

## 6 Housing

### 6.1 Key Themes

**6.1.1** The effects of social change continue to have an impact on the formation of households: people are living longer, more are choosing to live alone and relationship break-ups are splitting families over more than one household. More significantly, as a result of net migration, the region's population has been increasing rapidly and the demand for housing in the South West has been increasing faster than at the national level.

**6.1.2** In May 2010 it was announced that the Regional Spatial Strategy (RSS) was to be abolished. The RSS was formally revoked on 6 July 2010 under s79(6) of the Local Democracy Economic Development and Construction Act 2009. As a result some datasets used in previous State of the South West Housing chapters are no longer available<sup>(1)</sup> Alternative Department for Communities and Local Government (DCLG) datasets have been used to replace these, where available.

**6.1.3** The economic downturn has had a significant impact upon both housing starts and completions in the South West. The number of housing completions during 2007/08 was the highest since 1989/90, and represented the peak of the housing boom. However, delivery during 2009/10 has decreased across the UK and the South West is no exception. Net dwelling completions in the region in 2009/10 are down by 21% from the previous year and have fallen for the third successive year. The true change in delivery rates is unlikely to become apparent for two to three years. As with the recession of the early 1990s, the trough in delivery is liable to lag behind the recovery in the housing market. Housing starts are now beginning to show signs of recovery, increasing by 19.9% in 2009/10 compared to the previous year. However, house building activity remains at low levels relative to recent years and delivery in the region may be tentative for some time to come.

**6.1.4** The average house price in the South West has broadly followed national trends over the last 10 years. Following a period of steady increases, house prices dipped from 2007. However, since the first quarter of 2009 average house prices have been on the rise again, increasing in the South West by 10.5% in the year up to the second quarter of 2010 (compared to an increase of 14.1% in England). There has been a similar dip and subsequent increase in the ratio of house prices to earnings in the region. From 2009 to 2010 the ratio of lower quartile house price to lower quartile earnings increased from 7.6 to 8.2 in the South West, indicating a decrease in the affordability of housing (for England overall the increase was from 6.3 to 6.7).

**6.1.5** The South West's housing stock is less energy efficient than the English average. There are large CO2 savings to be made in both the existing housing stock and new housing developments.

### 6.2 Key Data

- There were 2.39 million dwellings in the South West in 2010 ([DCLG 2010, Table 109](#))
- There were 13,310 dwellings completed in 2009/10 ([DCLG 2010, Table 253](#)).
- 41,720 affordable dwellings were provided between 2001/2 and 2009/10 ([DCLG 2010, Table 1000](#)).
- 76.9% of new dwellings were built on previously developed land in 2008/09 (South West Councils AMR 2009). <sup>(2)</sup>
- Flats comprised 32% of all dwelling completions in 2009/10 compared to 45% in 2008/09 ([DCLG 2010, Table 254](#)).
- 2,980 households were accepted as homeless by South West local authorities in 2009/10 ([DCLG 2010, Table 772](#)).
- There were 54,249 empty dwellings recorded in the South West in 2008 (excluding second homes), representing

1 Certain datasets were submitted to South West Councils, from the local authorities in the region, as part of the Annual Monitoring Report, which informed the RSS. This included local authority statistics on affordable housing, and housing completions, for example. The South West Observatory and the Homes and Communities Agency (HCA) are currently working with local authorities to access this data and maintain a time series. We will update State of the South West as appropriate on receipt of this information.

2 Following the abolition of the RSS this data is no longer collected.

3.2% of the total housing stock (ONS 2008, Vacant dwellings).

- Second homes represented 2% of the South West housing stock in 2006, double the figure for England.
- In 2010 the ratio of lower quartile house price to lower quartile earnings in the South West was 8.17 to 1 compared to a national average of 6.69 to 1.

### **6.3 Housing Provision**

**6.3.1** In 2009/10, 13,310 dwellings were completed<sup>(3)</sup> in the South West, a drop of 21% from 16,900 in 2008/09. The impact of the changes to the economic climate of the UK since 2008 on housing delivery is therefore becoming apparent.

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3 The term 'completed' is used to describe those buildings that have a 'completions certificate'. This does mean that a dwelling may be complete, habitable or even occupied, but may not be listed as 'complete' by the local authority.

