

The South Hampshire Housing Market

ANNUAL MARKET MONITORING REPORT 2008

Partnership for Urban South Hampshire



Final Report

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Contents

Executive Summary	1
Introduction	2
The National Economy and Housing Market	3
The South Hampshire Housing Markets	4
Demographic Influences Affecting Demand	8
The South Hampshire Economy	10
Affordability, Incomes and Housing Need	11
New Housing Supply	14
Concluding Remarks	16

Appendices

1	Individual Local Authority Summary Tables	17
2	Local Authority Data Comparison Table	30

Executive Summary

The housing markets in South Hampshire have been affected by the downturn in the national economy and housing market:

- **Prices across the PUSH sub-region have fallen by up to 8% over the year ending Q3 2008** although falls vary. Southampton and Portsmouth for example both recorded a 6% drop – see Appendix 1 for further information.
- Parts of South Hampshire, particularly the more rural areas, have been much more robust and prices in some areas remain higher than one year ago.
- **Property sales have fallen by 52%** compared to Q3 2007, consistent with the fall in mortgage approvals nationally.
- **The private rented market remains active**, but the supply of rented properties is increasing.

Key social and economic changes which affect housing demand show:

- **Continued net in-migration of younger people (16-24 year olds)** to the sub-region in 2007 and significant additional in-migration of overseas migrants, driven by job growth.
- Job growth is likely to be negative in 2008/09 as a result of recession which will limit new in-migration and affect demand, particularly in the rental market.
- Unemployment is generally low in all areas by historic standards but likely to increase as the national economic outlook deteriorates.

The average cost of a property within the sub-region in 2008 is around £206,000. Based on the average household income and a typical mortgage, there remains an affordability gap of around £53,000 (equating to 25% of the average property value).

Declining affordability over 10 years has led to **an increase in the proportion of households on local authority waiting lists for affordable housing.** The South Hampshire Housing Market Assessments show that many of those in priority need are larger family households.

Interest in low cost home ownership has doubled over 2 years with around 4,000 households now actively considering these options. These households often live in private rented housing. But this 'intermediate sector' has been impacted by the downturn and potential buyers are delaying purchases. They are also affected by the lack of availability and higher cost of mortgages, reflected in rising levels of unsold New Build HomeBuy properties in the sub-region.

4,230 new homes (3,840 net new homes) were completed in the sub-region in 2007/08, consistent with the PUSH target for 4,000 p/a (80,000 new dwellings by 2026). The majority of completions (74%) were one and two bedroom properties. Around 940 (910 net) affordable properties were completed, 24% of net completions. 87% of these were one and two bedroom dwellings. The bias towards smaller dwellings has therefore been more acute in the affordable sector and is likely to be an issue that PUSH need to consider in the future.

It is challenging to deliver new homes in the current market environment. Sales rates on development sites have fallen, discouraging developers from building out. House price falls have a disproportionate effect on land values (since development costs remain the same), further discouraging activity. The PUSH authorities will need to consider how to respond to this changing context to secure delivery of both market and affordable homes.



Introduction

This report monitors key indicators of the housing markets in South Hampshire (the PUSH sub-region) and is the first of 3 annual reports. It is not the purpose of this report to update the South Hampshire housing market assessments since some data cannot be updated annually. The indicators contained in this report will help inform PUSH and individual local authorities in developing policies in relation to housing and responding to market changes. However, given the uncertainties in the housing market and wider economy at present it is difficult to make firm conclusions.

It is useful to reflect on the factors that underpin the markets in the PUSH sub-region. These exist across the country but operate differently in different housing markets:

- Population change, migration and changes to household incomes
- Economic and employment growth
- The scale and structure of the housing stock and new supply
- The expectations of households and investors (of future price rises or falls)
- The availability and cost of finance eg mortgages.

This report is structured as follows:

- **The National Economy and Housing Market:** key trends which are important to the performance of the South Hampshire markets
- **The South Hampshire Housing Market:** evidence on prices and rents, reflecting the strength of demand
- **Demographic Influences Affecting Demand:** data on population, household growth and changes to migration which underpin demand for housing within the South Hampshire sub-region
- **The South Hampshire Economy:** key data on economic growth, economic

activity and unemployment which, together with demographic factors, underpin demand for housing

- **Affordability, Incomes and Housing Need:** key indicators on affordability of housing for those on the lowest earnings and indicators of housing need
- **New Housing Supply:** data on new completions and delivery against PUSH's housing objectives
- **Appendix 1 and 2 - Local Authority Summary Tables:** headline data for each local authority area on the evidence presented in the rest of the report.

Technical Matters

There are broadly two housing market areas operating within South Hampshire (PUSH sub-region) and these are centred on Portsmouth and Southampton.

Further information on the geography of these markets is provided in the South Hampshire Housing Market Assessment (HMA) <http://www.push.gov.uk>

This monitoring report distinguishes where possible between these two market area which are known as the Western and Eastern PUSH Areas as well as presenting data for the PUSH sub-region as a whole.

South Hampshire - the PUSH sub-region - as a whole includes 10 authority areas of which 4 are partially included (East Hampshire, Test Valley, Winchester and New Forest). For some datasets it is not possible to analyse data below the local authority level. Where this is the case, data for the PUSH sub-region only includes the 6 core authorities (Portsmouth, Havant, Gosport, Eastleigh, Fareham and Southampton) and this is indicated in the title of charts and tables.



