

# The Housing Report

Edition 1, October 2011



**NATIONAL  
HOUSING  
FEDERATION**

**Shelter**

**The Chartered Institute of Housing**

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**Shelter**

Shelter believes everyone should have a home. We help people find and keep a home. We campaign for decent housing for all.

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## Introduction

Since coming to power in May 2010, the coalition Government has taken a big bang approach to reform, announcing significant changes to the planning system, welfare, investment, and social tenure, with the overall aim being to 'meet people's housing aspirations'.<sup>1</sup>

It has its work cut out. House building is at its lowest level for decades, households across all tenures report that they struggle to afford their housing, and the average age of a first-time buyer has been forecast to rise to 43.<sup>2</sup> Meanwhile our population is both growing and ageing, millions of people are waiting for social housing, vulnerable people face huge cuts in support and homelessness is rising.

This is the background to *The Housing Report*, which by collating and presenting the facts, seeks to establish whether the Government's approach to housing is helping, and to ensure housing policy remains at the heart of political debate over the course of the Parliament.

Governments make many pledges about what they aim to achieve in office but too often they escape being held to account. In *The Housing Report*, we have studied the objectives set out by ministers and their departments in each major policy area affecting the sector, and used the most relevant data for England to establish what has been achieved and where more attention and greater effort is required.

Wherever possible, we have used official data and statistics, or sources of information that Government itself has relied upon in the past, using the 2010/11 financial year as a baseline and providing historical data for context. In doing so, we have tried to build an objective account of what has changed since the current administration came to power. We have also added our own assessment of the extent to which such changes may be considered progress.

Ministers may argue that 18 months is not long enough for many of their planned measures to have taken effect. We acknowledge the time lag inherent in any policy, funding and legislative changes. But plenty of reforms, from the suspension of regional spatial strategies to cuts to housing benefit, have already been enacted, and are already effecting real change to people's lives. We therefore believe enough time has passed to begin plotting the Government's record.

We hope the results of our work will be useful to anyone with an interest in the future of housing, whether they be politicians, academics, journalists or those working within the sector, which recognises its own role in providing sufficient homes for the millions of people who will need them in the coming years.

We will return with further editions of *The Housing Report* over the duration of the Parliament, and with each report we will be able to draw on additional data, providing a fuller assessment. Where there is evidence of progress, we will acknowledge and applaud it, and where we see failure and evidence of ineffective policy we will highlight it. Shining a light on the Government's record is only the first step in addressing the housing crisis, but it is a vital one.

**David Orr**, National Housing Federation  
**Grainia Long**, Chartered Institute of Housing  
**Campbell Robb**, Shelter

1 DCLG Business Plan 2011-2015. Page 2, November 2010: [www.communities.gov.uk/publications/corporate/businessplan2010](http://www.communities.gov.uk/publications/corporate/businessplan2010)

2 Home Truths 2010, National Housing Federation report: [www.housing.org.uk/publications/find\\_a\\_publication/general/home\\_truths\\_2010\\_-\\_england.aspx](http://www.housing.org.uk/publications/find_a_publication/general/home_truths_2010_-_england.aspx)

## Summary of findings

Is the Government delivering on its stated objectives? We assessed its performance under ten main headings. For simplicity, we chose to illustrate the Government's direction of travel with a traffic light system: GREEN for going forward, AMBER for no progress and RED where things are getting worse. An empty light indicates that insufficient data is available to inform a judgement.

The headline findings are reproduced below:

### 1. Housing supply

Total new housing starts and completions remain at historically low levels, and public investment in new affordable housing has been severely reduced.



### 2. Planning

The scrapping of Regional Spatial Strategies has reduced the amount of homes in the planning pipeline, and it remains to be seen whether the new National Planning Policy Framework will improve matters.



### 3. Overcrowding

The data on overcrowding does not yet cover the period since the election, and it is too early to judge whether Government policies on tenure, allocations and homelessness will have the desired effect.



### 4. Homelessness

The numbers of households accepted as homeless and in priority need has increased, as has the use of Temporary Accommodation. A welcome change to the way data is collected means no assessment of rough sleeping is possible at this time.



### 5. Evictions, repossessions and arrears

Repossessions are up, though the number of homeowners in arrears has fallen.



### 6. Help with housing costs

Cuts to housing benefit are already impacting on many lower income households, and may have further unintended consequences.



### 7. Empty homes

The number of empty homes is falling, and the New Homes Bonus should incentivise councils to do more to bring empties back into use.



### 8. Mobility

The number and proportion of social lets that go to existing tenants has risen, suggesting that mobility within the social sector is improving.



### 9. Affordability of the private rented sector

Increased demand means private rents are high and rising, and it is not yet clear that reductions in Local Housing Allowance rates will reduce rent levels.



### 10. Home ownership

House prices are still quite volatile, the number of buyers is still falling, and affordability shows little sign of improving.



## 1 Housing supply

House building is at its 'lowest peacetime level since 1924'.<sup>3</sup> Ministers have rightly set out pledges to turn around this abysmal state of affairs. Housing Minister Grant Shapps told a Commons committee: 'Building more homes in this country is the gold standard upon which we shall be judged. The idea is to get a system which delivers housing in this country.'<sup>4</sup> The minister has also argued that 'Getting house-building going is essential to increasing the pace of economic growth.'<sup>5</sup>

Specific Government policies to help increase supply include use of public sector land, the new homes bonus, a new investment framework for affordable housing and reforms to the planning system (see Chapter 2).

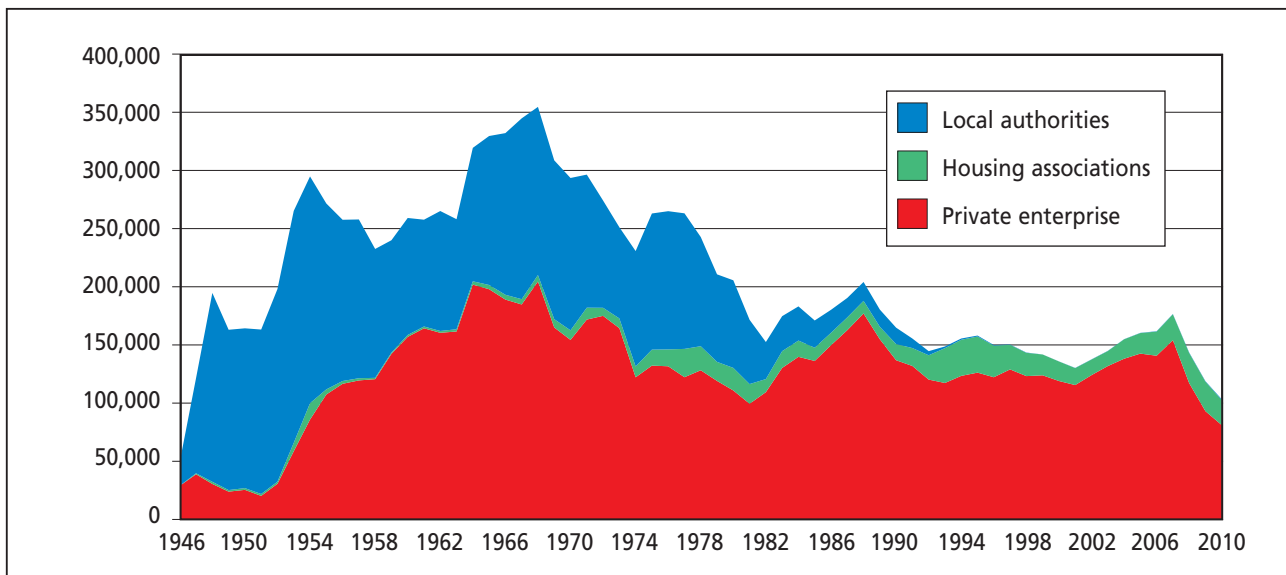
We looked at two indicators – the number of new homes built overall and, within that total, the number of new affordable homes built.

### 1.1: New homes built overall

The number of new homes built has fallen dramatically in the past five years. In 2010, the latest full year for which figures are available and the year in which the coalition Government came to power, this trend continued, with just 102,730 homes built – down more than 15,000 from the previous year.

It is clear that over the last 30 years the decline in building new local authority homes has not been replaced by new homes from other sources. More recently the dramatic reduction in new homes built by private developers has seen numbers drop well below the level of the last decade or so.

Graph 1a: New build by tenure (England)



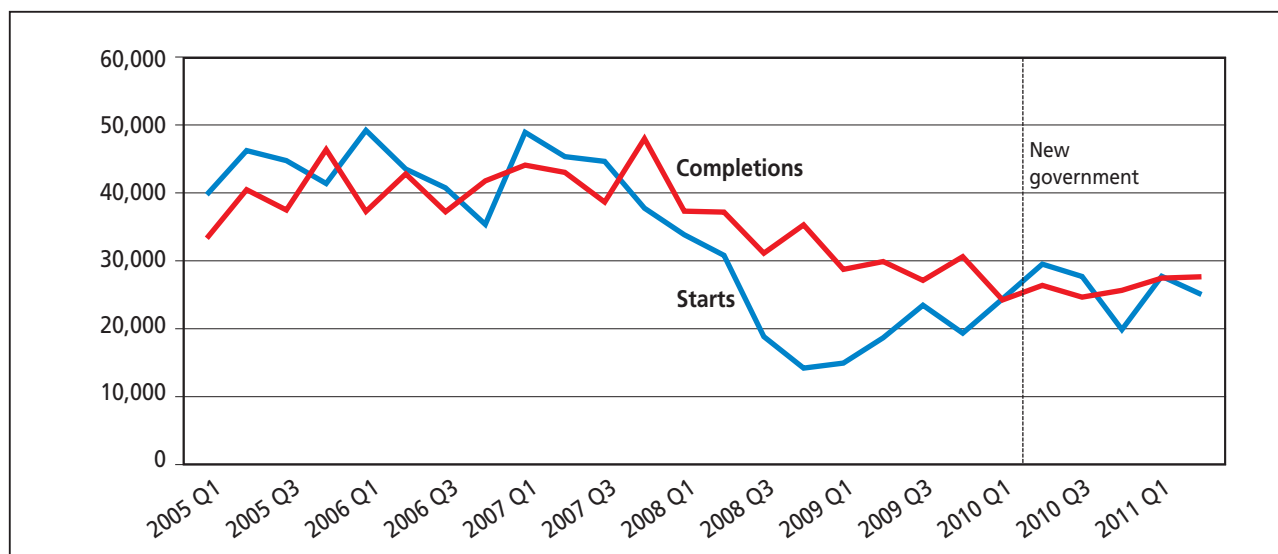
Source: DCLG Live Table 209.

The decline in new build starts and completions recorded following the credit crunch and recession is severe even by recent historical standards, as Graph 1b shows.

<sup>3</sup> DCLG press release, 17 February 2011: [www.communities.gov.uk/news/corporate/1846706](http://www.communities.gov.uk/news/corporate/1846706)

<sup>4</sup> DCLG Select Committee, 13 September 2010: [www.publications.parliament.uk/pa/cm201011/cmselect/cmcomloc/uc453-i/uc45301.htm](http://www.publications.parliament.uk/pa/cm201011/cmselect/cmcomloc/uc453-i/uc45301.htm)

<sup>5</sup> Speech to Home Builders Federation Annual Lunch, 10 May 2011: [www.communities.gov.uk/speeches/planningandbuilding/1898439](http://www.communities.gov.uk/speeches/planningandbuilding/1898439)

**Graph 1b: Starts and completions (England)**

Source: DCLG Live Table 213.

## 1.2: Affordable homes built

The Government initially committed to building 'up to 150,000 new affordable homes for the spending review period',<sup>6</sup> which lasts until the end of March 2015. In July, following the Homes and Communities Agency's invitation for proposals under the Government's Affordable Homes Programme for 2011-15, Housing Minister Grant Shapps upgraded this commitment, announcing: 'I now believe that we will be able to deliver up to 170,000 new affordable homes'.<sup>7</sup> Table 1a shows the total number of affordable housing completions increased in the first year of the new administration.

**Table 1a: Total number of new affordable homes completed (England)**

Period	Social rent	Intermediate rent*	Low cost home ownership	Total
2009/10	30,877	1,933	20,159	52,969
<b>2010/11</b>	<b>36,660</b>	<b>2,470</b>	<b>16,726</b>	<b>55,856</b>

Source: HCA.

Notes: Figures include homes funded by the Homes and Communities Agency in England, the National Affordable Housing Programme, the Kickstart Housing Delivery Programme, the Local Authority New Build Programme and the Property and Regeneration Programme. \*Intermediate rent will eventually include homes built under the Government's 'affordable rent' programme, and let at up-to-80% of market rates.

### Analysis

An assessment by the National Housing and Planning Advice Unit showed that a minimum of 240,000 homes would be needed annually by 2016 to keep pace with demand.<sup>8</sup> A similar assessment by Shelter concluded that 242,000 additional dwellings were required each year to meet identified requirements and ensure reasonable flexibility.<sup>9</sup>

6 DCLG Business Plan 2011-2015, page 20, November 2010: [www.communities.gov.uk/publications/corporate/businessplan2010](http://www.communities.gov.uk/publications/corporate/businessplan2010)

7 Written Statement: Affordable Homes Programme 2011-15: [www.communities.gov.uk/statements/corporate/affordablehomes201115](http://www.communities.gov.uk/statements/corporate/affordablehomes201115)

8 NHPAU, 26 June 2008: [www.communities.gov.uk/archived/general-content/nhpau/newsroom/2008/housingsupplyrange/](http://www.communities.gov.uk/archived/general-content/nhpau/newsroom/2008/housingsupplyrange/)

9 Homes for the Future, Shelter report, amended February 2009: [http://england.shelter.org.uk/\\_data/assets/pdf\\_file/0003/142473/Homes\\_for\\_the\\_Future\\_amended\\_Feb\\_09.pdf](http://england.shelter.org.uk/_data/assets/pdf_file/0003/142473/Homes_for_the_Future_amended_Feb_09.pdf)

With just 102,730 new homes built in the last year, neither of these projections show any sign of being met in practice. In fact, fewer homes were built in the first year of the new Government than in the last year of the former administration.

When it comes to building affordable homes in particular, the picture is more positive, with the number of such homes built annually rising from 52,969 in 2009/10 to 55,856 in 2010/11. However, this still falls well short of the 97,000 affordable homes that Shelter estimates are required annually.<sup>10</sup>

Furthermore, concerns remain about the future of affordable housing supply. The Government's new delivery model, comprising £4.5bn of capital funding plus increased rents over four years to deliver 170,000 new affordable homes, compared with the previous Government's £8.4bn over three years to deliver 150,000, transfers both cost and risk to providers and tenants. It should also be noted that, of the 170,000 affordable homes pledged by the current administration, some 67,000 were committed to, and signed off, by the previous Government.

### **What next?**

The 2011 Budget announced plans to make Real Estate Investment Trusts (REITs) – which reduce the tax burden of investing in residential property – easier to set up and more accessible to investors, and to reform the stamp duty land tax rules applied to bulk purchases of residential properties.<sup>11</sup> It is hoped the measures will support the capacity of the house-building industry and encourage investment in the private rented sector over the longer term. Housing associations may also be interested in exploring the potential of the model to increase the supply of affordable homes.