**Table 6.3.1 Permanent dwellings completed 2004/05 to 2009/10**

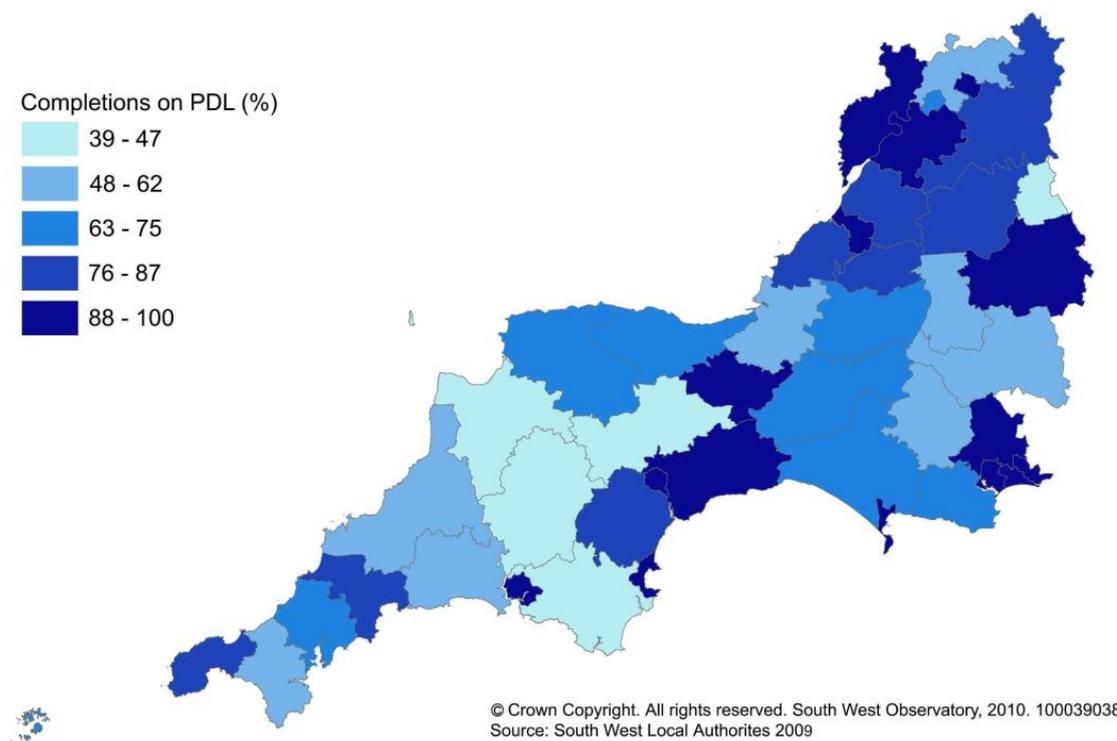
	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10
B&NES	220	220	190	190	170	240
Bournemouth	-	550	950	880	1,200	500
Bristol	-	-	-	-	1,360	840
Isles of Scilly	20	20	0	-	10	0
North Somerset	-	1,110	-	1,130	670	-
Plymouth	510	860	620	400	-	190
Poole	480	550	670	620	430	430
S Gloucestershire	490	-	-	-	-	-
Swindon	-	1,520	1,560	2,030	940	970
Torbay	390	290	290	330	390	230
Cornwall	-	-	2,040	-	1,880	1,580
Devon	-	-	-	2,310	1,950	1,660
Dorset	-	-	1,320	1,140	900	-
Gloucestershire	1,650	-	2,400	2,400	2,400	-
Somerset	-	-	-	1,460	-	-
Wiltshire	-	-	-	-	1,620	-
South West	17,410	18,760	19,430	18,990	16,900	13,310
Source: DCLG, Table 253						

## 6.4 Housing Mix and Distribution

6.4.1 In 2008/09, over two-thirds of development (76.9%) took place on previously

developed land (PDL), an increase from 72.4% in 2007/08. Over 80% of development in the West of England, Dorset and Gloucestershire took place on previously developed land.

