538 higher than the national average at £29,037, the increasing cost of housing makes home ownership completely unaffordable for many.

The cost of renting privately is also becoming less affordable compared to average pay packets. **The average cost of renting is now £864 a month, and in some parts of the region, these costs swallow up more than half of local incomes.**

Work is no guarantee of being able to pay for your housing costs, with more than a quarter of all housing benefit claimants in the region being employed.

Currently only **around half the number of new homes needed to meet demand are being built.** Unless more homes are built, this problem is set to become more acute as the total number of households in the region is expected to grow by 819,000 by 2037. The total number of homes needed in 2014/15 in the South East was 41,700. Only 21,890 were built leaving a shortfall of 19,810 homes.



From 2014 to 2015
19,810 fewer homes

were built in the South East than were needed

An average home costs
11x
 the average salary

28%
 of South East housing benefit claimants are employed

Footnotes to the table overleaf

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

South East



	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
SOUTH EAST	£312,242	£864	£29,037	10.8	£71,370	27.6%	4.8%	-85,420	41,487	23,956	366,907
Bracknell Forest	£308,847	£1,102	£29,775	10.4	£70,594	29.0%	4.0%	-1,600	205	264	8,417
Brighton and Hove	£332,077	£1,102	£26,718	12.4	£75,903	27.5%	6.2%	-2,907	1,810	696	7,446
Isle of Wight	£206,606	£595	£22,979	9.0	£47,224	24.3%	7.4%	-870	3,690	762	7,390
Medway	£192,017	£662	£27,071	7.1	£43,890	23.7%	7.4%	-3,306	366	1,004	6,214
Milton Keynes	£233,769	£757	£28,184	8.3	£53,433	29.8%	6.4%	-1,956	804	457	13,690
Portsmouth	£186,519	£702	£23,405	8.0	£42,633	26.1%	7.2%	-1,711	1,056	660	6,894
Reading	£256,143	£857	£27,929	9.2	£58,547	32.7%	5.5%	75	944	487	5,350
Slough	£240,198	£802	£26,619	9.0	£54,902	39.8%	6.8%	-2,856	442	160	4,456
Southampton	£185,832	£736	£23,421	7.9	£42,476	26.6%	6.9%	-1,284	921	606	8,315
West Berkshire	£323,816	£829	£30,025	10.8	£74,015	28.1%	3.2%	-2,065	454	317	9,384
Windsor and Maidenhead	£501,261	£1,342	£36,982	13.6	£114,574	29.7%	3.6%	-1,771	844	619	7,867
Wokingham	£367,171	£1,046	£33,649	10.9	£83,925	30.0%	3.2%	-2,954	368	437	2,067
Buckinghamshire	£395,541	£1,044	£32,453	12.2	£90,409	30.0%	4.0%	-1,574	704	1,392	29,752
Aylesbury Vale	£294,957	£790	£29,604	10.0	£67,419	30.5%	3.8%	-362	93	255	11,131
Chiltern	£519,791	£1,306	£37,092	14.0	£118,809	29.9%	3.6%	-240	220	418	5,026
South Bucks	£645,637	£1,530	£33,935	19.0	£147,574	23.9%	3.2%	-808	166	292	3,848
Wycombe	£362,302	£1,014	£32,708	11.1	£82,812	31.3%	4.7%	-164	225	427	9,747
East Sussex	£263,012	£697	£25,938	10.1	£60,117	25.4%	5.0%	-5,522	4,311	1,996	17,982
Eastbourne	£214,132	£657	£23,010	9.3	£48,944	26.5%	7.1%	-1,491	1,100	320	2,611
Hastings	£181,683	£550	£20,888	8.7	£41,527	19.8%	8.1%	-945	637	591	6,143
Lewes	£302,277	£855	£27,711	10.9	£69,092	29.4%	4.9%	-1,854	365	231	1,890
Rother	£266,472	£672	£24,549	10.9	£60,908	24.2%	5.2%	-1,603	1,410	377	4,563
Wealden	£318,880	£892	£30,139	10.6	£72,887	30.4%	3.8%	371	799	477	2,775
Hampshire	£292,829	£849	£28,610	10.2	£66,932	27.0%	2.9%	-7,596	4,418	2,880	62,121
Basingstoke and Deane	£276,819	£804	£32,027	8.6	£63,273	28.5%	3.8%	-2,179	184	434	14,096
East Hampshire	£354,401	£867	£30,519	11.6	£81,006	27.3%	3.7%	-526	341	193	6,197
Eastleigh	£247,068	£798	£26,520	9.3	£56,473	31.3%	3.1%	-764	176	255	6,976
Fareham	£255,964	£777	£28,813	8.9	£58,506	30.1%	3.2%	-1,079	283	161	1,951
Gosport	£181,759	£661	£24,716	7.4	£41,545	26.6%	5.1%	-631	236	211	3,271
Hart	£381,311	£1,018	£35,521	10.7	£87,157	31.5%	2.9%	-676	143	208	3,376
Havant	£241,086	£740	£25,626	9.4	£55,105	21.7%	6.0%	-262	451	262	5,510
New Forest	£317,977	£817	£25,168	12.6	£72,681	26.3%	3.4%	-2,806	1,767	400	3,608