Ministers are encouraging developers to build on Government land under a 'Build Now, Pay Later' deal. Under the scheme, house builders pay for the land on which they develop only after they have started work on the new homes. Grant Shapps, announcing the initiative in March 2011, said: 'Up to 40% of the land ready for development in this country is simply sitting idle in the hands of the public sector.'<sup>12</sup> The Department for Communities and Local Government (DCLG) has estimated as much as 7,500 hectares of government land could help developers build more than 60,000 new homes over 10 years. In October 2011, the Prime Minister reiterated the commitment to use public land for housing supply under 'Build Now, Pay Later', and announced plans to increase the discounts available to council tenants under the Right to Buy, saying 'Taking those two policies together that could be 200,000 extra homes'.<sup>13</sup> It remains to be seen whether this announcement constitutes a genuinely new commitment to bringing forward public land for housing. The commitment to ensuring that the receipts from the Right to Buy are channelled into new affordable supply is certainly welcome, although we note that the replacement of social rented council homes with the new 'affordable rent' tenure will speed the reduction in the amount of social rented homes available.

While social landlords have shown willing to engage with the Government's Affordable Homes Programme, under which those developing new homes will be required to charge rents of up to 80% of the market rate, they are likely to become more dependent on private finance to bridge the gap in reduced public capital funding. If housing associations' finances become too stretched, their ability to provide new affordable homes beyond 2015 will be compromised. This will have to be watched carefully.

10 Homes for the Future, Shelter report, amended February 2009: [http://england.shelter.org.uk/\\_data/assets/pdf\\_file/0003/142473/Homes\\_for\\_the\\_Future\\_amended\\_Feb\\_09.pdf](http://england.shelter.org.uk/_data/assets/pdf_file/0003/142473/Homes_for_the_Future_amended_Feb_09.pdf)

11 Subject to informal consultation, the Government will legislate on REITs in the Finance Bill 2012: [http://cdn.hm-treasury.gov.uk/2011budget\\_complete.pdf](http://cdn.hm-treasury.gov.uk/2011budget_complete.pdf)

12 Grant Shapps offers 'Build Now, Pay Later' deal to developers, DCLG press release, 30 March 2011: [www.communities.gov.uk/news/corporate/1876832](http://www.communities.gov.uk/news/corporate/1876832)

13 David Cameron, interviewed on The Andrew Marr Show, October 2, 2011.





### **Verdict: Housing supply**

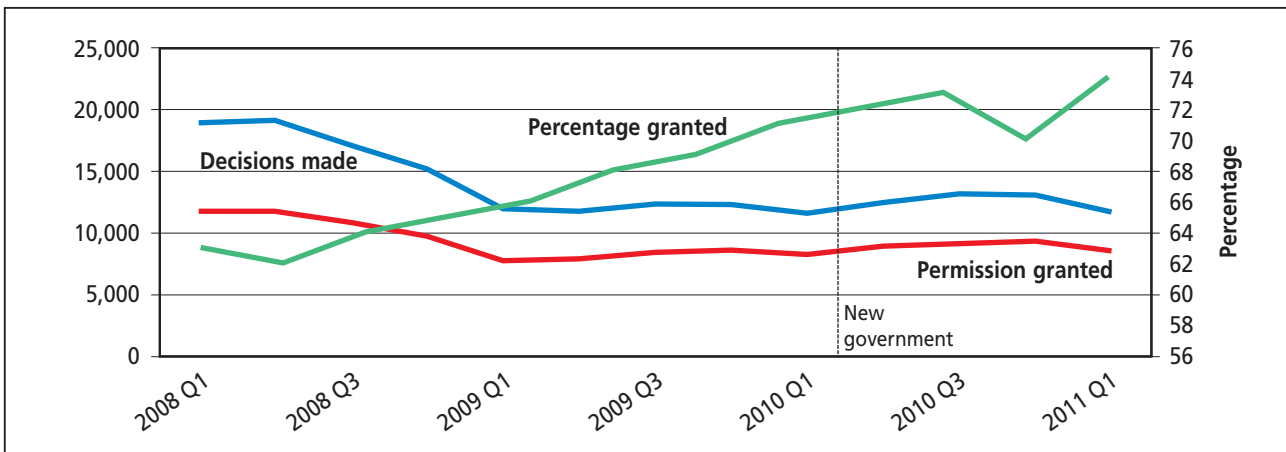
We recognise that, of all the indicators of policy success we are assessing in this report, housing supply can involve the longest time lag of all. But despite the recent increase in affordable homes (driven mainly by the stimulus package), the latest figures suggest that supply is getting worse rather than better. The fact the Government has made some promising proposals to increase supply leads us to hope that the red light we are allocating is a temporary finding.

2 Planning

For too long the planning system has been seen as a barrier to provision of the homes the country needs – and particularly affordable homes. The system is being overhauled, with the removal of regional targets, a new national planning framework, and new powers for communities. Ministers have insisted that plans to incentivise councils and communities to give the go-ahead to developments – through measures such as the New Homes Bonus – will yield more new homes. Communities and Local Government Minister Greg Clark said last year: ‘There is significant change ahead for planning. Taken as a whole, our reforms will help get England out of the house building trough.’<sup>14</sup>

Data covering the period since the Government took office reveals the number of developments given planning approval has fallen, while the proportion of developments granted permission has increased slightly.

Graph 2a: Developments given planning approval (England)

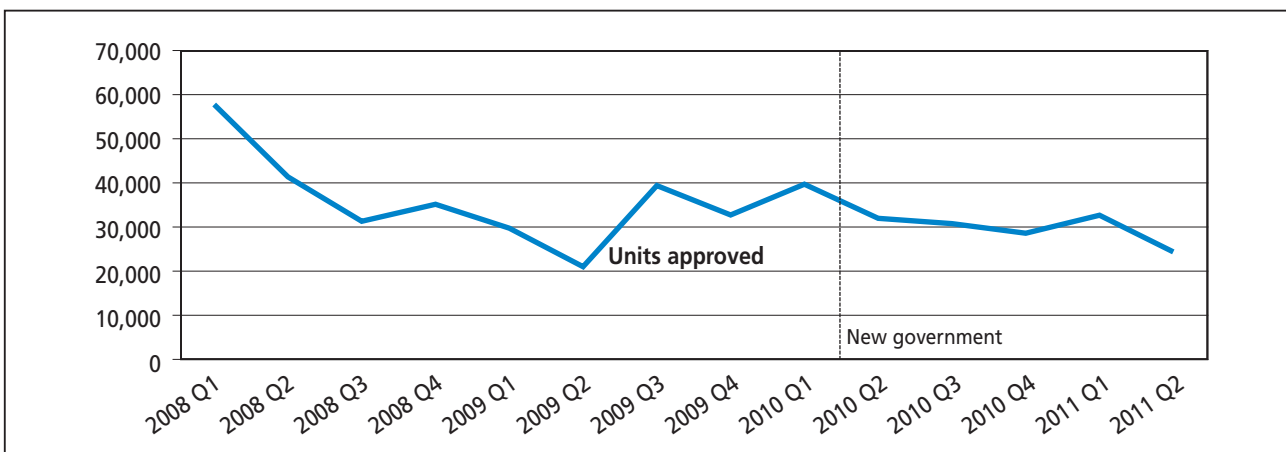


Source: DCLG statistics.

Note: Figures are for developments, not units.

However, the number of units, rather than developments, given planning consent has fallen over a number of years.

Graph 2b: Number of units given planning approval (England)



Source: Home Builders’ Federation, New Housing Pipeline Q1 2011 Report.

Notes: Only includes units in developments of more than 10 units.

14 DCLG Minister Greg Clark, speech to Town and Country Planning Association Annual Conference, 30 November 2010: [www.communities.gov.uk/speeches/planningandbuilding/1784320](http://www.communities.gov.uk/speeches/planningandbuilding/1784320)

## Analysis

The Government is engaged, through the Localism Bill, in overhauling the planning system to increase the supply of much-needed housing without ‘top-down’ targets. As part of this process, Communities Secretary Eric Pickles revoked the Regional Spatial Strategies (RSSs), which had formed the framework for housing development, leaving behind what a Parliamentary Committee described as a planning ‘vacuum’, which could have ‘social, economic and environmental consequences lasting for many years’.<sup>15</sup>

The decision may already be having an effect on potential development. Independent research by Tetlow King Planning, commissioned by the National Housing Federation, demonstrated that local authorities reduced housing targets by 221,000 dwellings when not adhering to RSS figures.<sup>16</sup>

The New Homes Bonus (NHB), introduced in April 2011, will provide local authorities with the equivalent of six years’ council tax for every new home and property brought back into use – with an additional amount for affordable homes. DCLG estimated that, by 2016/17, the NHB will have increased supply by between 8 and 13% above a baseline level.<sup>17</sup> Local authorities’ response to the new system is hard to predict. However, it has been argued by the South East Strategic Leaders (of local authorities) that NHB payments will be insufficient inducement for councils to change their attitudes towards new development.<sup>18</sup> Analysis by the National Housing Federation indicates that the measure, which will re-allocate funds from the formula grant, will overall greatly benefit the South, with its higher land values, at the expense of the North.<sup>19</sup>

## What next?

The Government has announced its intention to consolidate planning policy statements, circulars and guidance documents into a single consolidated National Planning Policy Framework. The final version will be launched in the spring of 2012 but a consultation draft, published in July 2011, suggests a willingness to prioritise housing need, which should help rekindle the housing market.<sup>20</sup> Unfortunately it does not contain explicit targets for affordable homes within new developments, without which providing sufficient housing for low-income families will be that much harder.

The Localism Bill will increase the power and role of communities within the planning system, introducing neighbourhood plans and the community right to build. This offers potential, but also presents risks. The Government has also announced that a presumption in favour of sustainable development should be ‘at the heart of the planning system’, and that local planning authorities should plan positively for new development, and approve all individual proposals wherever possible.<sup>21</sup>

Looking ahead, safeguards will be needed to protect affordable housing delivery with the introduction of the Community Infrastructure Levy (CIL) over the next two to three years. There is a need to balance maximisation of CIL revenues with the potential for Section 106 affordable housing deals on new developments.



### Verdict: Planning

The Government has set out its ambitions and many of its proposals could potentially be very good news. But, with the Government’s overhaul of the planning system very much unfinished business, a lot will depend on how effective its reforms prove to be in practice.

15 House of Commons Communities and Local Government Committee – Abolition of Regional Spatial Strategies: A Planning Vacuum, February 2011: [www.publications.parliament.uk/pa/cm201011/cmselect/cmcomloc/517/517.pdf](http://www.publications.parliament.uk/pa/cm201011/cmselect/cmcomloc/517/517.pdf)

16 National Housing Federation research, May 2011.

17 New Homes Bonus: Consultation, DCLG, November 2010: [www.communities.gov.uk/documents/housing/pdf/1767788.pdf](http://www.communities.gov.uk/documents/housing/pdf/1767788.pdf)

18 South East Strategic Leaders’ response to the New Homes Bonus consultation, December 2010: [www3.hants.gov.uk/seSl\\_response\\_to\\_the\\_new\\_homes\\_bonus\\_consultation.pdf](http://www3.hants.gov.uk/seSl_response_to_the_new_homes_bonus_consultation.pdf)

19 National Housing Federation response to New Homes Bonus consultation, December 2010: [www.housing.org.uk/publications/find\\_a\\_publication/development\\_and\\_regeneration/new\\_homes\\_bonus.aspx](http://www.housing.org.uk/publications/find_a_publication/development_and_regeneration/new_homes_bonus.aspx)

20 Draft National Planning Policy Framework, July 2011: [www.communities.gov.uk/documents/planningandbuilding/pdf/1951811.pdf](http://www.communities.gov.uk/documents/planningandbuilding/pdf/1951811.pdf)

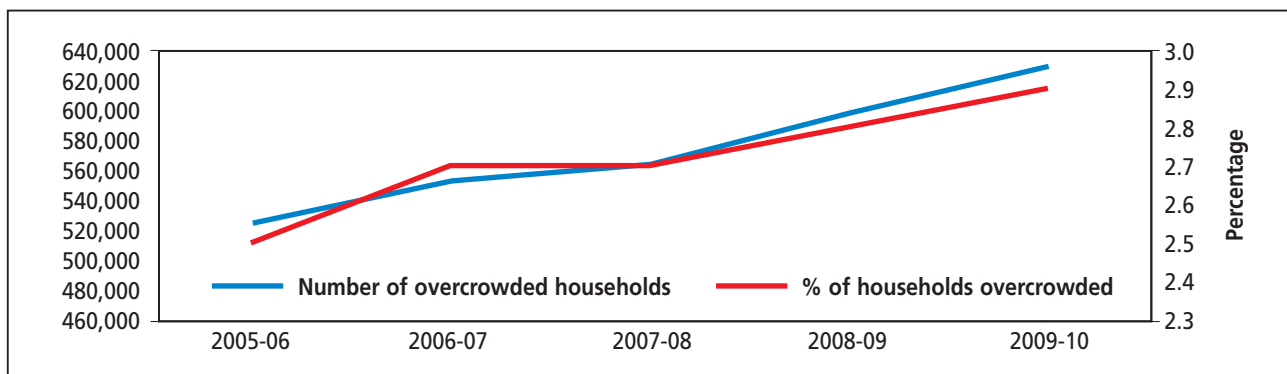
21 Presumption in favour of sustainable development, DCLG, June 2011: [www.communities.gov.uk/planningandbuilding/planningsystem/planningpolicy/presumptionfavour/](http://www.communities.gov.uk/planningandbuilding/planningsystem/planningpolicy/presumptionfavour/)

### 3 Overcrowding

The Government has acknowledged the problem of overcrowding. The Department for Communities and Local Government said earlier this year: 'We believe that our reforms to tenure, allocations and homelessness will go a long way towards helping local authorities and landlords to tackle overcrowding.'<sup>22</sup> These reforms include the introduction of fixed term tenancies under which tenants could be asked to move on at the end of their tenancy if they are under-occupying their home; making it easier for social tenants to move when not in priority need; and a local authority power to discharge a duty to any homeless household by finding them a private tenancy.

As things stand, the number of households considered overcrowded, as measured against DCLG's bedroom standard, has increased steadily over the past five years, from 526,000 in 2005/6 to 630,000 in 2009/10.

**Graph 3a: Overcrowded households (England)**



Source: English Housing Survey Headline Report 2009-10, DCLG, 2011.

#### Analysis

The recent historic trend is clearly a matter of serious concern. However, no figures are yet available for the period covering the new administration.

#### What next?

In its Local Decisions consultation, published in November 2010, DCLG asked respondents what powers local authorities and landlords needed to address overcrowding, whether the framework set out in the 1985 Housing Act was 'fit for purpose', and whether the Housing Health and Safety Rating System could provide the foundation for new measures to tackle overcrowding across all tenures.<sup>23</sup> In its summary of responses to the consultation DCLG avoided specific commitments on the framework but said: 'We will continue work with local authorities, landlords and interested parties... to consider the need for new practical approaches to tackling overcrowding.'<sup>24</sup>



#### Verdict: Overcrowding

It is encouraging that the Government has taken soundings about how to tackle overcrowding but no concrete proposals have been put forward. Government initiatives are heavily focused on reducing under-occupancy and improving mobility but it is too early to judge whether this approach will have the desired effect on overcrowding, and what the impact of other changes to tenure, allocations and homelessness policies will be.