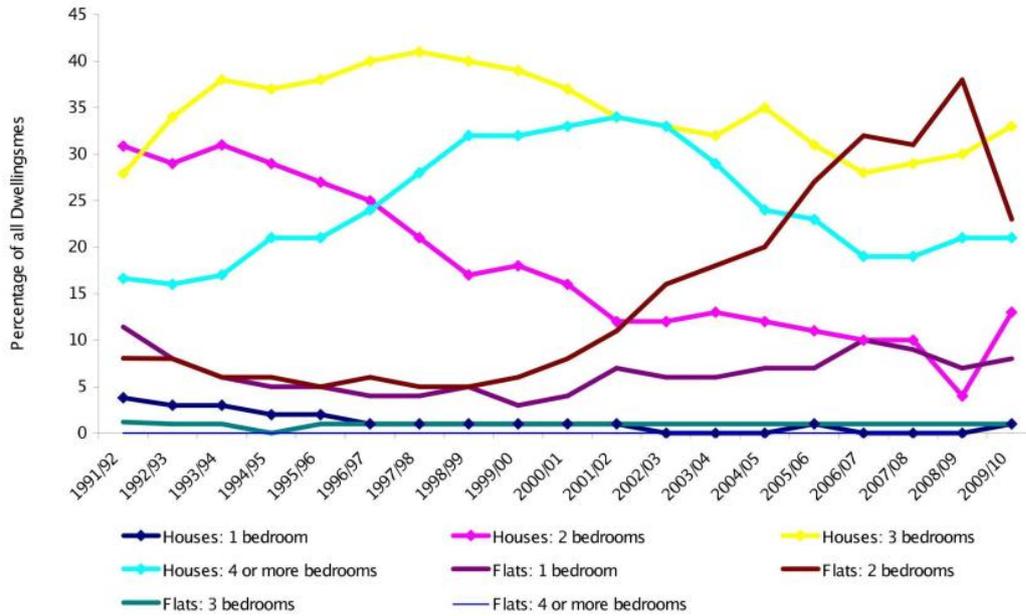
**Figure 6.4.1 Percentage of new and converted dwellings on previously developed land (PDL) 2008/09**



6.4.2 Since 1992, the proportion of smaller dwellings being built in the region has declined gradually. From around 2000 there has been a general reversal of this trend. However, DCLG data for 2009/10 indicates that smaller dwellings (one or two bedrooms) account for 46% of the total new build, which is a decrease from the 2008/09 figure of 49%. Overall, however the number of two bedroom dwellings being built

has increased from 24% in 2000/01 to approximately 37% in 2009/10. The long term increase in two bedroom dwellings and subsequent decline in larger dwellings being built may be due to the majority of development now being located on previously developed land; sites which are often better suited to smaller dwellings and higher densities.

**Figure 6.4.2 Housing Mix and Distribution**

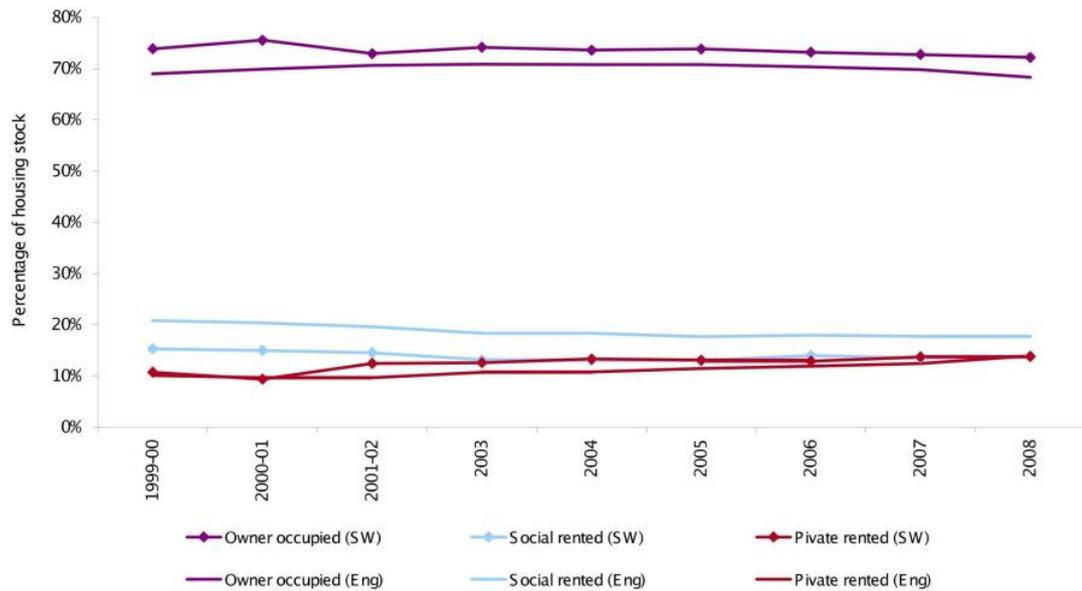


Source: Department for Communities and Local Government (DCLG), Table 254

**6.4.3** Over the period 1999-2008 owner occupied dwellings accounted for most of the growth in absolute numbers. In 2008, 72% of homes were owner occupied, whilst 14% were social rented (owned by Local Authorities or Registered Social Landlords) and 14% privately rented. Over the period 1999-2008, as a

percentage of the total stock, privately rented dwellings increased by 3%, whereas owner-occupied dwellings decreased by 2%. This reflects the growth of the buy to let market and high levels of house price growth making owner occupation less accessible to some groups, particularly young people.

