

The housing crisis in the East of England

There is an acute housing crisis in the East of England. Like many parts of the country, people in work are struggling to afford a home to rent or buy. House prices are similar to the national average, yet this masks areas where homes are way out of reach for people on average wages. In areas like Norfolk and Suffolk there are a high number of second homes, while in Cambridge, Hertfordshire and Essex, house prices are more than nine times the average income. **An annual household income of more than £100,000 is needed to buy in three districts of Hertfordshire (Hertsmere, St Albans and Three Rivers).** Renting privately is also becoming increasingly unaffordable compared to average pay packets, averaging £690 per month and taking up 30% of average incomes. **Work is no guarantee of being able to cover housing costs, with a quarter of all housing benefit claimants in the region being employed.**

The East of England has a rapidly growing and ageing population which means more new homes are desperately needed for older people to be able to lead healthy, independent lives. **Households aged 65 or over are expected to increase by 23% by 2021**, joint highest with the South East.

Only around half the number of homes needed to meet demand in the region are currently being built. Over the past four years, 62,950 too few homes were built to keep up with demand. Unless more homes are built now this housing shortfall is set to become even more acute with predictions that over half a million new households (580,000) will form in the region by 2037.



Solving the housing crisis

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

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

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

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

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

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HOME TRUTHS 2015/16

The housing market in the East of England



East of England



	Average (mean) house prices in 2014 ¹	Average (mean) monthly private sector rents in 2013/2014 ²	Mean annual earnings in 2014 ³	Ratio of house prices to incomes ^{1,3}	Income required for 80% mortgage 2014 (80% at 3.5x) ¹	% of housing benefit claimants in employment in Feb 2015 ⁴	Unemployment rate (Dec 2014) ⁵	Four-year shortfall 2011-2014 ⁶	Second homes ⁷	All long-term vacant stock ⁸	Total HA rented homes 2014 ⁹
ENGLAND	£265,888	£720	£26,499	10.0	£60,774	23.8%	6.2%	-515,340	251,518	205,821	2,573,781
EAST OF ENGLAND	£261,086	£690	£27,310	9.6	£59,677	24.5%	5.2%	-62,950	28,762	17,202	261,960
Luton	£176,924	£663	£22,828	7.8	£40,440	31.8%	7.8%	-3,600	204	434	4,412
Peterborough	£170,374	£572	£25,022	6.8	£38,943	25.8%	6.9%	-1,347	127	629	16,182
Southend-on-Sea	£233,874	£681	£26,936	8.7	£53,457	27.1%	7.5%	-1,801	218	824	3,592
Thurrock	£205,334	£760	£25,714	8.0	£46,933	26.5%	6.6%	-2,869	215	192	1,810
Bedford	£232,602	£632	£26,354	8.8	£53,166	24.2%	6.1%	-1,027	331	480	12,881
Central Bedfordshire	£251,066	£701	£29,609	8.5	£57,387	25.2%	3.9%	-2,526	289	707	10,873
Cambridgeshire	£270,935	£747	£28,829	9.4	£61,928	22.1%	4.6%	-4,069	2,468	1,771	30,982
Cambridge	£416,588	£912	£27,794	15.0	£95,220	22.4%	4.0%	n/a	1,652	268	5,204
East Cambridgeshire	£242,594	£758	£31,772	7.6	£55,450	25.0%	4.4%	-2,557	134	244	5,653
Fenland	£157,698	£541	£23,390	6.7	£36,045	20.4%	5.4%	-1,819	70	407	5,566
Huntingdonshire	£226,891	£645	£27,368	8.3	£51,861	20.9%	3.6%	-922	278	307	10,154
South Cambridgeshire	£317,091	£854	£32,152	9.9	£72,478	23.0%	3.2%	-1,674	334	545	4,405