<sup>22</sup> DCLG, summary of responses to Local Decisions, February 2011: [www.communities.gov.uk/documents/housing/pdf/1853054.pdf](http://www.communities.gov.uk/documents/housing/pdf/1853054.pdf)

<sup>23</sup> DCLG, Local Decisions consultation, November 2010: [www.communities.gov.uk/documents/housing/pdf/1775577.pdf](http://www.communities.gov.uk/documents/housing/pdf/1775577.pdf)

<sup>24</sup> DCLG, summary of responses to Local Decisions, February 2011: [www.communities.gov.uk/documents/housing/pdf/1853054.pdf](http://www.communities.gov.uk/documents/housing/pdf/1853054.pdf)

## 4 Homelessness

'Tackling homelessness,' wrote Housing Minister Grant Shapps in January 2011, 'is what first got me into politics.' He continued: 'I am proud to be part of a Government that, despite tight public finances, has committed to support the most vulnerable in this country.'<sup>25</sup>

The coalition's commitment goes further than a personal pledge. DCLG's business plan includes a mission to 'oversee housing and homelessness policy in England to meet the aspirations of a growing and ageing population and support the most vulnerable and disadvantaged in communities.'<sup>26</sup>

Mr Shapps has also recruited ministerial colleagues from across eight government departments to join a Homelessness Working Group 'to ensure that the needs of the homeless are being met'.<sup>27</sup>

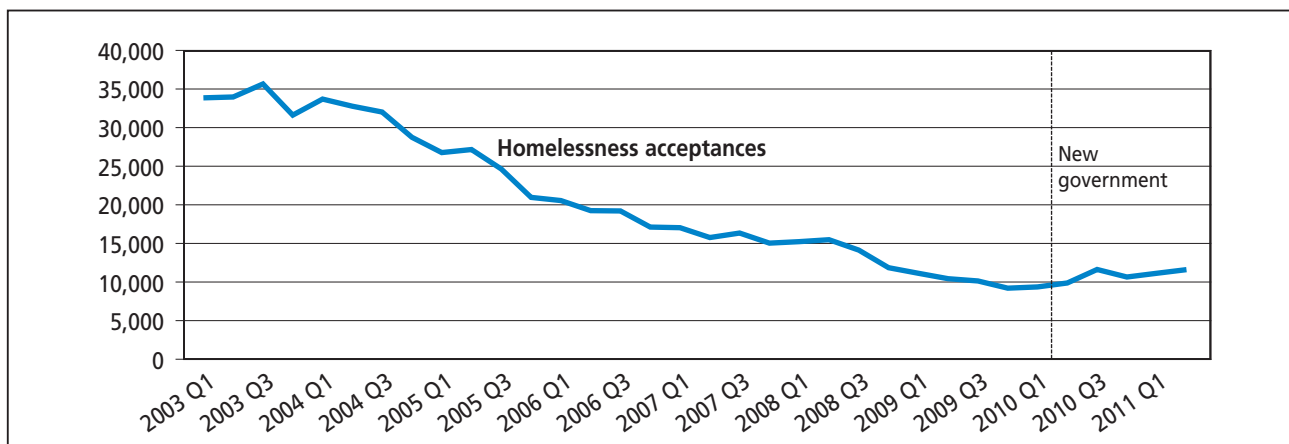
The minister, launching the Group's first report in July 2011, said: 'I am making a pledge to work with councils and charities to ensure no one spends a second night out on the streets... We are serious about putting an end to rough sleeping.'<sup>28</sup>

While the Government's commitment to tackling rough sleeping is welcome, it is only one form of homelessness. Other forms recognised by legislation include those in hostel accommodation, at risk of violence in their home, or those staying temporarily with friends with nowhere else to go. Therefore, to help us monitor Government's progress against its overall objective to support the most vulnerable, we have focused our assessment on three elements of homelessness – the number of households accepted by local authorities as being homeless and in priority need, the number of households in temporary accommodation, and the number of rough sleepers.

### 4.1: Statutory homelessness

In England and Wales, when local authorities find a household to be unintentionally homeless, eligible for support, and in priority need, they have a statutory duty to provide accommodation until settled housing is found. The number of households accepted by a local authority in England as 'homeless and in priority need' increased by 10% to 44,160 in 2010/11, reversing a five-year trend of falling homelessness. The latest data shows the number of acceptances continued to rise in the first quarter of 2011/12.

**Graph 4a: Households accepted as homeless and in priority need (England)**



Source: DCLG Homelessness statistics.

<sup>25</sup> Grant Shapps, Guardian article, 23 Jan 2011: [www.guardian.co.uk/commentisfree/2011/jan/25/homelessness-funding-cuts-councils](http://www.guardian.co.uk/commentisfree/2011/jan/25/homelessness-funding-cuts-councils)

<sup>26</sup> DCLG Business Plan 2011-2015, page 3, November 2010: [www.communities.gov.uk/publications/corporate/businessplan2010](http://www.communities.gov.uk/publications/corporate/businessplan2010)

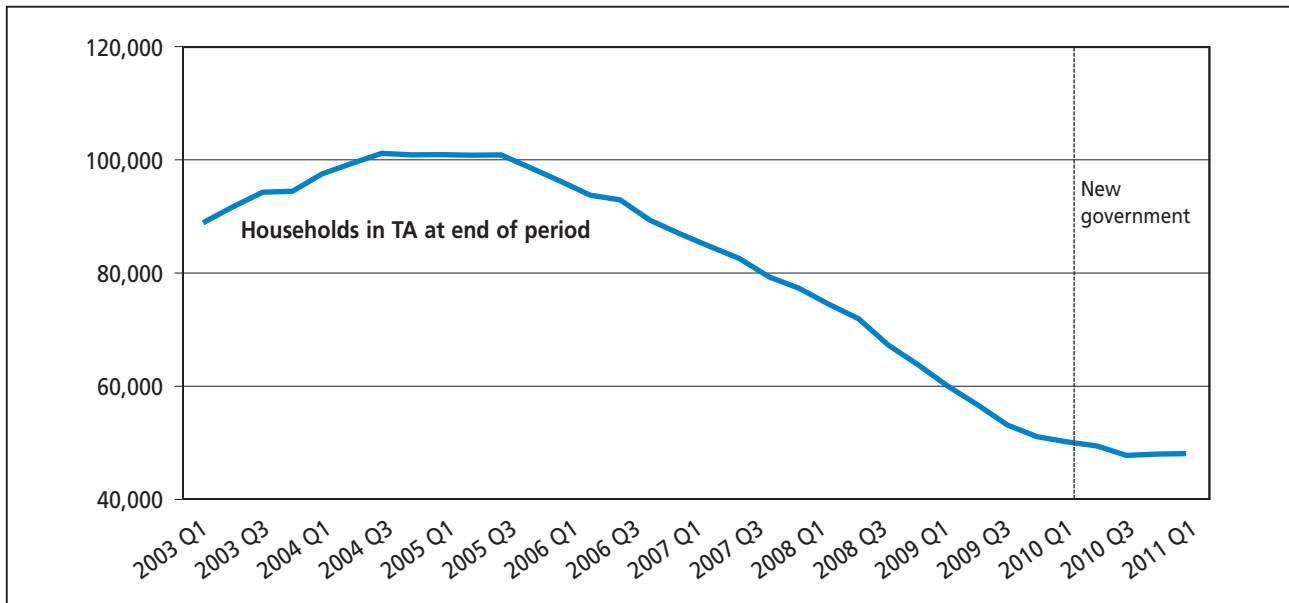
<sup>27</sup> Grant Shapps, DCLG press release, 16 June 2010: [www.communities.gov.uk/newsstories/housing/158770411](http://www.communities.gov.uk/newsstories/housing/158770411)

<sup>28</sup> 'No Second Night Out' shows tough action to tackle rough sleeping, DCLG press release, 6 July 2011: [www.communities.gov.uk/news/corporate/1938982](http://www.communities.gov.uk/news/corporate/1938982)

## 4.2 Temporary accommodation

There has been a significant fall in the use of temporary accommodation over the past five years. The fall follows the former Government's decision – in 2005 – to set a target to halve the number of households living in temporary accommodation, to 50,500 by March 2010. This target was narrowly missed by the deadline, but was achieved by June of that year. Use of temporary accommodation continued to fall until March this year, when it rose slightly – for the first time in five years. It continued to rise in the latest quarter.

**Graph 4b: Households in temporary accommodation (England)**



Source: DCLG Homelessness statistics.

## 4.3 Rough sleeping

Housing Minister Grant Shapps has changed the way rough sleeping is counted, ensuring that every local authority that fails to carry out an official count must at least provide an estimate of the number of people sleeping rough in its locality. The first publication of data under the new guidance, in autumn 2010, led to the estimate of rough sleepers in any one night across England rising from 440 to 1,768.<sup>29</sup> This means it is not possible to compare the Government's record with that of its predecessor.

Commenting on the change in March, Mr Shapps reiterated the Government's commitment to tackling the problem, stating: 'We're going to focus resources on helping to ensure people don't spend a second night out.'<sup>30</sup>

The 2010 total provides a baseline against which future progress on rough sleeping may be measured when more data is available.

### Analysis

The recent increases in the number of homeless acceptances and number of households in temporary accommodation raise concerns that a positive downward trend may be ending, especially given the anticipated effect of the Government's cuts to welfare in the months to come.

<sup>29</sup> DCLG, *Rough Sleeping Statistics England Autumn 2010*. Experimental Statistics based on local authority counts and estimates.

<sup>30</sup> A Live Q&A round up: Grant Shapps answers your questions, 31 March 2011: [www.guardian.co.uk/housing-network/2011/mar/31/grant-shapps-housing-minister-your-questions](http://www.guardian.co.uk/housing-network/2011/mar/31/grant-shapps-housing-minister-your-questions)

We already know, thanks to a leaked letter from DCLG to Number 10, that officials were deeply worried about the potential impact of changes to housing benefit, which it was said could place up to 40,000 vulnerable families at risk of homelessness.<sup>31</sup> Ministers have clearly been warned about the threat posed by welfare reforms to their stated objectives on homelessness and should review these cuts urgently.

### **What next?**

Plans within the Localism Bill will weaken the rights of homeless people, by allowing councils to discharge their duty to any homeless household by placing them into the private rented sector. Concerns have been raised about the potential impact of this policy change, due to fears that it will lead to more households being trapped in a cycle of insecurity and homelessness.

In July 2011, the Government's Homelessness Working Group produced a report, *Vision to End Rough Sleeping: No Second Night Out Nationwide*, which contained a series of commitments including the national roll-out of a scheme to identify and help rough sleepers as early as possible, backed by a £20m Homelessness Transition Fund.<sup>32</sup>



### **Verdict: Homelessness**

While the shortage of consistent data for rough sleeping, due to the welcome change in collection methodology, makes any assessment difficult, the increase in homeless acceptances and use of temporary accommodation is troubling.

31 Eric Pickles' office warned No 10 on benefits cap plan, BBC News website, 3 July 2011: [www.bbc.co.uk/news/uk-14004551](http://www.bbc.co.uk/news/uk-14004551)

32 Vision to End Rough Sleeping: No Second Night Out Nationwide, July 2011: [www.communities.gov.uk/documents/housing/pdf/1939099.pdf](http://www.communities.gov.uk/documents/housing/pdf/1939099.pdf)

## 5 Evictions, repossessions and arrears

Housing stress can affect anyone, whether a home owner, private renter or social tenant. Housing Minister Grant Shapps has recognised the need for particular support to help home owners in need, saying last year: ‘There must still be effective help on hand for those struggling to pay their mortgages.’<sup>33</sup>

Commenting on figures showing the number of home owners under threat of repossession, Mr Shapps said the Government ‘cannot rest on our laurels’ and announced it would keep open its mortgage help website to assist concerned home owners in getting their finances back on track.<sup>34</sup>

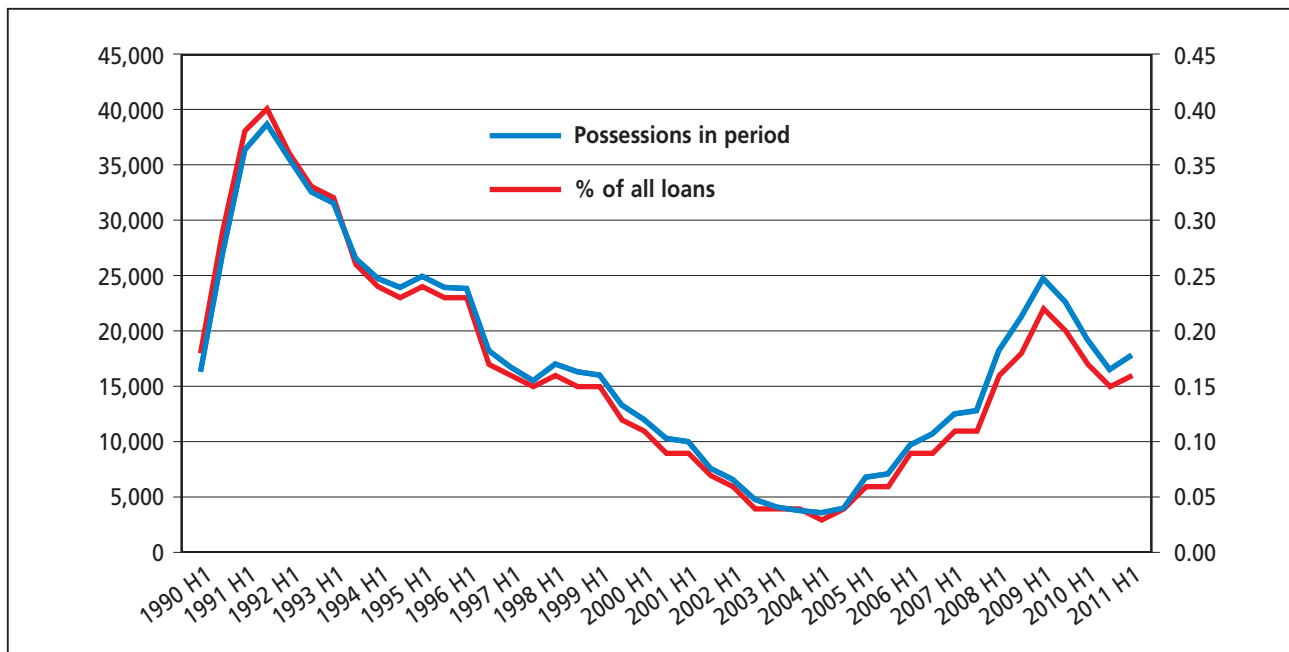
That Mr Shapps has chosen to say very little about the plight of tenants who are struggling to keep up with their rent payments is a source of concern.

We chose to look at three indicators to show how people are faring with housing stress – repossessions, court actions towards repossession and eviction, and mortgage arrears.

### 5.1 Legal action against owner-occupiers and tenants

The number of repossessions increased slightly in the latest six month period but has stayed relatively stable over the past year.

Graph 5a: Repossessions (UK)



Source: Council of Mortgage Lenders.