**Figure 6.4.3 Housing mix and distribution, Tenure**



Source: Communities and Local Government (CLG), Table S 135: Tenure by GO Region, 2008

## 6.5 Housing Need and Affordability

**6.5.1** Affordable housing<sup>(4)</sup> provides homes to rent or part buy for those who cannot compete in the open marketplace. The provision of new affordable housing has become a significant issue as market housing has become increasingly unaffordable, and following the loss of council housing stock through the Right to Buy.

**6.5.2** The figures produced by the DCLG include affordable completions by the Homes and Communities Agency and Registered Social

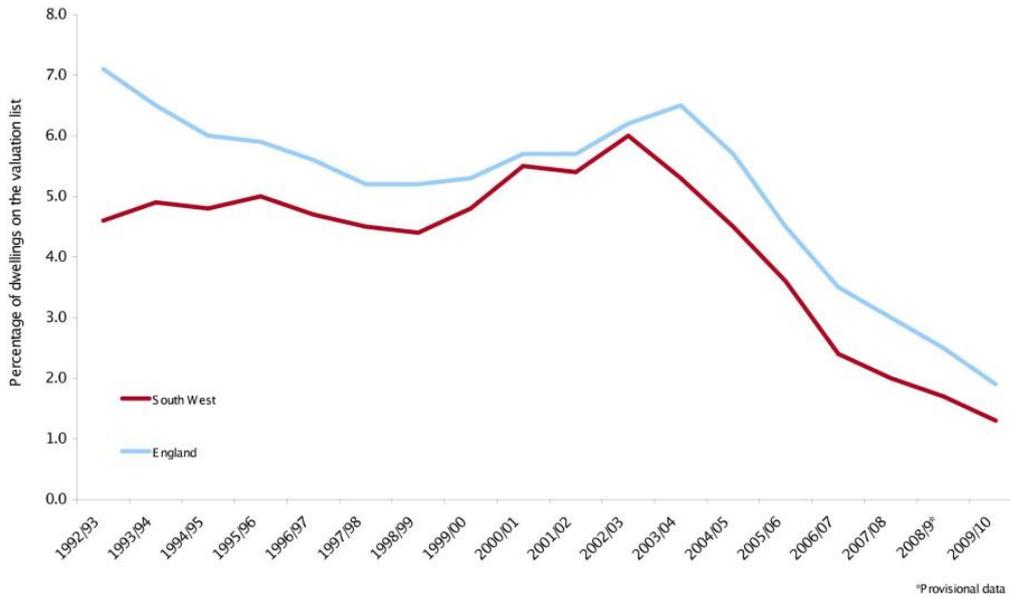
Landlords. DCLG figures show 6,540 affordable completions in the South West in 2009/10. This represents 2.9 additions per 1,000 total households in the region (the England figure for 2009/10 is 2.7 additions per 1,00 households).<sup>(5)</sup>

**6.5.3** The number of homeless households in priority need in the South West has been decreasing steadily since 2002/3. However, this trend may slow or could even be reversed depending upon the ultimate length and severity of the current economic downturn. It is an indicator which will need close consideration over the coming years.