Essex	£268,674	£760	£28,574	9.4	£61,411	23.9%	6.0%	-17,542	4,248	4,096	48,655
Basilidon	£243,899	£792	£27,165	9.0	£55,748	21.0%	6.3%	-395	217	339	6,459
Braintree	£241,334	£716	£27,685	8.7	£55,162	23.1%	4.7%	-2,515	202	601	10,623
Brentwood	£376,590	£1,055	£37,705	10.0	£86,078	24.0%	3.7%	-1,008	171	119	1,186
Castle Point	£239,887	£781	£27,196	8.8	£54,831	27.2%	5.5%	-1,083	55	258	616
Chelmsford	£288,873	£751	£30,893	9.4	£66,028	25.0%	4.6%	-1,884	261	412	10,236
Colchester	£222,659	£673	£25,870	8.6	£50,894	26.6%	5.7%	-2,386	504	518	4,868
Epping Forest	£410,682	£1,123	£32,282	12.7	£93,870	22.9%	5.3%	-1,752	338	431	2,033
Hartow	£219,465	£755	£23,291	9.4	£50,163	25.3%	6.5%	-888	59	125	2,081
Maldon	£275,690	£731	£31,944	8.6	£63,015	24.0%	4.7%	-1,050	320	247	3,033
Rochford	£265,127	£815	£28,376	9.3	£60,600	25.9%	4.4%	-768	88	174	2,969
Tendring	£181,830	£619	£22,802	8.0	£41,561	22.2%	8.1%	-3,274	1,847	626	2,736
Uttlesford	£365,237	£901	£32,911	11.1	£83,483	24.9%	3.0%	-540	186	246	1,815
Hertfordshire	£363,684	£966	£31,580	11.5	£83,128	27.7%	4.4%	-12,440	2,196	2,027	56,468
Broxbourne	£280,473	£890	£29,370	9.5	£64,108	30.3%	4.8%	-676	95	129	5,539
Dacorum	£351,604	£898	£31,122	11.3	£80,367	25.7%	4.5%	-796	285	296	3,168
East Hertfordshire	£354,524	£897	£32,958	10.8	£81,034	28.4%	3.6%	-1,957	197	377	8,352
Hertsmere	£455,503	£1,128	£29,224	15.6	£104,115	30.6%	5.0%	-1,299	217	202	7,708
North Hertfordshire	£306,516	£769	£31,174	9.8	£70,061	24.2%	4.8%	-2,084	278	301	10,973
St Albans	£492,157	£1,171	£41,688	11.8	£112,493	29.6%	3.6%	-1,257	241	195	2,462
Stevenage	£218,589	£730	£24,955	8.8	£49,963	24.3%	6.4%	-384	81	134	2,374
Three Rivers	£460,965	£1,372	£30,306	15.2	£105,363	26.8%	4.2%	-1,318	72	113	5,483
Watford	£295,489	£1,013	£31,278	9.4	£67,540	36.9%	5.3%	192	91	97	6,872
Welwyn Hatfield	£348,991	£1,103	£27,888	12.5	£79,769	23.2%	5.3%	-2,861	639	183	3,537
Norfolk	£203,002	£597	£22,292	9.1	£46,400	21.3%	4.8%	-8,209	12,519	3,206	44,973
Breckland	£195,103	£630	£20,691	9.4	£44,595	24.6%	4.8%	-1,466	421	480	8,461
Broadland	£217,788	£631	£22,209	9.8	£49,780	25.7%	3.9%	-1,222	392	317	5,247
Great Yarmouth	£157,528	£500	£20,093	7.8	£36,006	19.5%	7.8%	-1,527	2,432	512	1,915
King's Lynn and West Norfolk	£200,682	£581	£21,996	9.1	£45,870	19.2%	5.6%	-1,069	3,295	699	9,847
North Norfolk	£225,272	£592	£20,748	10.9	£51,491	21.6%	5.3%	-1,229	4,883	456	6,514
Norwich	£184,883	£647	£22,568	8.2	£42,259	20.2%	7.5%	-1,678	501	405	5,788
South Norfolk	£224,375	£607	£26,161	8.6	£51,286	22.7%	4.5%	-18	595	337	7,201
Suffolk	£220,460	£604	£23,561	9.4	£50,391	22.1%	5.1%	-7,520	5,947	2,836	31,132
Babergh	£258,103	£664	£25,558	10.1	£58,995	23.9%	4.4%	-376	526	299	2,005
Forest Heath	£190,198	£825	£19,734	9.6	£43,474	26.2%	3.8%	-331	185	293	4,433
Ipswich	£169,890	£481	£22,178	7.7	£38,832	22.5%	6.6%	-1,528	450	421	5,121
Mid Suffolk	£234,017	£666	£25,990	9.0	£53,490	19.8%	3.8%	-1,133	498	330	1,768
St Edmundsbury	£245,905	£710	£22,948	10.7	£56,207	24.2%	4.2%	-766	254	278	8,188
Suffolk Coastal	£263,378	£591	£25,974	10.1	£60,201	23.0%	3.7%	-2,114	2,679	690	6,498
Waveney	£178,378	£504	£21,705	8.2	£40,772	18.4%	6.8%	-1,273	1,355	525	3,119

1. Land registry 2014
2. VOA Private sector rents 2013/14
3. ASHE Income table 8.1a 2014 all employees

4. DWP Stat Explore Feb 2015
5. ONS Model Based Estimates of Unemployment Dec 2014
6. Housing Need based on Holmans / TCPA projections

weighted by DCLG household projections to a local level; Delivery figures compiled from DCLG Live Table 253a

7. Council tax base local authority level data 2014
8. DCLG Table 615 Vacant dwellings
9. HCA Statistical Data Return