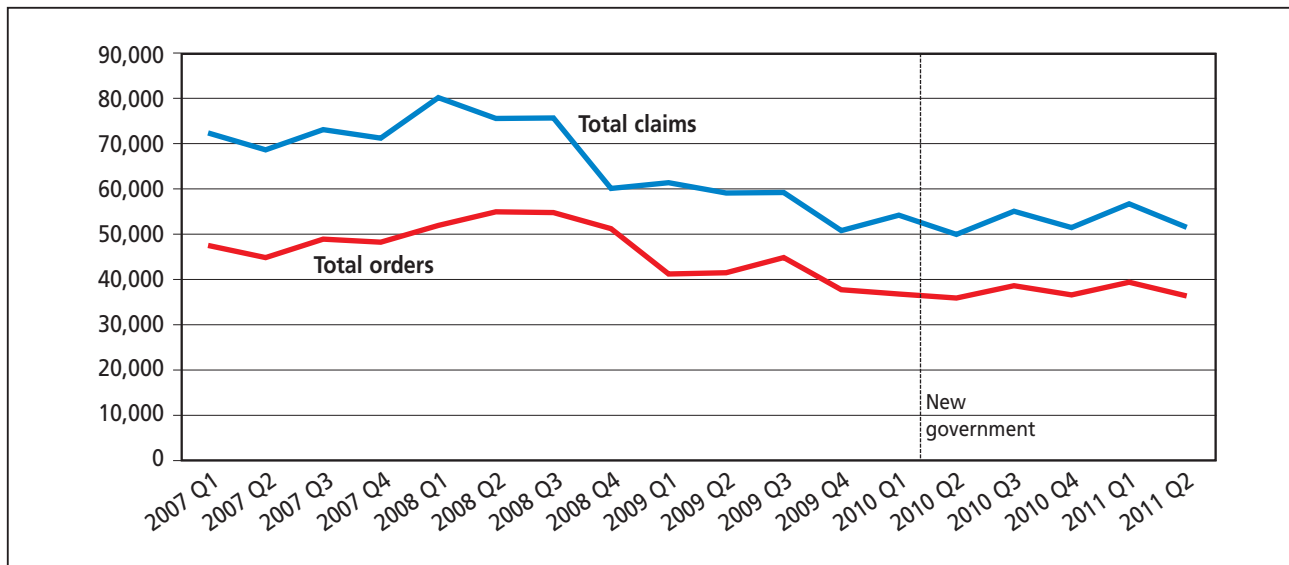
Both the number of possession claims, issued by mortgage providers and landlords against owners and tenants, and the number of claims resulting in a possession order being made by the courts, have risen slightly since the second quarter of 2010, when the Government took office. However, longer term data suggests the numbers are levelling out.

33 DCLG press release, 20 July 2010: [www.communities.gov.uk/news/corporate/1643931](http://www.communities.gov.uk/news/corporate/1643931)

34 DCLG press release, 11 November 2010: [www.communities.gov.uk/news/newsroom/1766348](http://www.communities.gov.uk/news/newsroom/1766348)



Graph 5b: Court actions towards repossessions/evictions (England and Wales)

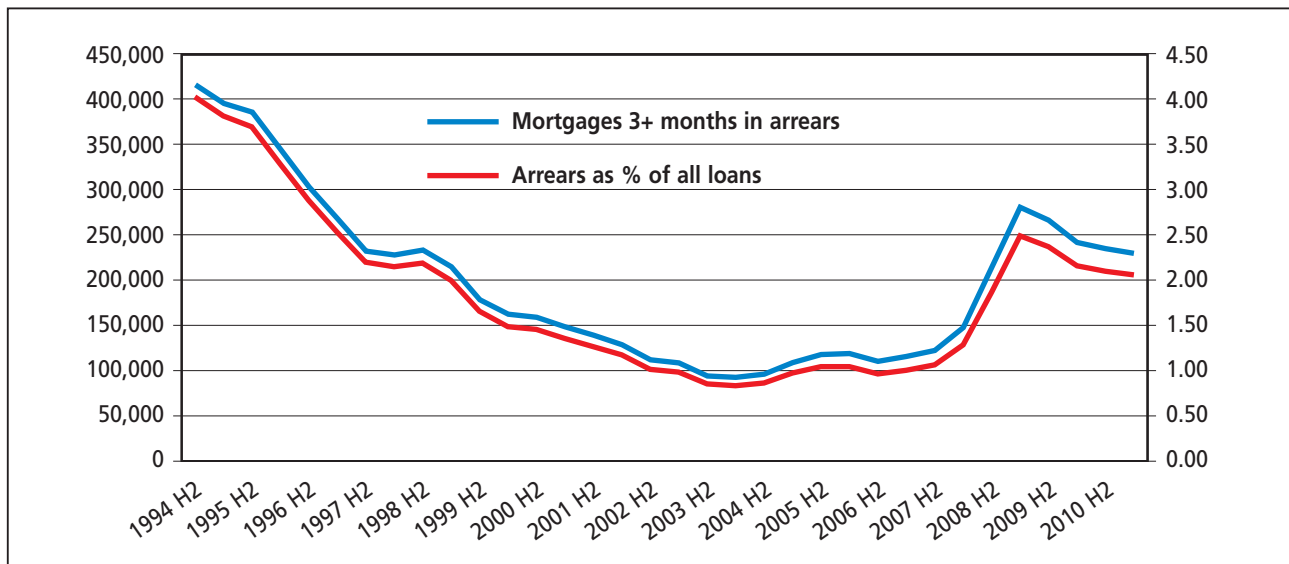


Source: Ministry of Justice.

## 5.2 Mortgage arrears

The number of households in significant mortgage arrears has decreased, from 246,000 in June 2010 to 234,000 in June 2011. The proportion of mortgages those figures represent also fell.

Graph 5c: Mortgages more than three months in arrears (UK)



Source: Council of Mortgage Lenders.

### Analysis

The rise in the number of people subject to court actions and threatened with the loss of their homes is a matter of concern. Some of the rise will be linked to the continued stagnation of the economy, with job losses and reduced working hours leading people into difficulties with their mortgage and rental payments. It is fortunate for many struggling home owners that interest rates have remained so low for so long and that lenders have exercised more forbearance than during the previous recession. These factors have contributed to a fall in the number of households in significant arrears.

### **What next?**

The Government's decision, in the 2011 Budget, to extend early access to the Support for Mortgage Interest scheme, for one year until January 2013, was welcome but only temporary. We await a decision on the long-term future of the scheme and clearly anything that weakens the support available is likely to prove damaging to struggling home owners.

With the Bank of England likely to consider increasing interest rates to help dampen inflation, it remains to be seen whether the welcome decline in mortgage arrears can be sustained. Again, this could create problems in the months to come, especially as both real earnings and overall household incomes are now falling.<sup>35</sup>

Government plans to cut the legal aid budget by £350 million,<sup>36</sup> as part of the Legal Aid, Sentencing and Punishment of Offenders Bill, could lead to more than half a million people losing help with legal costs, according to the Government's impact assessment.<sup>37</sup> It remains to be seen what impact such cost-cutting will have on home owners and tenants who face losing their homes.



#### **Verdict: Evictions, repossessions and arrears**

It's a mixed picture – but a lot will ride on how long interest rates stay low, lenders' behaviour, whether household incomes continue to fall, and what the Government decides to do about Support for Mortgage Interest.

35 Biggest three year fall in household incomes since early 1990s, Institute for Fiscal Studies, 21 March 2011: [www.ifs.org.uk/pr/pr\\_210311.pdf](http://www.ifs.org.uk/pr/pr_210311.pdf)

36 Impact Assessment: Central Funds reforms, May 2011-08-10: [www.justice.gov.uk/downloads/publications/bills-acts/legal-aid-sentencing/ia-central-funds.pdf](http://www.justice.gov.uk/downloads/publications/bills-acts/legal-aid-sentencing/ia-central-funds.pdf)

37 Impact Assessment: Cumulative Legal Aid Reform Proposals, November 2010: [www.justice.gov.uk/consultations/docs/legalaidiacumulative.pdf](http://www.justice.gov.uk/consultations/docs/legalaidiacumulative.pdf)

## 6 Help with housing costs

The number of people claiming housing benefit is an indicator, not only of the prevalence of unemployment and pensioner poverty, but also of a lack of affordable housing that forces many people in work to seek support for their housing costs.

Work and Pensions Secretary Iain Duncan Smith has spoken of 'putting clear incentives in place to get people back into work and off benefits altogether'.<sup>38</sup>

In his Budget statement in June 2010, Chancellor George Osborne declared that spending on housing benefit was 'completely out of control' and announced a package of cuts to reduce the bill by '£1.8 billion a year by the end of the Parliament, or 7 per cent of the total budget'.<sup>39</sup>

The Department for Work and Pensions has said: 'The overall cost of housing benefit must be controlled and reduced, particularly given the budget deficit and the reductions in public expenditure that the Government is making to tackle it.'<sup>40</sup>

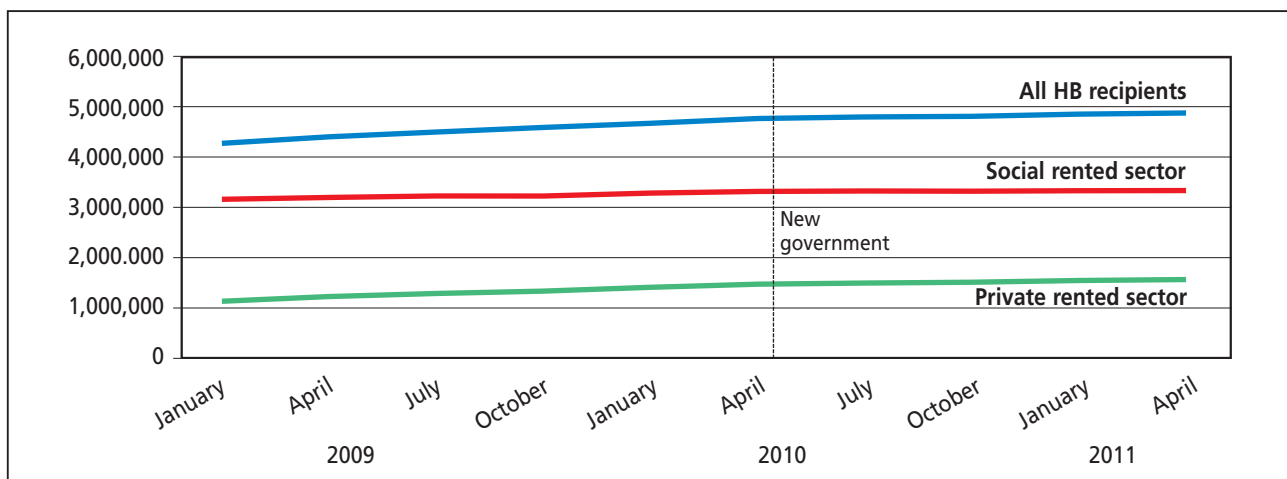
Iain Duncan Smith has himself suggested that the Government must be alert to the consequences of withdrawing support for poor people: 'With housing benefit, for the most part you are dealing with quite vulnerable people who are often unsure about their own conditions, let alone able to declare some of that. So I think we need to tread very carefully when it comes to housing benefit.'<sup>41</sup>

Housing Minister Grant Shapps has expressed confidence in the proposed changes to housing benefit, telling Newsnight: 'If I thought these changes were going to have any impact on homelessness I would be the first to spark the alarm, but I don't.'<sup>42</sup>

### 6.1: Housing benefit claimants

The overall number of people claiming housing benefit in both private and social rented sectors has been increasing steadily for some years, and now stands at 4.85m. Of these, some 3.58m (74%) are of working age (under 65).

**Graph 6a: Number of housing benefit claimants by tenure (Great Britain)**



Source: Department for Work and Pensions. Monthly statistics, here one month per quarter from January 2009.

38 Iain Duncan Smith speech, 27 May 2010: [www.dwp.gov.uk/newsroom/ministers-speeches/2010/27-05-10.shtml](http://www.dwp.gov.uk/newsroom/ministers-speeches/2010/27-05-10.shtml)

39 Budget statement, June 2010: [www.hm-treasury.gov.uk/junebudget\\_speech.htm](http://www.hm-treasury.gov.uk/junebudget_speech.htm)

40 DWP impact assessment of housing benefit changes, p.1, November 2010: [www.dwp.gov.uk/docs/lha-impact-nov10.pdf](http://www.dwp.gov.uk/docs/lha-impact-nov10.pdf)

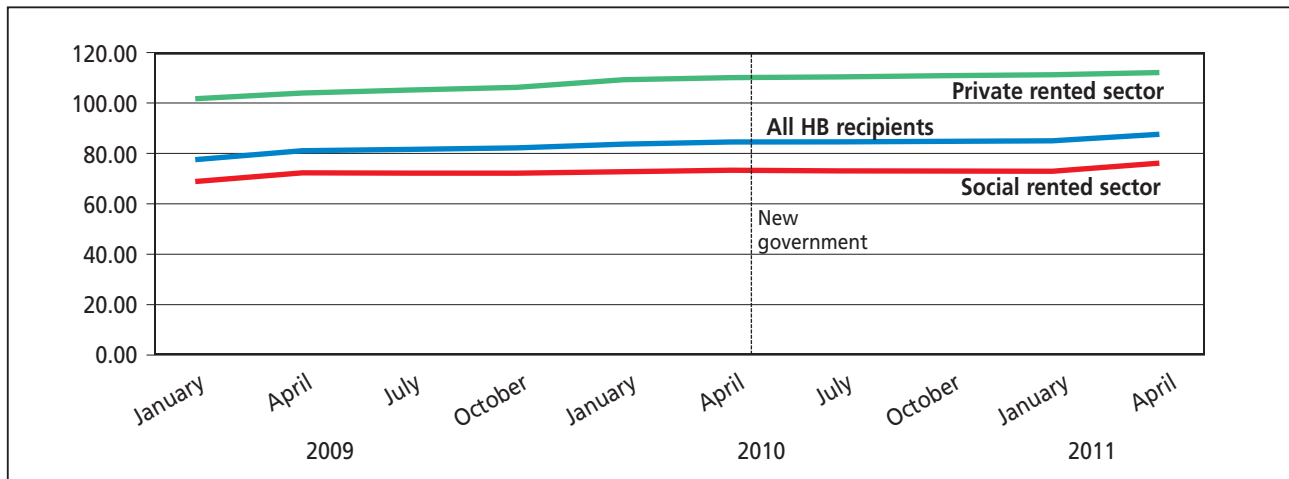
41 Iain Duncan Smith, oral evidence to Work and Pensions Committee, 9 February 2011: [www.publications.parliament.uk/pa/cm201011/cmselect/cmworpen/743/11020902.htm](http://www.publications.parliament.uk/pa/cm201011/cmselect/cmworpen/743/11020902.htm)

42 Grant Shapps, interview on BBC Newsnight, 27 October 2010: [www.youtube.com/watch?v=KhI9kRXHK1Q](http://www.youtube.com/watch?v=KhI9kRXHK1Q)

## 6.2: Housing benefit bill

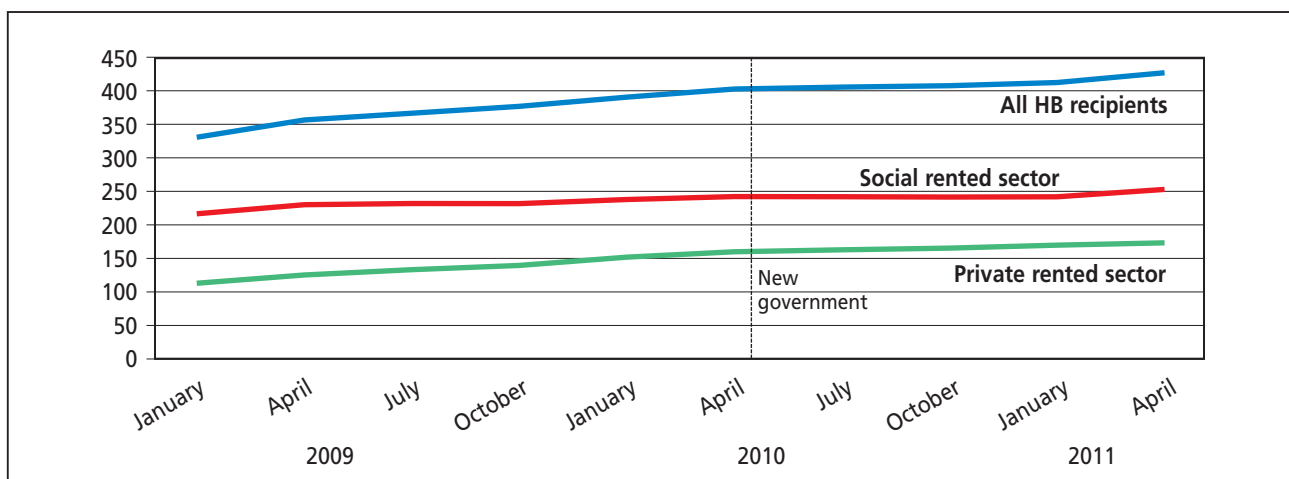
The cost of housing benefit is also rising steadily, both in terms of the average amount claimed by each recipient, and the total weekly bill, which in April 2011 stood at £423m.