4 Affordable housing includes housing for rent and intermediate housing, such as shared ownership.

5 Latest ONS total household data used, 2008.

**Figure 6.5.1 Homeless Households in Priority Need**

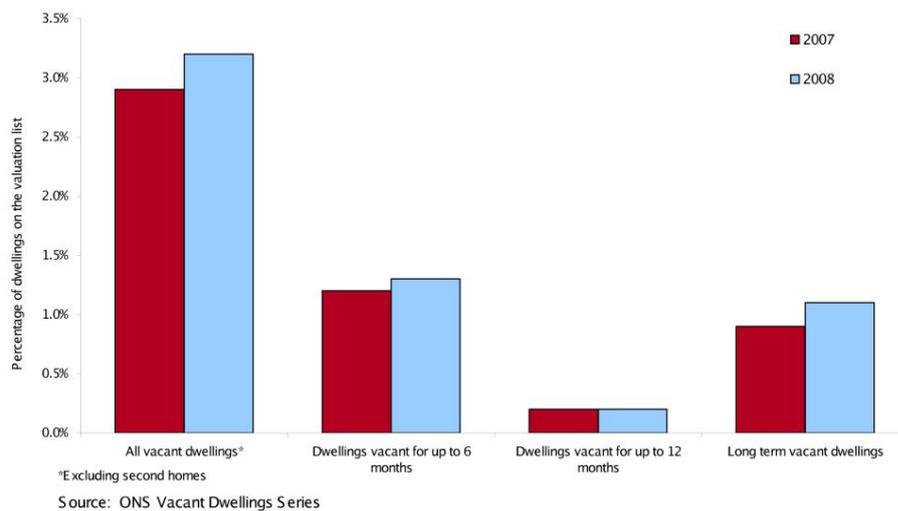


Source: Department for Communities and Local Government (DCLG), Table 621

**6.5.4** The housing market requires a small vacancy rate in order to function. In 2008, there were 54,249 vacant dwellings in the South West (excluding second homes), an increase of 12% from 48,477 in 2007. This represents 3.2% of the total stock, comparing well to the English average of 3.6% (ONS 2008, Vacant dwellings).

There are considerable variations at the local level with, for example, empty properties comprising 4.6% of Torbay's and 3.8% of Bournemouth's total housing stock in 2008. In 2007/08, 1.3% of the South West's total housing stock was empty for over six months.

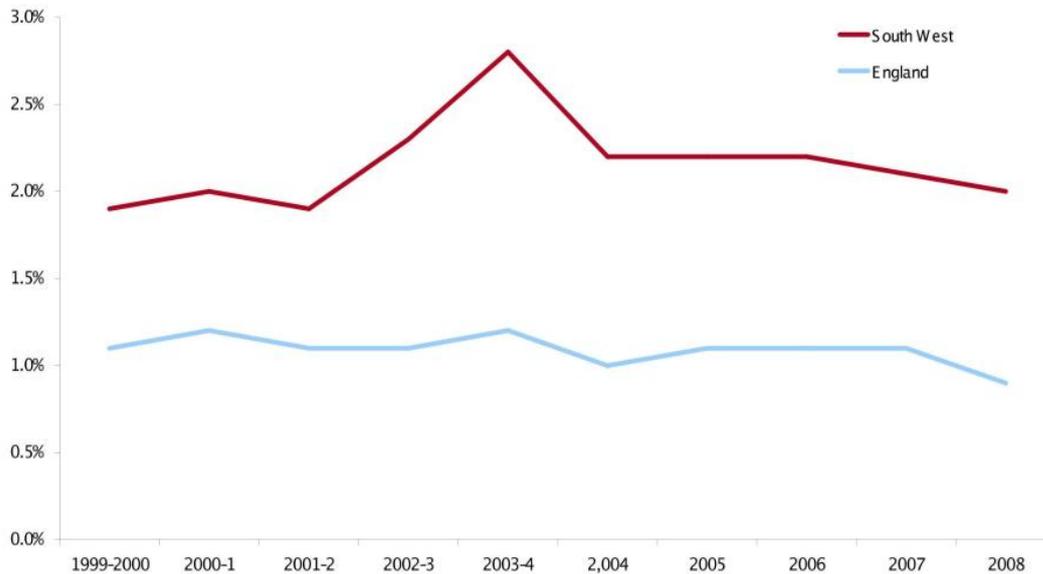
**Figure 6.5.2 Vacant Dwellings in the South West (excluding Second Homes)**



**6.5.5** The South West has a high proportion of second homes and this remains a significant issue for the region. In 2008, there were 40,118 second homes in the South West; 30% of all the second homes in England. Figures from 2006 show the percentage of second homes in the South West was 2.2% compared with a national figure of just 1.1%. This has declined slightly to 2% in 2008 but is still double the national figure.

**6.5.6** There is considerable variation in the rate of second home ownership at the local level. For example, in 2004/5 (Rapid Evidence Assessment of the Research Literature on the Purchase and Use of Second Homes), some Cornish areas and Devon local authorities were reporting between 9% and 11% of all dwellings being owned as second homes. The Isles of Scilly had the highest rate at 22%.

**Figure 6.5.3 Percentage of all homes that are second homes**



Source: 'Rapid Evidence Assessment of the Research Literature on the Purchase and Use of Second Homes', NHPAU, 2008 / Vacant Dwellings 2007 & 2008, ONS

Note on Figure 6.5.3: Source Data: National Housing and Planning Advice Unit<sup>(6)</sup>.