	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
Rushmoor	£235,091	£786	£27,113	8.7	£53,735	25.6%	4.6%	-98	194	224	6,614
Test Valley	£294,846	£934	£27,425	10.8	£67,393	29.1%	3.4%	751	248	194	7,725
Winchester	£404,321	£1,070	£31,179	13.0	£92,416	25.3%	2.8%	674	395	338	2,797
Kent	£262,142	£739	£27,492	9.5	£59,918	24.7%	5.4%	-21,546	8,104	4,458	60,887
Ashford	£260,863	£763	£25,917	10.1	£59,626	26.1%	5.1%	-2,182	468	250	2,855
Canterbury	£251,205	£802	£26,556	9.5	£57,418	24.2%	5.8%	-2,060	1,093	403	2,913
Dartford	£240,067	£747	£28,626	8.4	£54,872	27.9%	4.7%	-742	104	169	2,251
Dover	£215,391	£536	£26,572	8.1	£49,232	22.6%	8.1%	-1,056	1,168	436	2,669
Gravesham	£232,446	£694	£24,549	9.5	£53,131	27.0%	6.3%	-1,490	66	145	1,785
Maidstone	£255,085	£734	£27,487	9.3	£58,305	26.3%	4.9%	-2,096	161	323	9,178
Sevenoaks	£433,317	£1,345	£36,171	12.0	£99,044	24.2%	3.7%	-1,722	287	330	7,232
Shepway	£218,633	£565	£24,903	8.8	£49,973	21.4%	5.8%	-1,058	1,041	608	2,097
Swale	£202,640	£655	£25,106	8.1	£46,318	22.3%	6.2%	-2,953	1,690	405	8,708
Thanet	£192,676	£551	£20,327	9.5	£44,040	23.1%	10.1%	-1,961	1,451	748	4,961
Tonbridge and Malling	£327,182	£976	£29,526	11.1	£74,785	26.5%	3.9%	-1,890	227	307	8,852
Tunbridge Wells	£355,786	£915	£33,696	10.6	£81,322	29.2%	4.1%	-2,336	348	334	7,386
Oxfordshire	£346,505	£994	£28,610	12.1	£79,201	29.4%	3.3%	-2,348	2,795	1,354	33,933
Cherwell	£284,401	£818	£26,094	10.9	£65,006	30.1%	3.6%	-1,990	412	276	7,829
Oxford	£425,389	£1,113	£26,536	16.0	£97,232	29.0%	4.6%	n/a	1,001	212	5,753
South Oxfordshire	£392,637	£946	£32,292	12.2	£89,746	29.3%	2.9%	245	351	337	7,120
Vale of White Horse	£328,400	£928	£30,285	10.8	£75,063	29.8%	3.6%	-173	265	297	7,130
West Oxfordshire	£322,219	£914	£28,444	11.3	£73,650	28.9%	3.2%	-1,601	766	232	6,101
Surrey	£451,398	£1,190	£35,038	12.9	£103,177	29.6%	4.7%	-13,495	2,851	3,295	40,132
Elmbridge	£681,856	£1,579	£43,508	15.7	£155,853	31.4%	3.4%	-1,045	403	533	5,946
Epsom and Ewell	£414,312	£1,224	£32,942	12.6	£94,700	34.4%	2.9%	-586	1	209	2,902
Guildford	£451,560	£1,257	£34,320	13.2	£103,214	28.3%	3.6%	-1,860	334	387	2,897
Mole Valley	£468,390	£1,187	£34,320	13.6	£107,061	25.5%	2.9%	-1,205	337	245	4,662
Reigate and Banstead	£402,807	£1,006	£36,182	11.1	£92,070	31.2%	3.9%	-2,335	332	341	8,030
Runnymede	£418,968	£1,252	£30,800	13.6	£95,764	26.2%	3.9%	-1,607	189	188	1,671
Spelthorne	£323,153	£1,067	£31,008	10.4	£73,864	29.4%	4.2%	-883	163	176	5,861
Surrey Heath	£382,773	£1,139	£32,510	11.8	£87,491	27.5%	3.6%	-432	197	86	3,553
Tandridge	£428,750	£1,181	£32,292	13.3	£98,000	31.8%	3.8%	-1,255	247	274	1,328
Waverley	£481,584	£1,052	£36,868	13.1	£110,076	27.5%	3.7%	-1,493	398	512	1,707
Woking	£388,294	£1,126	£34,830	11.1	£88,753	31.4%	4.0%	-794	250	344	1,575
West Sussex	£303,851	£815	£26,920	11.3	£69,452	30.0%	4.5%	-10,135	6,400	2,112	34,610
Adur	£264,512	£759	£24,362	10.9	£60,460	27.5%	5.1%	-874	162	102	1,128
Arun	£260,867	£744	£22,760	11.5	£59,627	30.3%	4.2%	-2,301	1,578	506	3,638
Chichester	£384,654	£892	£25,329	15.2	£87,921	28.5%	3.9%	-1,103	3,249	324	8,023
Crawley	£239,407	£870	£27,310	8.8	£54,722	34.2%	5.3%	-2,116	300	57	2,932
Horsham	£360,009	£980	£31,574	11.4	£82,288	28.5%	3.7%	-1,116	366	315	7,177
Mid Sussex	£336,331	£934	£29,437	11.4	£76,876	31.7%	2.9%	-648	264	421	6,806
Worthing	£243,182	£675	£25,272	9.6	£55,584	27.2%	4.7%	-1,976	481	387	4,906