**Graph 6b: Average weekly cost of housing benefit per recipient (Great Britain): £**



Source: Department for Work and Pensions. Monthly statistics, here one month per quarter from January 2009.

**Graph 6c: Total weekly cost of housing benefit (Great Britain): £ millions**



Source: Department for Work and Pensions. Monthly statistics, here one month per quarter from January 2009.

### Analysis

The Government quite rightly wants to reduce the number of people who depend on housing benefit. But as long as the shortage of affordable homes persists, lower income households will continue to require help with their housing costs.

Many of the changes to housing benefit, which reduce the support for the most vulnerable people in the country, could in fact increase the pressure on the public purse in the long run, through additional health, criminal justice and housing costs.

### What next?

From January 2012, single people in the private rented sector will be restricted to claiming the rate for a single room in a shared house up to the age of 35 – rather than 25 as currently. Other changes, to the way housing benefit in the private rented sector is calculated and uprated, are likely to reduce government expenditure but will put pressure on households' incomes and housing choices.

Separate proposals, including for housing associations to charge near-market rents on new properties and a proportion of re-lets, are likely to increase the housing benefit bill.

Plans to cut the housing benefit of working-age social tenants considered to be under-occupying their homes under new size criteria could, where there is a shortage of suitable alternatives in the social sector, lead to families moving to the more costly private rented sector, again hiking the benefits bill. The risk of unintended consequences is significant.

A consultation is underway into housing benefit for supported accommodation, although any changes are expected to be cost neutral. A separate review has been announced into service charges covered by housing benefit.



### **Verdict: Help with housing costs**

The cost of housing benefit to the taxpayer is, to some extent, a judgement on the failings of our housing system. The continued rise in both claimants and costs suggests that the Government still has a long way to go to achieve its aims of cutting costs. Over the longer term, success is not guaranteed: Government policy is exerting upward as well as downward pressures on housing benefit.

## 7 Empty homes

Empty homes are a waste of space. In its Local Decisions consultation paper, the Department for Communities and Local Government said more than 300,000 privately owned homes had been empty for over six months, a number of them in high-demand areas. It added: 'Empty properties blight local communities and are a waste of housing stock which we cannot afford.'<sup>43</sup>

DCLG Minister Andrew Stunell wrote earlier this year: 'For every two families needing a home in this country, there is one property standing empty. It has been a determination of mine for a long time that we end the scandalous situation where we have families across the country on waiting lists, looking for a home of their own, yet there are at least 300,000 long-term empty properties.'<sup>44</sup>

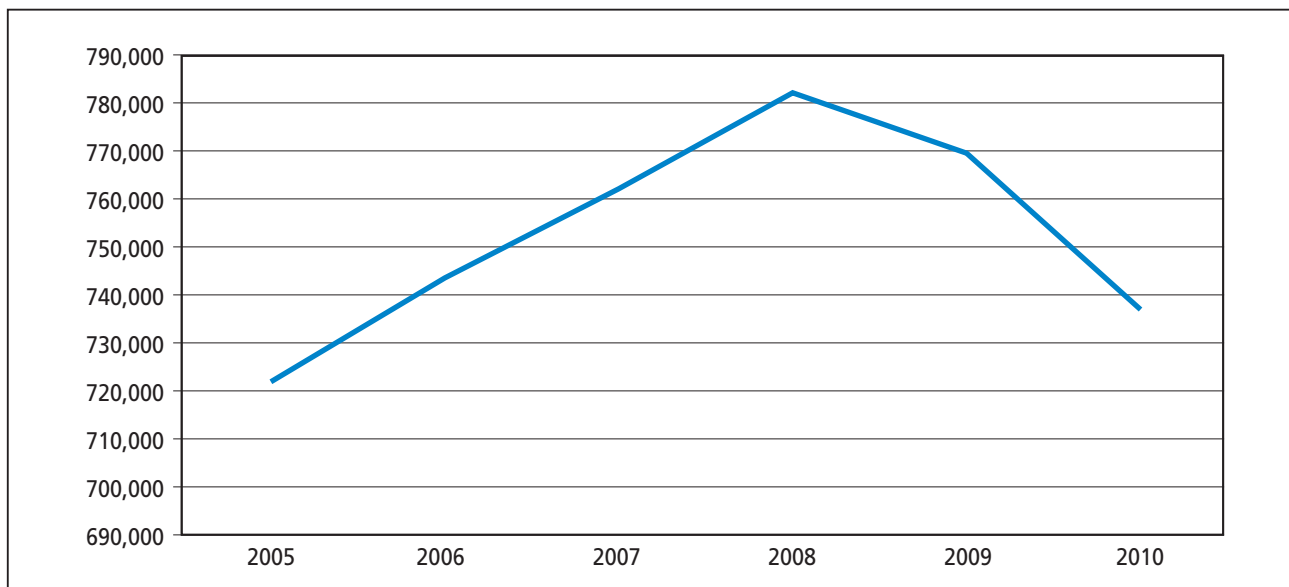
Housing Minister Grant Shapps has said: 'There are too many empty homes blighting too many communities.'<sup>45</sup>

The Government has recognised that more needs to be done to address the problem of abandoned and unused properties and pledged to 'develop a strategy to bring more empty homes back into use, working with local authorities, housing associations and some of the property owners, neighbours and others affected.'<sup>46</sup>

DCLG worked with the Homes and Communities Agency to produce, in May 2011, an empty homes toolkit and good practice guide to provide advice and information to landlords and neighbours on how to return an empty home back into use.<sup>47</sup>

Figures show the number of empty homes peaked in 2008, at 783,119, before falling in the two succeeding years, to 738,414 in 2010.

**Graph 7a: Total number of empty homes (England)**



Source: DCLG Live Table 615.

43 Local Decisions: A Fairer Future for Social Housing, November 2010: [www.communities.gov.uk/documents/housing/pdf/1775577.pdf](http://www.communities.gov.uk/documents/housing/pdf/1775577.pdf)

44 Empty prospects, published by LocalGov.co.uk, 31 May 2011: [www.communities.gov.uk/articles/housing/emptyprospects](http://www.communities.gov.uk/articles/housing/emptyprospects)

45 Grant Shapps film clip on HCA Empty Homes Toolkit webpage: [www.homesandcommunities.co.uk/empty-homes-toolkit?page\\_id=&page=1](http://www.homesandcommunities.co.uk/empty-homes-toolkit?page_id=&page=1)

46 DCLG Business Plan 2011-2015, page 23, November 2010: [www.communities.gov.uk/publications/corporate/businessplan2010](http://www.communities.gov.uk/publications/corporate/businessplan2010)

47 HCA's Empty Homes Toolkit: [www.homesandcommunities.co.uk/empty-homes-toolkit](http://www.homesandcommunities.co.uk/empty-homes-toolkit)

## Analysis

The fall in the number of empty homes may be attributable to a combination of factors, ranging from previously unoccupied developments finding buyers, demolitions, and properties earmarked for demolition being removed from council tax charging and therefore no longer categorised as housing.

## What next?

In February 2011, it was confirmed that bringing empty homes back into use will count as new homes for the New Homes Bonus.<sup>48</sup> It means an authority will receive the same bonus for bringing an empty home back into use as for building a new one, providing local authorities with an incentive to tackle empty homes.

The Government has announced plans to force local authorities to wait two years rather than six months before employing the little-used Empty Dwelling Management Orders to seize empty homes.

From 2012, as part of the Government's strategy, £100m is to be invested through the Homes and Communities Agency to support housing associations to refurbish 'more than 3,000 empty properties' and manage them at near-market rents for up to 10 years.<sup>49</sup>



### Verdict: Empty homes

These figures are moving in the right direction and we wait to see what impact the Government's policies will have over the course of the Parliament.

48 New Homes Bonus: Final Scheme Design, February 2011: [www.communities.gov.uk/documents/housing/pdf/1846530.pdf](http://www.communities.gov.uk/documents/housing/pdf/1846530.pdf)

49 Local Decisions: A Fairer Future for Social Housing, November 2010: [www.communities.gov.uk/documents/housing/pdf/1775577.pdf](http://www.communities.gov.uk/documents/housing/pdf/1775577.pdf)

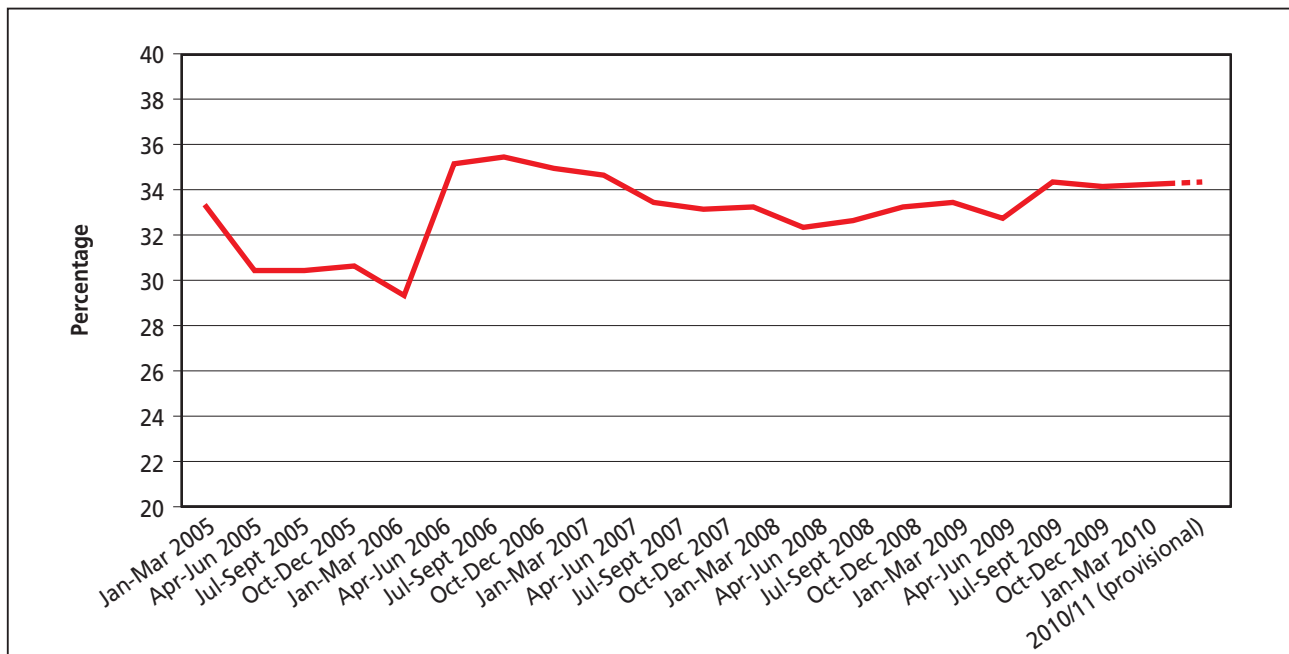
8 Mobility

With the number of new homes being built so woefully inadequate to the task of addressing the housing shortage, it is even more important that the best use is made of existing social housing stock. Mobility between properties, to match families with the most appropriate homes and to maximise opportunities to meet need, is therefore crucial.

The Government has made a commitment to ‘increase mobility among social housing tenants to make social housing more flexible’.<sup>50</sup>

The number of council or housing association tenants transferring to other homes within the social sector increased, from 67,508 to 75,391 between 2009/10 and 2010/11 (provisional total). The proportion of all social sector lettings represented by the transfers has remained roughly stable since 2005 – at around one third.

Graph 8a: Social housing lettings to existing social tenants



Source: 01/09/2011 NHF Housing Figures based on CORE returns for general needs.

Notes: Figures cover both local authorities and housing associations. \*Data for 2010/11 is provisional only.

**Analysis**

The Government has pledged to ‘increase mobility among social tenants’, and the data shows that the number of transfers within the social sector has increased. Nevertheless, the shortage of affordable housing options available outside the social sector means there will be continuing pressure to make better use of existing stock. This could prove challenging, given the practice of prioritising access to vacant social homes to people in high need, which tends to mean that more homes go to new rather than existing tenants.

**What next?**

The Government expects proposals in the Localism Bill – including changes to allocations, tenure and exchange – will make it easier for landlords to re-house existing tenants and increase mobility.

50 DCLG Business Plan 2011-2015, page 22, November 2010: [www.communities.gov.uk/publications/corporate/businessplan2010](http://www.communities.gov.uk/publications/corporate/businessplan2010)



Plans to make it easier for existing tenants to move when they are not in priority need may help change the balance of transfers to new lettings. In addition, Government plans to reduce the housing benefit of 670,000 'under-occupying' working-age social tenants by an average of about £13 per week may push more to attempt to move.<sup>51</sup> But research suggests the smaller homes to which they may seek to move are not available in sufficient numbers.<sup>52</sup> Older people have been exempted from the measure but separate funding has been provided to local authorities to encourage them to move.<sup>53</sup>



### Verdict: Mobility

When it comes to mobility in the social sector the figures are showing some sign of movement. Increasing mobility is important but this should be led by tenants themselves. The imposition of a system of unwanted upheaval, along with the insecurity that comes with it, would not be welcome.