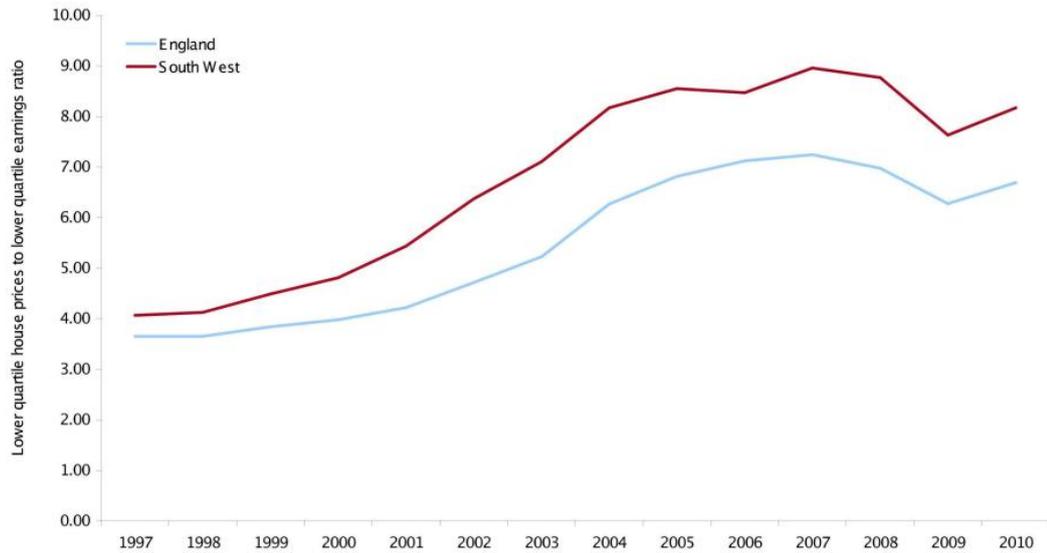
**6.5.7** Lower quartile ratios are a measure<sup>(7)</sup> of how unaffordable housing is for the least well off and for first time buyers, particularly those who have no other sources of wealth (such as parental help). In 2010 the ratio of lower quartile house prices to lower quartile earnings in the South West was 8.17, compared to a national average of 6.69. This represents a slight increase on 2009 following two years of

decreases after the peak of 8.96 in 2007. The South West has the least affordable housing of the English regions, as it is the only region with above average house prices and below average wages (see Social and Welfare chapter). The current credit crisis has not improved the affordability of housing. Prices may be falling but the large deposit required by lenders and their reluctance to lend high income multiples as in recent years has prevented many first-time buyers from taking advantage of reductions in price.

6 'Rapid Evidence Assessment of the Research Literature on the Purchase and Use of Second Homes', NHPAU, 2008

7 There are several ways in which to measure affordability and recent NHPAU research has noted that it may be wise to use a combination of measures where possible. Click [here](#) for more info.

**Figure 6.5.4 Lower quartile house price to Lower quartile incomes ratio**

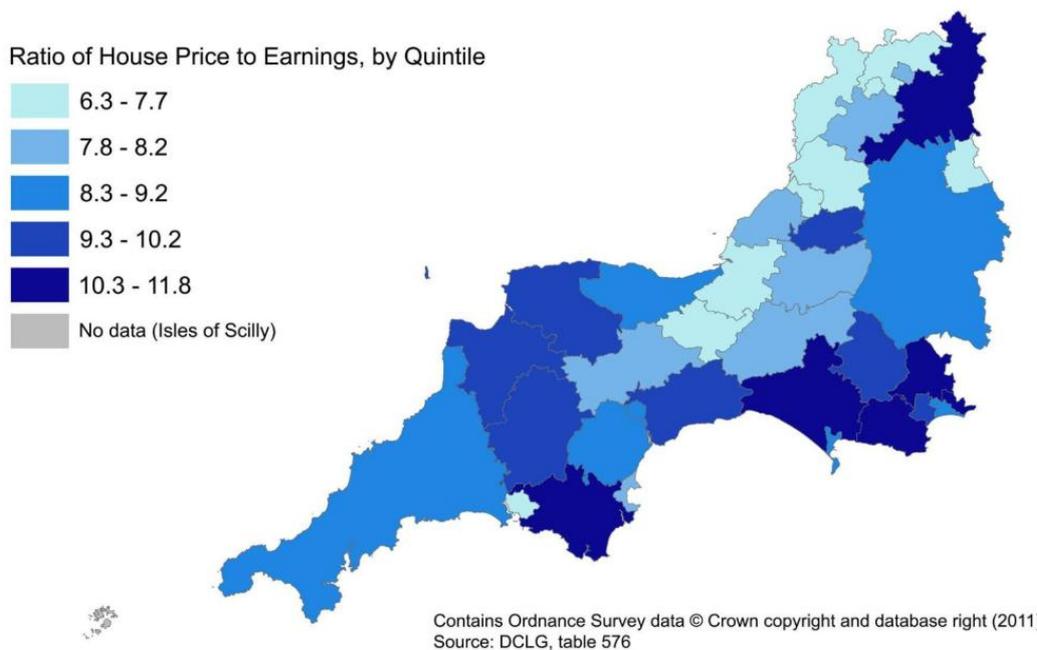


Source: Department for Communities and Local Government (DCLG), Table 576

**6.5.8** The worst affordability problems, in terms of the lower quartile house price to earnings ratio, are in the far west and south east of the

region. The least affordable local authority area in the South West in 2010 was East Dorset, with a ratio of 11.8 to 1, and the most affordable was Plymouth (6.3 to 1).

**Figure 6.5.5 Lower quartile house price to earnings ration, South West Unitary and District authorities**



**6.5.9** The average house price in the South West and England peaked in Q3 2007, at £237,314 for the South West and £232,345 for England. The recession caused prices to drop and in Q1 2009 the average house price in the

South West was £200,468 (£200,539 in England). Since then house prices have been generally rising with the latest (Q3 2010, provisional) average of £236,101 in the South West, £249,868 for England.

**Figure 6.5.6 Average House Prices**



Source: Department for Communities and Local Government (DCLG), Table 581

## 6.6 Housing Quality

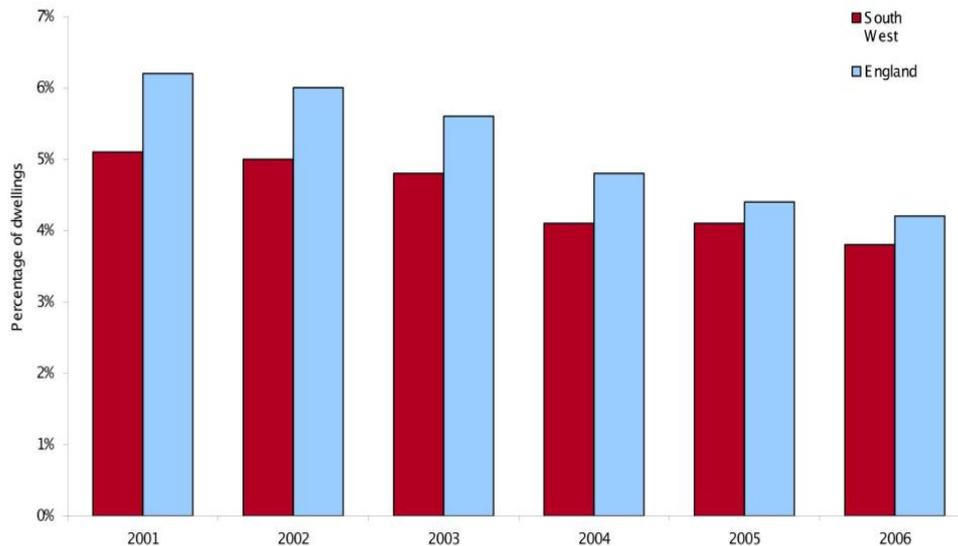
**6.6.1** Housing conditions are monitored every five years by the English House Condition Survey (EHCS), which classifies a 'decent home' as one that satisfies all of the following four criteria:

- it meets the current statutory minimum standard for housing. At present this is the fitness standard

- it is in a reasonable state of repair
- it has reasonably modern facilities and services
- it provides a reasonable degree of thermal comfort.

**6.6.2** The latest survey results (2006) found that 3.8% of dwellings in the South West were "unfit", slightly lower than the national figure of 4.2%.

**Figure 6.6.1 Proportion of dwellings deemed to be "unfit"**



Source: Office for National Statistics, Dwelling Stock by Tenure and Condition

### 6.6.3 Design and Environmental Impacts -

Good housing conditions are essential for both health and decent standards of living. Energy efficient housing is crucial for enabling householders to reduce their impact on the use of natural resources and production of greenhouse gases. Higher environmental standards in the design of new housing will be a crucial contribution in the drive to reduce greenhouse gas emissions. In addition, higher environmental standards in terms of thermal