51 DWP Impact assessment: Under-occupation of social housing, February 2011: [www.parliament.uk/documents/impact-assessments/IA11-022AD.pdf](http://www.parliament.uk/documents/impact-assessments/IA11-022AD.pdf)

52 Modelling by the National Housing Federation has shown about 180,000 social tenants in England are 'under-occupying' two-bed homes, but only 68,000 one-bed social homes came available for letting in the year 2009-10. This highlights the considerable shortfall in available properties for those needing to downsize.

53 Help for Older Tenants Wanting to Move, CLG press release, 20 January 2011: [www.communities.gov.uk/news/newsroom/1821586](http://www.communities.gov.uk/news/newsroom/1821586)

## 9 Affordability of the private rented sector

With house prices and mortgage availability pushing home ownership out of the reach of increasing numbers of people, and the Localism Bill likely to lead to more social tenants and homeless families moving into the private rented sector, the affordability of private rents has become even more crucial to the proper functioning of the housing sector.

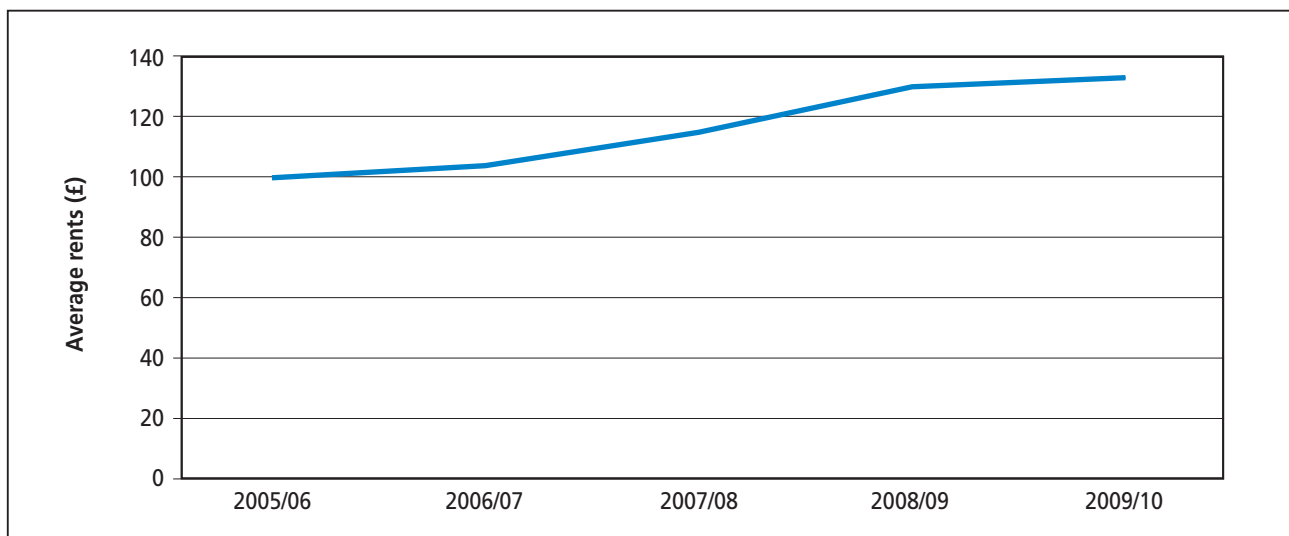
The Government has claimed that its decision to cut and cap housing benefit payments in the private sector will create a downward pressure on overall private rents, as well as on the housing benefit bill.

The Department for Work and Pensions' impact assessment of its housing benefit changes stated: 'The overall caps, restriction to the four bedroom rate and setting rates at the 30th percentile would all increase the number of tenants facing shortfalls between their benefit and contractual rent, if current rent levels and accommodation choices did not change. However the purpose of reform is to influence rent levels and housing choices, which is likely to mitigate the impact of these measures.'<sup>54</sup>

Work and Pensions Secretary Iain Duncan Smith put it more succinctly on The Andrew Marr Show, when he said: 'We're going to drive the rents down'.<sup>55</sup>

Little has been said about rental affordability for households who do not claim housing benefit, however. Private rents have continued to rise over the past five years, although the last year's increase was modest. Data for 2010/11 is expected to be published early in 2012.

**Graph 9a: Average rents in private sector (England): £**



Source: English Housing Survey.

Since April 2011 Local Housing Allowance (LHA) rates have been capped for new claimants to cover only the cheapest third of private rents in each Broad Rental Market Area (BRMA), rather than the cheapest half. We have analysed a basket of six BRMAs, variously covering urban, rural, higher and lower value areas – to track their movements over a period of time. Between April and September this year, LHA rates increased in four of these areas and remained static in the other two. Because LHA rates are indicative of rent levels across the private rented sector, it would appear that, in contrast to what ministers had hoped would happen, the LHA reductions have so far had little impact on bringing private rents down overall.

<sup>54</sup> DWP's impact assessment of housing benefit changes, p.8, November 2010: [www.dwp.gov.uk/docs/lha-impact-nov10.pdf](http://www.dwp.gov.uk/docs/lha-impact-nov10.pdf)

<sup>55</sup> Iain Duncan Smith, interviewed on The Andrew Marr Show, November 14, 2010

Table 9a: Local Housing Allowance rates (England): £

Broad Rental Market Area	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11
Leeds	126.92	126.92	130.38	132.69	132.69	132.69
Outer West London	242.31	248.08	248.08	248.08	252.69	253.85
Sunderland	109.62	109.62	109.62	110.00	109.62	110.00
West Cumbria	98.08	101.54	101.54	101.54	102.69	103.85
North Cornwall & Devon Borders	137.31	137.31	137.31	137.31	137.31	137.31
Northampton	132.69	132.69	132.69	132.69	132.69	132.69

Source: Valuation Office Agency website

### Analysis

That private rents continue to rise reflects the growing demand for rented accommodation prompted by a shortage of social housing and the inability of growing numbers of people to afford to buy. Because private renting is growing as a proportion of all tenures (see Chapter 10) this issue will continue to affect more people.

Research carried out by the Chartered Institute of Housing in June 2011 showed that 31% of people renting privately felt they were spending more on housing costs than they could afford.<sup>56</sup>

### What next?

Provisions in the Welfare Reform Bill would enable Government to uprate LHA – and eventually the housing element of the Universal Credit in the private rented sector – in line with the Consumer Prices Index (CPI) rather than with local rents as happens currently. Research by Shelter and the Chartered Institute of Housing showed that linking LHA with CPI would, over time, severely exacerbate shortfalls between benefit payments and the rents people have to pay. It could mean that 60% of local authority areas would be unaffordable to LHA claimants by 2030.<sup>57</sup>

Increased supply of private rented accommodation could potentially cause rents to fall, and so any changes resulting from reforms to REITs and stamp duty will be watched with interest. However, there are concerns that without a firmer policy on private renting, affordability for all tenants, whether or not they claim benefits, will not improve.



### Verdict: Affordability of the private rented sector

It is too early to give a comprehensive account of the Government's changes to LHA. But the figures show that, for now at least, private rents are high and continuing to rise, while real household incomes are falling.<sup>58</sup>

<sup>56</sup> Rising housing costs for generation rent put home ownership decades away, CIH press release June 2011:

[www.cih.org/news/view.php?id=1444](http://www.cih.org/news/view.php?id=1444)

<sup>57</sup> The Impact of Welfare Reform Bill measures on affordability for low income private renting Families, Shelter/CIH, March 2011:

[http://england.shelter.org.uk/\\_data/assets/pdf\\_file/0007/334726/Impact\\_of\\_Welfare\\_Reform\\_Bill\\_measures\\_on\\_affordability\\_for\\_low\\_income\\_private\\_renting\\_families.pdf](http://england.shelter.org.uk/_data/assets/pdf_file/0007/334726/Impact_of_Welfare_Reform_Bill_measures_on_affordability_for_low_income_private_renting_families.pdf)

<sup>58</sup> Biggest three year fall in household incomes since early 1990s, press release, Institute for Fiscal Studies, 21 March 2011:

[www.ifs.org.uk/pr/pr\\_210311.pdf](http://www.ifs.org.uk/pr/pr_210311.pdf)

## 10 Home ownership

Many home owners and those struggling to buy their first home have been badly affected by recent changes in the housing market. High prices and restricted mortgage lending have placed many properties beyond the reach of most and the average age of a first-time buyer without extra financial support could soon rise to 43.<sup>59</sup>

Communities Secretary Eric Pickles has spoken of his desire to increase home ownership. In a speech in March he said: 'I well remember buying my first home. The sense of ownership, pride and independence. I want more young families to be able to experience that.'<sup>60</sup>

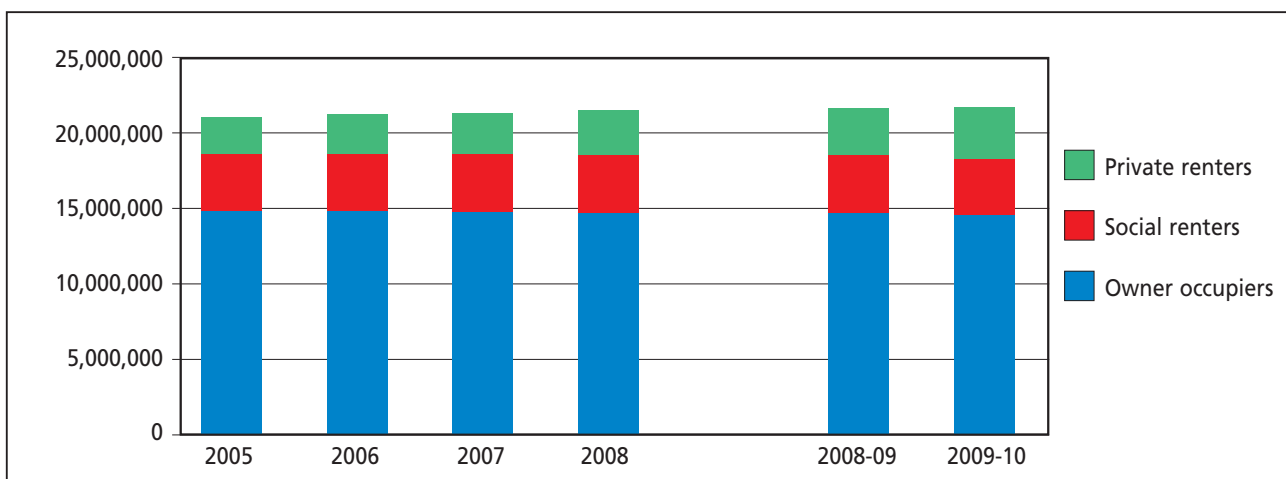
Housing Minister Grant Shapps has acknowledged the advantages of a stable housing market, saying: 'The main thing everyone requires for their subsistence is a roof over their head and when that basic human need becomes too expensive for average citizens to afford, something is out of kilter. I think the answer is house-price stability. We had this crazy period from 1997 to 2007 when house prices almost tripled, which is fine if you have a house.'<sup>61</sup> Recently he has gone further, saying: 'House prices are too unaffordable in this country'.<sup>62</sup>

We have looked at the number and proportion of households who are home owners, compared with private and social renters, to track the level of home ownership over a period of time. We have also tracked average house prices, the ratio of house prices to earnings and the extent to which lenders are prepared to approve mortgages, to ascertain the challenges facing would-be homeowners. Finally, figures showing the total number of sales, and the number of low cost home ownership (LCHO) homes sold by housing associations, indicate how these various factors are currently impacting on home ownership.

### 10.1 Proportion of households who are home owners

Over the past five years the number – and proportion – of people who own their own home has fallen slightly but steadily, while private renting has increased.

Graph 10a: Households by tenure (England)



Source: English Housing Survey Headline Report 2009-10, DCLG, 2011.

59 Home Truths 2010, National Housing Federation report: [www.housing.org.uk/publications/find\\_a\\_publication/general/home\\_truths\\_2010\\_-\\_england.aspx](http://www.housing.org.uk/publications/find_a_publication/general/home_truths_2010_-_england.aspx)

60 Eric Pickles, speech to Home Builders Federation, 31 March, 2011: [www.communities.gov.uk/speeches/housing/1877553](http://www.communities.gov.uk/speeches/housing/1877553)

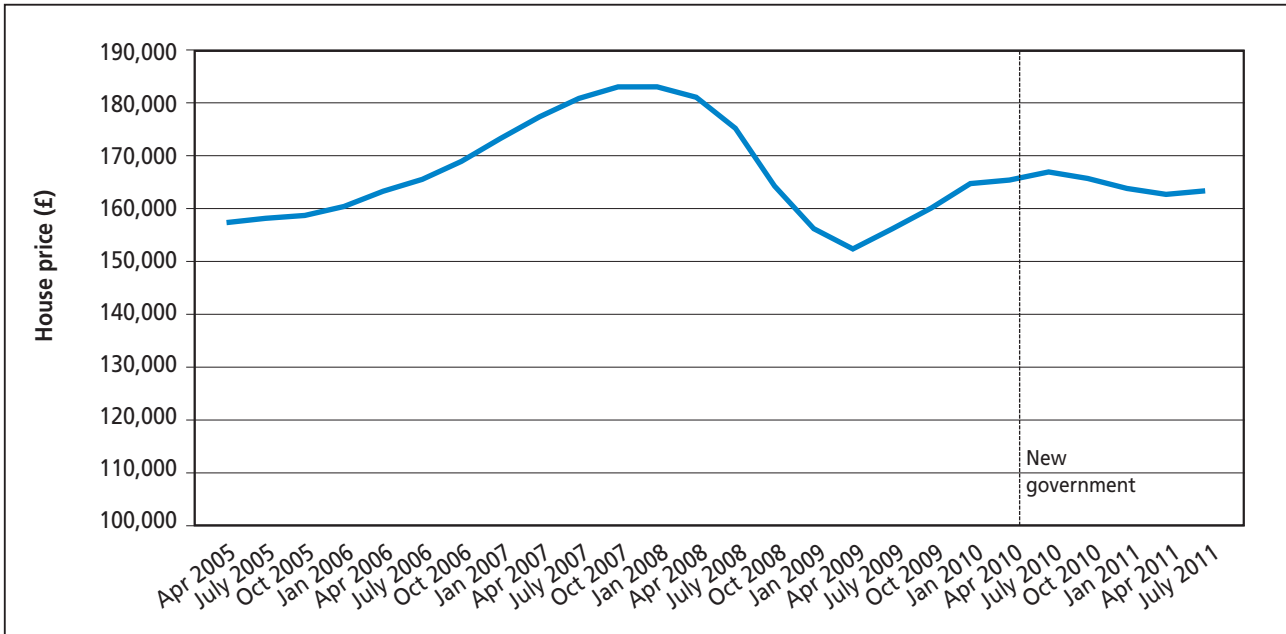
61 Grant Shapps, Observer interview, 1 January, 2011: [www.guardian.co.uk/society/2011/jan/01/minister-end-housing-price-rollercoaster](http://www.guardian.co.uk/society/2011/jan/01/minister-end-housing-price-rollercoaster)

62 Grant Shapps, Guardian 30 August 2011: [www.guardian.co.uk/society/2011/aug/30/housing-minister-get-britain-building](http://www.guardian.co.uk/society/2011/aug/30/housing-minister-get-britain-building)

## 10.2 Affordability

Figures from the Land Registry show the average price of a property fell significantly in 2008, when the banking crisis erupted. Prices began rising again before starting to fall from mid 2010, after the new administration came to power.

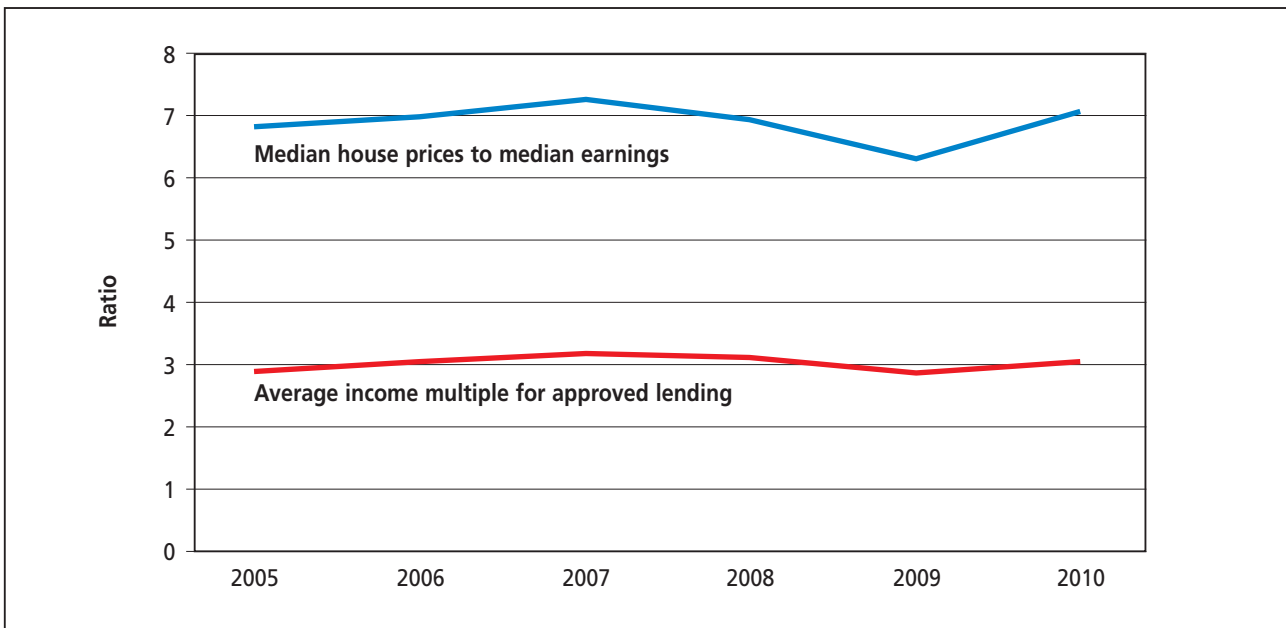
**Graph 10b: House prices (England and Wales)**



Source: Land Registry.

The challenge facing would-be home owners is demonstrated by the fact that median house prices are more than seven times the value of median earnings – and lenders are generally approving mortgages worth only three times annual earnings.

**Graph 10c: Affordability of home ownership (England/UK)**

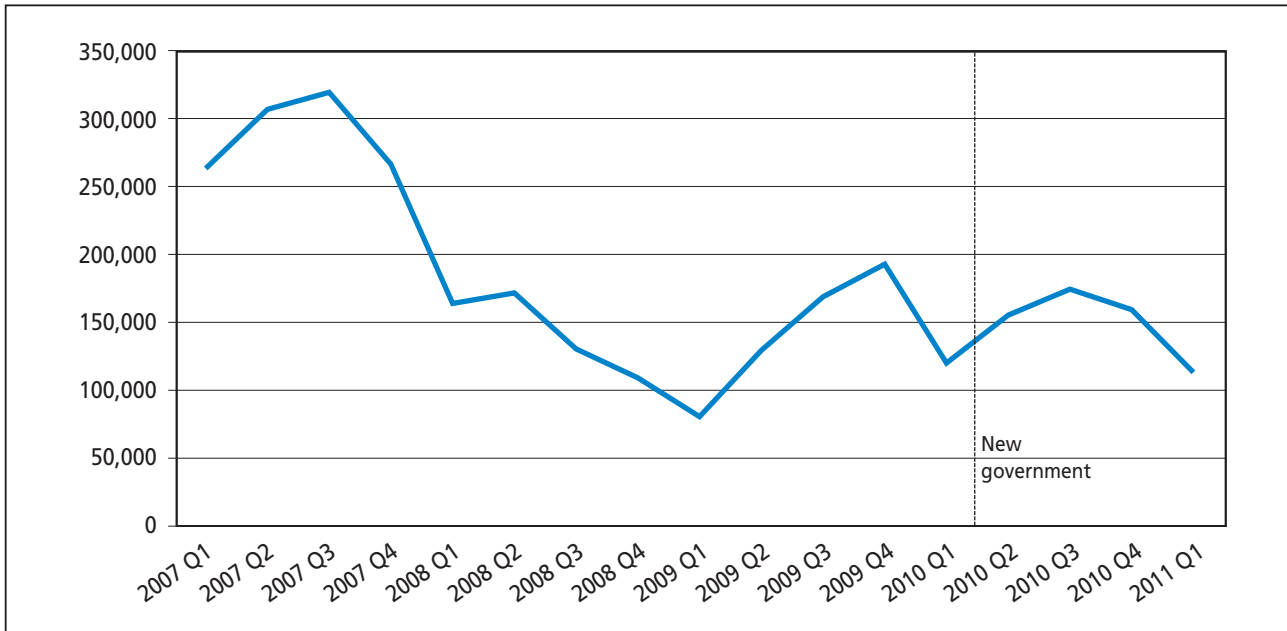


Sources: DCLG Live Table 575; Council of Mortgage Lenders. House price to earnings ratio as at April each year. Income multiples for April-June quarter each year.

### 10.3 House sales

Since the credit crunch there has been a huge drop in overall sales. On the basis of the latest figures, for 2010/11, the market shows no immediate sign of bouncing back. Furthermore, even if transactions returned to pre-crunch levels they would still be a long way below historic levels.

**Graph 10d: Number of house sales in England**



Source: Land Registry via Council of Mortgage Lenders.

There has been a recent decline in sales by housing associations of low cost home ownership homes.

**Table 10a: Housing associations' low cost home ownership sales (England)**

Period	Sales
2005/06	14,998
2006/07	19,392
2007/08	15,623
2008/09	16,124
2009/10	14,677

Note: Numbers of sales completions reported by housing associations in the Regulatory & Statistical Return.

#### **Analysis**

House prices may have fallen slightly over the past year but the number of sales fell too: homeownership remains stubbornly out of the reach of many people. The fact the Government inherited a housing market emerging from a crash might in other circumstances have provided more favourable conditions for an increase in sales, albeit from a historically low level. However, the persistent gap between earnings and property values, combined with lenders' retrenchment, mean that significant progress – including improvements to affordability – is far from assured. So far, Mr Shapps's hopes for house-price stability show little sign of being achieved.

### What next?

Housing Minister Grant Shapps championed measures in the 2011 Budget to help first time buyers who are struggling to purchase a new home because of the requirements for a large deposit.<sup>63</sup> The FirstBuy scheme, backed by £250m of Government cash, is designed to help prospective first-time buyers purchase new-build homes with equity investments jointly funded with housebuilders.<sup>64</sup> It was up-and-running by September 2011.

Mr Shapps said: 'Over the next two years, this will help as many as 10,000 people in England to get that much-needed deposit together and realise their dreams of owning their own home.'<sup>65</sup>

The minister has also called on lenders to offer 'mates mortgages' so younger first-time buyers can club together and take their first step on the property ladder, saying: 'It is vital that every option to increase the availability of mortgages is pursued, so we don't lock a generation of young people out of the housing market.'<sup>66</sup>

In March 2010, the then chancellor Alistair Darling announced that stamp duty for first-time buyers purchasing a property under £250,000 would be scrapped for two years, offset by hiking stamp duty on properties costing more than £1m from 4% to 5%. The current Government was expected to announce the outcome of a review of the measure in autumn 2011.



#### Verdict: Home ownership

The Government has made a clear commitment to supporting home ownership. But with prices still quite volatile, numbers of sales still falling, and affordability showing little sign of improving, the challenges facing aspiring home owners are likely to intensify over the course of the Parliament.

63 Grant Shapps: Budget is a boost for first time buyers, DCLG press release 24 March 2011: [www.communities.gov.uk/newsstories/newsroom/1872394](http://www.communities.gov.uk/newsstories/newsroom/1872394)

64 The scheme will provide a 20% equity loan to top up first-time buyers' own deposit of 5 per cent, enabling buyers to take out a mortgage for 75 per cent of the property. New scheme to offer first-time buyers an alternative to the Bank of Mum and Dad, DCLG press release, 20 June 2011: [www.communities.gov.uk/news/housing/1926858](http://www.communities.gov.uk/news/housing/1926858)

65 *ibid.*

66 Grant Shapps calls for more 'mates mortgages' to help struggling first time buyers, DCLG press release, 5 July 2011: [www.communities.gov.uk/news/corporate/1937814](http://www.communities.gov.uk/news/corporate/1937814)

## Conclusion

It is early days, but already we can see the Government needs to do more if it wants to meet its own commitments on housing. To have achieved four red lights, on housing supply, homelessness, help with housing costs and the affordability of the private rented sector, almost one third of the way through this Parliament, suggests that a rethink may be required to correct the direction of policy before things drift off course. It is to be hoped that the recent Government announcements on housing supply and the Right to Buy, and the commitment to publish a housing strategy, are a signal that such a rethink is already underway.

Granted, indicators like housing supply do have a long time lag, and we wait to see what impact the Government's new investment framework will have on the development of affordable homes. But what is particularly concerning is that in a couple of areas where we have highlighted serious concerns, on homelessness and help with housing costs, we anticipate that many of the policies and spending cuts already announced could exacerbate existing problems.

Not all of the data we are tracking can be attributed directly to Government actions. For example, many of the factors which contribute to the affordability of the private rented sector, or the rate of home ownership, will be determined by market forces that may be difficult to influence in the short term. But that does not mean ministers can escape overall responsibility. Government sets the fiscal and regulatory framework in which the market operates, and the very existence of social housing as an antidote to market failure shows that intervention has long been a natural part of providing and sustaining essential social goods.

Some of the amber lights we have allocated, for evictions, repossessions and arrears, and for home ownership, for example, are in recognition of the fact that, on the basis of the available data, the jury is still out. We have placed our concerns on record and will be watching closely as new figures are produced over the coming months. The inevitable data lag means that a comprehensive assessment of the Government's record will take time to compile, but the process should get easier with each statistical release.

We have given two green lights, for progress on reducing the number of empty homes and mobility in the social sector. For overcrowding, the data is not sufficient to make a considered judgement and we hope to fill in that particular gap next time.

The backdrop to this report is the continuing challenges facing the economy. It is not yet clear what lasting effects the recession will have on the housing sector. But the cuts to public spending announced by Government, alongside the private sector's reluctance to invest amid low business and consumer confidence, and sluggish growth, are likely to take their toll. The impact will surely become clearer in the months ahead. This is why, more than ever, there is a need for a reliable assessment of where we are, and where we are heading, when it comes to the nation's housing. And this is what we intend *The Housing Report* to provide.



## Appendix

The following tables have been attached for more detailed study.

## 1. Housing supply

Data for Graph 1a: New build by tenure (England)

Year	Private enterprise	Housing associations	Local authorities	All dwellings
1946	28,760	100	20,400	49,250
1947	38,630	860	81,370	120,860
1948	30,370	1,820	161,400	193,590
1949	23,800	1,330	136,980	162,110
1950	25,310	1,500	136,530	163,340
1951	20,170	1,610	140,510	162,290
1952	30,500	1,800	164,620	196,930
1953	58,270	7,200	198,210	263,680
1954	85,380	14,020	193,710	293,110
1955	106,800	4,350	158,860	270,010
1956	115,940	2,400	137,750	256,100
1957	118,820	1,880	135,660	256,360
1958	119,910	1,120	110,120	231,150
1959	141,510	1,100	95,990	238,600
1960	156,020	1,650	99,950	257,620
1961	163,350	1,560	91,250	256,160
1962	159,520	1,550	102,490	263,560
1963	160,630	1,930	94,020	256,580
1964	200,670	2,850	114,020	317,540
1965	196,750	3,620	127,290	327,660
1966	187,890	4,100	138,140	330,120
1967	183,720	4,520	154,500	342,740
1968	203,320	5,540	143,680	352,540
1969	164,070	7,100	135,700	306,860
1970	153,440	8,180	130,180	291,790
1971	170,820	10,170	113,680	294,680
1972	173,990	6,900	91,630	272,520
1973	163,460	8,340	77,920	249,710
1974	121,490	9,260	98,610	229,360
1975	131,480	13,650	116,330	261,460
1976	130,900	14,440	118,090	263,430
1977	121,570	24,190	115,840	261,600
1978	127,490	20,570	93,300	241,360
1979	118,390	16,280	74,790	209,460
1980	110,230	19,300	74,840	204,370
1981	98,900	16,820	54,880	170,600
1982	108,790	11,180	31,660	151,630
1983	129,490	14,340	29,900	173,720
1984	138,970	13,920	29,190	182,080
1985	135,460	11,300	23,280	170,040
1986	148,890	10,620	19,630	179,140
1987	161,740	10,940	16,620	189,300
1988	176,020	10,780	16,130	202,930
1989	154,000	10,650	14,700	179,360
1990	136,060	13,820	14,020	163,900
1991	131,170	15,300	8,130	154,600
1992	119,530	20,790	3,510	143,830
1993	116,630	29,780	1,420	147,840
1994	122,700	30,850	1,090	154,640
1995	125,470	30,890	790	157,140
1996	121,550	27,030	510	149,090
1997	128,240	20,970	290	149,490
1998	122,510	19,900	240	142,650
1999	123,180	17,780	50	141,010
2000	118,330	16,680	90	135,100
2001	114,850	14,500	160	129,510
2002	123,320	13,310	180	136,800
2003	131,060	12,820	180	144,060
2004	137,330	16,600	130	154,070
2005	141,740	17,540	180	159,450
2006	139,910	20,660	280	160,850
2007	153,200	22,110	250	175,560
2008	116,540	25,710	430	142,680
2009	92,530	25,260	380	118,160
2010	80,650	21,380	700	102,730

Source: DCLG Live Table 209.

Data for Graph 1b: Starts and completions (England)

	Starts	Completions
2005 Q1	40,190	33,770
2005 Q2	46,680	40,920
2005 Q3	45,200	37,930
2005 Q4	41,830	46,830
2006 Q1	49,660	37,720
2006 Q2	43,960	43,250
2006 Q3	41,190	37,670
2006 Q4	35,810	42,220
2007 Q1	49,370	44,540
2007 Q2	45,790	43,470
2007 Q3	45,090	39,100
2007 Q4	38,200	48,440
2008 Q1	34,290	37,760
2008 Q2	31,250	37,620
2008 Q3	19,290	31,570
2008 Q4	14,650	35,740
2009 Q1	15,390	29,190
2009 Q2	19,120	30,340
2009 Q3	23,910	27,570
2009 Q4	19,800	31,060
2010 Q1	24,850	24,690
2010 Q2	29,960	26,830
2010 Q3	28,140	25,100
2010 Q4	20,320	26,100
2011 Q1	28,170	27,900
2011 Q2	25,490	28,100

## 2. Planning

Data for Graph 2a: Developments given planning approval (England)

	All developments		
	Decisions	Granted	% granted
2008 Q1	19,200	12,100	63%
2008 Q2	19,400	12,100	62%
2008 Q3	17,400	11,200	64%
2008 Q4	15,500	10,100	65%
2009 Q1	12,300	8,130	66%
2009 Q2	12,100	8,280	68%
2009 Q3	12,680	8,800	69%
2009 Q4	12,640	8,980	71%
2010 Q1	11,940	8,630	72%
2010 Q2	12,800	9,300	73%
2010 Q3	13,500	9,500	70%
2010 Q4	13,400	9,700	72%
2011 Q1	12,037	8,917	74%

Source: DCLG statistics.