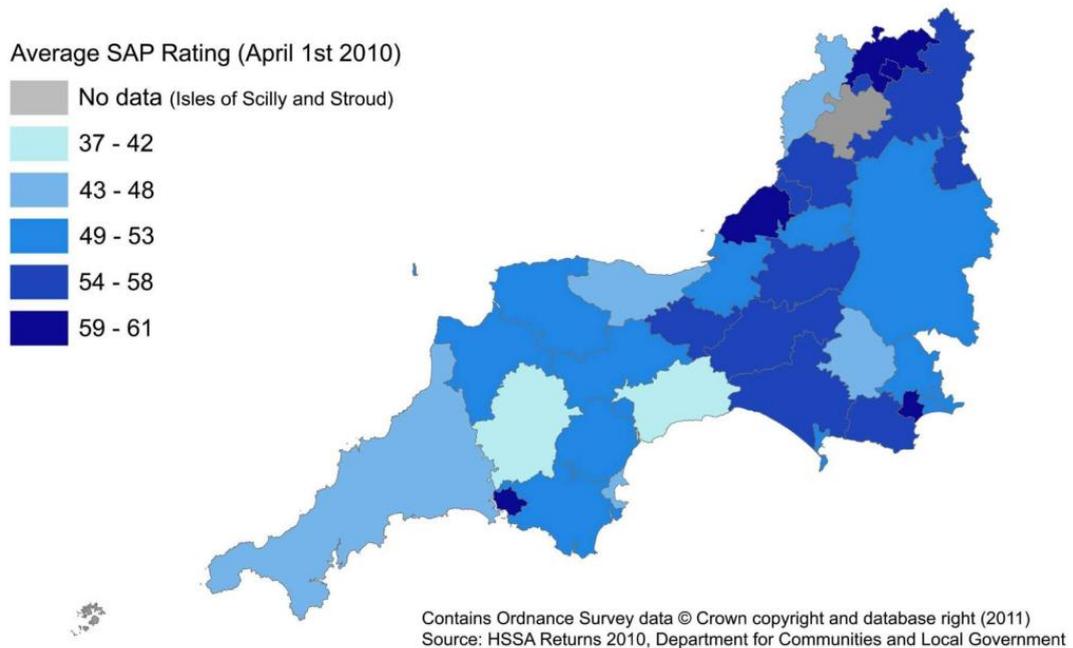
comfort and good use of natural lighting are likely to bring financial and health benefits. A study by the Royal Institution of Chartered Surveyors in 1997 showed that poor quality housing and surrounding environmental conditions have negative impacts on health (CABE 2002, The value of good design).

**6.6.4** In the South West (2010), the average SAP<sup>(8)</sup> rating of private sector housing ranged from 37 in West Devon to 61 in Tewkesbury, compared to a national average of 53.9<sup>(9)</sup>.

8 The energy performance of individual buildings is measured using the Government's Standard Assessment Procedure (SAP), a rating scale of 1 to 100, in which 100 represents the best performance possible. SAP takes account of the fuel efficiency of heating systems and the thermal efficiency of the building fabric (that is, how well it retains heat in winter). It also takes account of other factors including the type of construction (e.g. cavity wall, solid wall, terraced, semi-detached, detached or flat), the shape, size and orientation of the building, and the size and distribution of windows.

9 Housing Strategy Statistical Appendix (HSSA) returns 2009/10. England average based upon those local authorities for which data was available.

**Figure 6.6.2 Energy efficiency of private sector dwelling stock in the South West as at 1st April 2010 (Districts/Formal Districts and Unitary Authority areas)**



**6.6.5 Lifetime Homes** - These are generally considered to be more sustainable in that the need for costly retro-fitted adaptations is reduced as a household ages or experiences life-style changes. Similarly, a good design within new social sector stock can prevent the need for a household to move to housing better suited to changing physical abilities. It is anticipated that demand for this type of stock will increase as the population of the South West continue to age. For more information: [Joseph Rowntree Foundation](#).

## 6.7 Conclusions

**6.7.1** The South West's population is growing and with household numbers expected to rise significantly, it is foreseeable that the need and demand for housing will continue to grow. The slow down in house building as a result of the recession is likely to create an even bigger challenge for the region.

**6.7.2** As there is nationally, there is an immediate need to improve the quality and environmental sustainability of new and existing dwellings in the South West. The highly

dispersed population of the region could make this challenge greater but also offer opportunities.

**6.7.3** The South West continues to face many housing challenges, in particular the South West has the fastest growth in older people (see Population and Migration chapter) which will have a major impact on suitable housing availability. However, there are real opportunities for the South West to develop resilient, integrated communities that maintain and enhance its cherished environmental qualities, both urban and rural.