Note: Figures are for developments, not units.

Data for Graph 2b: Number of units given planning approval (England)

	Units approved
2008 Q1	58,444
2008 Q2	42,106
2008 Q3	32,086
2008 Q4	35,923
2009 Q1	30,525
2009 Q2	21,832
2009 Q3	40,143
2009 Q4	33,510
2010 Q1	40,453
2010 Q2	32,750
2010 Q3	31,553
2010 Q4	29,387
2011 Q1	33,450
2011 Q2	25,171

Source: Home Builders' Federation, New Housing Pipeline Q1 2011 Report.

Notes: Only includes units in developments of more than 10 units.

### 3. Overcrowding

Data for graph 3a: Overcrowded households (England)

	Number of households overcrowded against bedroom standard	As % of total households
2005-06	526,000	2.5%
2006-07	554,000	2.7%
2007-08	565,000	2.7%
2008-09	599,000	2.8%
2009-10	630,000	2.9%

Source: English Housing Survey Headline Report 2009-10, DCLG, 2011.

### 4. Homelessness

Data for Graph 4a: Households accepted as homeless and in priority need (England)

	Homelessness acceptances
2003 Q1	33,980
2003 Q2	34,090
2003 Q3	35,770
2003 Q4	31,750
2004 Q1	33,820
2004 Q2	32,900
2004 Q3	32,150
2004 Q4	28,890
2005 Q1	26,920
2005 Q2	27,310
2005 Q3	24,800
2005 Q4	21,140
2006 Q1	20,730
2006 Q2	19,430
2006 Q3	19,390
2006 Q4	17,310
2007 Q1	17,230
2007 Q2	15,960
2007 Q3	16,540
2007 Q4	15,240
2008 Q1	15,430
2008 Q2	15,680
2008 Q3	14,340
2008 Q4	12,070
2009 Q1	11,350
2009 Q2	10,650
2009 Q3	10,360
2009 Q4	9,430
2010 Q1	9,590
2010 Q2	10,100
2010 Q3	11,840
2010 Q4	10,870
2011 Q1	11,350
2011 Q2	11,820

Data for Graph 4b: Households in temporary accommodation (England)

	Households in TA at end of period
2003 Q1	89,040
2003 Q2	91,870
2003 Q3	94,440
2003 Q4	94,610
2004 Q1	97,680
2004 Q2	99,530
2004 Q3	101,300
2004 Q4	101,030
2005 Q1	101,070
2005 Q2	100,970
2005 Q3	101,020
2005 Q4	98,730
2006 Q1	96,370
2006 Q2	93,910
2006 Q3	93,090
2006 Q4	89,510
2007 Q1	87,120
2007 Q2	84,900
2007 Q3	82,750
2007 Q4	79,500
2008 Q1	77,510
2008 Q2	74,690
2008 Q3	72,130
2008 Q4	67,480
2009 Q1	64,000
2009 Q2	60,230
2009 Q3	56,920
2009 Q4	53,370
2010 Q1	51,310
2010 Q2	50,400
2010 Q3	49,680
2010 Q4	48,010
2011 Q1	48,240
2011 Q2	48,330

Source: DCLG Homelessness statistics.

## 5. Evictions, Repossessions and Arrears

Data for Graph 5a: Repossessions (UK)

	Possessions in period	% of all loans
1990 H1	16,600	0.18
1990 H2	27,300	0.29
1991 H1	36,600	0.38
1991 H2	38,900	0.40
1992 H1	35,800	0.36
1992 H2	32,800	0.33
1993 H1	31,800	0.32
1993 H2	26,800	0.26
1994 H1	25,000	0.24
1994 H2	24,200	0.23
1995 H1	25,200	0.24
1995 H2	24,200	0.23
1996 H1	24,100	0.23
1996 H2	18,500	0.17
1997 H1	17,000	0.16
1997 H2	15,800	0.15
1998 H1	17,300	0.16
1998 H2	16,600	0.15
1999 H1	16,300	0.15
1999 H2	13,600	0.12
2000 H1	12,300	0.11
2000 H2	10,600	0.09
2001 H1	10,300	0.09
2001 H2	7,900	0.07
2002 H1	6,900	0.06
2002 H2	5,100	0.04
2003 H1	4,400	0.04
2003 H2	4,100	0.04
2004 H1	3,900	0.03
2004 H2	4,300	0.04
2005 H1	7,100	0.06
2005 H2	7,400	0.06
2006 H1	10,000	0.09
2006 H2	11,000	0.09
2007 H1	12,800	0.11
2007 H2	13,100	0.11
2008 H1	18,500	0.16
2008 H2	21,500	0.18
2009 H1	25,000	0.22
2009 H2	22,900	0.20
2010 H1	19,500	0.17
2010 H2	16,800	0.15
2011 H1	18,100	0.16

Source: Council of Mortgage Lenders.

Data for Graph 5b: Court actions towards repossessions/evictions (England and Wales)

Period	Claims issued	Orders made
2007 Q1	72,234	47,464
2007 Q2	68,507	44,782
2007 Q3	72,956	48,847
2007 Q4	71,085	48,178
2008 Q1	80,006	51,864
2008 Q2	75,417	54,863
2008 Q3	75,524	54,697
2008 Q4	60,011	51,152
2009 Q1	61,275	41,176
2009 Q2	59,004	41,451
2009 Q3	59,117	44,792
2009 Q4	50,729	37,710
2010 Q1	54,123	36,763
2010 Q2	49,890	35,882
2010 Q3	54,986	38,594
2010 Q4	51,393	36,571
2011 Q1	56,619	39,362
2011 Q2	51,447	36,334

Source: Ministry of Justice.

Data for Graph 5c: Mortgages more than three months in arrears (UK)

	Mortgages 3+ months in arrears	Arrears as % of all loans
1994 H2	419,900	4.03
1995 H1	399,400	3.82
1995 H2	389,800	3.70
1996 H1	348,600	3.29
1996 H2	307,300	2.89
1997 H1	272,400	2.54
1997 H2	236,800	2.21
1998 H1	232,600	2.16
1998 H2	238,000	2.20
1999 H1	219,600	2.01
1999 H2	183,300	1.67
2000 H1	167,400	1.50
2000 H2	164,000	1.47
2001 H1	153,500	1.37
2001 H2	144,300	1.28
2002 H1	133,800	1.19
2002 H2	117,200	1.03
2003 H1	113,800	1.00
2003 H2	99,400	0.87
2004 H1	97,900	0.85
2004 H2	101,400	0.88
2005 H1	114,100	0.99
2005 H2	123,000	1.06
2006 H1	124,100	1.06
2006 H2	115,500	0.98
2007 H1	120,900	1.02
2007 H2	127,500	1.08
2008 H1	152,700	1.30
2008 H2	218,900	1.88
2009 H1	285,100	2.50
2009 H2	270,900	2.38
2010 H1	246,400	2.17
2010 H2	239,600	2.11
2011 H1	234,400	2.07

Source: Council of Mortgage Lenders.

## 6. Help with housing costs

Data for graph 6a: Number of housing benefit claimants by tenure (Great Britain)

Year / Month	All HB recipients	Tenure Type			
		Social Rented Sector			Private Rented Sector
		Total	Local authority tenants	Housing associations tenants	Total
2009 January	4,252,250	3,138,380	1,505,590	1,632,790	1,108,590
April	4,382,080	3,174,780	1,502,550	1,672,230	1,202,520
July	4,477,250	3,204,610	1,510,090	1,694,520	1,263,560
October	4,568,730	3,203,500	1,503,200	1,700,300	1,310,360
2010 January	4,651,100	3,261,670	1,511,330	1,750,340	1,386,510
April	4,746,320	3,294,900	1,511,680	1,783,220	1,448,700
July	4,777,430	3,303,690	1,512,310	1,791,380	1,471,130
October	4,789,490	3,299,630	1,500,340	1,799,280	1,487,330
2011 January	4,833,470	3,308,900	1,487,160	1,821,740	1,521,980
April	4,856,150	3,312,520	1,457,760	1,854,750	1,540,750

Source: Department for Work and Pensions. Monthly statistics, here one month per quarter from January 2009.

Data for graph 6b: Average weekly cost of housing benefit per recipient (Great Britain): £

Year / Month	All HB recipients	Tenure Type			
		Social Rented Sector			Private Rented Sector
		Sector average	Local authority tenants	Housing associations tenants	Sector average
2009 January	77.23	68.56	65.07	71.78	101.38
April	80.78	72.01	68.29	75.34	103.64
July	81.30	71.89	67.71	75.62	104.83
October	81.90	71.87	67.09	76.10	105.89
2010 January	83.38	72.45	67.44	76.78	108.92
April	84.24	73.04	67.86	77.43	109.74
July	84.28	72.78	67.48	77.26	110.03
October	84.50	72.72	67.40	77.16	110.52
2011 January	84.70	72.63	67.31	76.97	110.88
April	87.29	75.85	70.99	79.67	111.76

Source: Department for Work and Pensions. Monthly statistics, here one month per quarter from January 2009.

Data for graph 6c: Total weekly cost of housing benefit (Great Britain): £ millions

Year / Month	All HB recipients	Tenure Type			
		Social Rented Sector			Private Rented Sector
		Total	Local authority tenants	Housing associations tenants	Total
2009 January	328.401	215.167	97.969	117.202	112.389
April	353.984	228.616	102.609	125.986	124.629
July	364.000	230.379	102.248	128.140	132.459
October	374.179	230.236	100.850	129.393	138.754
2010 January	387.809	236.308	101.924	134.391	151.019
April	399.830	240.659	102.583	138.075	158.980
July	402.642	240.443	102.051	138.402	161.868
October	404.712	239.949	101.123	138.832	164.380
2011 January	409.395	240.325	100.101	140.219	168.757
April	423.893	251.255	103.486	147.768	172.194

Source: Department for Work and Pensions. Monthly statistics, here one month per quarter from January 2009.

## 7. Empty homes

Data for graph 7a: Total number of empty homes (England)

2005	2006	2007	2008	2009	2010
723,509	744,931	763,319	783,119	770,661	738,414

Source: DCLG Live Table 615.

## 8. Mobility

Data for graph 8a: Social housing lettings to existing social tenants

**CORE general needs new lettings data**  
Housing associations and local authorities – Prior housing situation

	Social housing transfers	
	Number	% of all lettings
Jan - Mar 2005	12,249	33.2%
Apr - Jun 2005	11,921	30.3%
Jul - Sept 2005	12,122	30.3%
Oct - Dec 2005	12,314	30.5%
Jan - Mar 2006	10,667	29.2%
Apr - Jun 2006	15,360	35.0%
Jul - Sept 2006	16,150	35.3%
Oct - Dec 2006	16,660	34.8%
Jan - Mar 2007	10,505	34.5%
Apr - Jun 2007	16,572	33.3%
Jul - Sept 2007	16,588	33.0%
Oct - Dec 2007	17,033	33.1%
Jan - Mar 2008	15,237	32.2%
Apr - Jun 2008	18,388	32.5%
Jul - Sept 2008	18,399	33.1%
Oct - Dec 2008	18,745	33.3%
Jan - Mar 2009	18,715	32.6%
Apr - Jun 2009	18,464	34.2%
Jul - Sept 2009	17,967	34.0%
Oct - Dec 2009	16,700	34.1%
Jan - Mar 2010	14,377	34.2%
2010/11 (provisional)	75,391	34.5%

01/09/2011 NHF HousingFigures

Source: 01/09/2011 NHF HousingFigures based on CORE returns for general needs. Figures cover both local authorities and housing associations. \* Data for 2010/11 is provisional only.

## 9. Affordability of the private rented sector

Data for Graph 9a: Average rents in private sector (England)

Year	Median weekly rent net of services (£)
2005/06	100
2006/07	104
2007/08	115
2008/09	130
2009/10	133

Source: English Housing Survey.

## 10. Home ownership

Data for Graph 10a: Households by tenure (England)

	Owner occupiers		Social renters		Private renters		All tenures 000s
	000s	%	000s	%	000s	%	
2005	14,791	70.7	3,696	17.7	2,445	11.7	20,932
2006	14,790	70.1	3,736	17.7	2,566	12.2	21,092
2007	14,733	69.6	3,755	17.7	2,691	12.7	21,178
2008	14,628	68.3	3,797	17.7	2,982	13.9	21,407
2008-09	14,621	67.9	3,842	17.8	3,067	14.2	21,530
2009-10	14,525	67.4	3,675	17.0	3,355	15.6	21,554

Source: English Housing Survey Headline Report 2009-10, DCLG, 2011.

Data for Graph 10b: House Prices (England and Wales)

Month	Average Price (£)
April 2005	157,061
July 2005	157,869
Oct 2005	158,409
Jan 2006	160,097
April 2006	162,971
July 2006	165,212
Oct 2006	168,600
Jan 2007	172,924
April 2007	177,017
July 2007	180,466
Oct 2007	182,639
Jan 2008	182,650
April 2008	180,680
July 2008	174,830
Oct 2008	163,947
Jan 2009	155,919
April 2009	152,097
July 2009	155,863
Oct 2009	159,792
Jan 2010	164,414
April 2010	165,080
July 2010	166,607
Oct 2010	165,379
Jan 2011	163,499
April 2011	162,379
July 2011	163,049

Source: Land Registry.

**Data for Graph 10c: Affordability of home ownership (England/UK)**

	<b>Ratio of median house prices to median earnings (England, DCLG)</b>	<b>Average income multiple of approved mortgage lending (UK, CML)</b>
2005	6.81	2.92
2006	6.97	3.04
2007	7.23	3.16
2008	6.93	3.12
2009	6.27	2.86
<b>2010</b>	<b>7.01</b>	<b>3.05</b>

Sources: DCLG Live Table 575; Council of Mortgage Lenders. House price to earnings ratio as at April each year. Income multiples for April-June quarter each year.

**Data for Graph 10d: Number of home sales (England)**

<b>Quarterly property transactions, England</b>	
2007 Q1	266,462
2007 Q2	309,720
2007 Q3	322,220
2007 Q4	269,613
2008 Q1	167,677
2008 Q2	175,381
2008 Q3	134,383
2008 Q4	113,244
2009 Q1	84,831
2009 Q2	133,295
2009 Q3	172,533
2009 Q4	196,423
2010 Q1	124,058
2010 Q2	159,120
2010 Q3	178,128
2010 Q4	163,134
2011 Q1	117,208

Source: Land Registry via Council of Mortgage Lenders.