The National Economy and Housing Market

This section comments on the economy and housing market at the national level which provides the context within which the PUSH sub-regional economy and housing markets operate. Figure 1 shows that **economic growth nationally has slowed significantly in 2008**. Most forecasts now expect the UK economy to be in a recession throughout 2009. This is as a result of continued turmoil in global financial markets which is now starting to impact on the 'real economy'. Banks have curtailed their lending to households and companies and the uncertain economic environment mean that companies are reluctant to recruit and invest; others have implemented redundancies.

The National Housing Market

In the UK, up to the third quarter of 2007, there was a continuation of a pattern of general growth in average house prices that had been evident over the last decade. However, following the credit crunch, prices stabilised and began falling through 2008. It is interesting to note that in the South East, *real* prices had begun to stabilise in 2004/05 (Figure 2) and many commentators at the time were predicting a correction in prices on the basis that prices were out of line with rises in real incomes. **In the UK as a whole, prices have fallen by 15% year on year (to November 2008)**¹.

The slowing market was initially evident in reduced volumes of transactions rather than house prices. This reflects the fact that when demand weakens, and values that can be achieved on sale fall below vendors' expectations, they often decide to stay put. However, **transaction volumes have now fallen to around 50% of pre credit crunch levels in the South East** as the volume of mortgage lending has halved in the UK, with falls in mortgages to new purchasers down by 70%.

Another indicator of worsening conditions in the housing market is the reduction in number of construction starts and completions. These have fallen by 27% over the last year in the South East (to Q2 2008). Sales rates on development sites are currently around half the levels achieved in a normal market.

Repossession levels have been rising and are expected to be up 70% at the end of 2008 compared to 2007. **In the Portsmouth and Southampton County Court areas, repossession orders are up 13% and 12% respectively in 2008 compared to 2007**².

At present, repossession levels are around half those associated with the previous downturn (1990-92). Between 1988 and 1991, interest rates rose to between 10-14% and unemployment rose sharply which prompted significant levels of forced sales and repossessions.

Figure 1: A WEAKENING ECONOMY

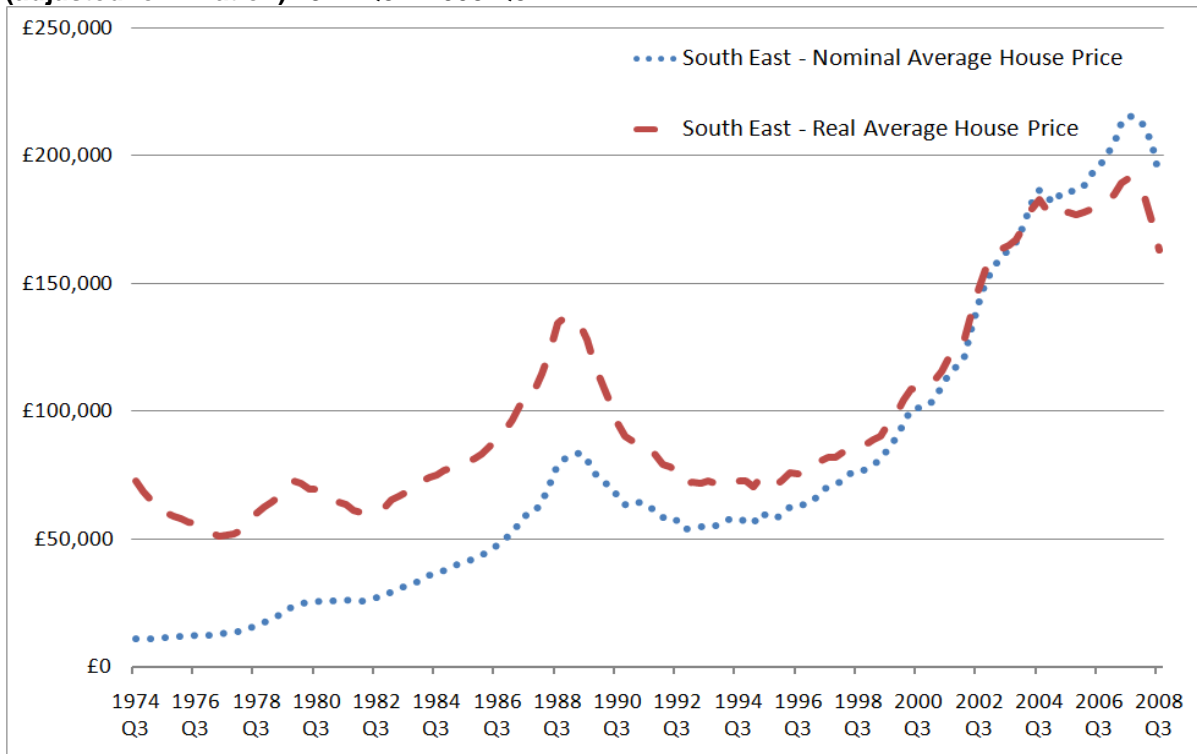
UK Economic Growth Forecasts: Gross Domestic Product (GDP), Interest Rates and Inflation Forecasts 2008-2010

	2008	2009	2010
DTZ			
GDP	0.8	-0.6	0.3
Consensus of Independent Forecasts			
GDP	0.9	-0.9	-

Source: DTZ Research (Issued November 2008)

Figure 2: RISING PRICES OVER THE LONG TERM

South East Average (Mean) House Prices Comparing Nominal Prices (actual) with Real Prices (adjusted for inflation) 1974 Q3 – 2008 Q3



Source: Nationwide

The South Hampshire Housing Markets

This section considers the performance of the housing markets in South Hampshire over the last year. South Hampshire has been affected by the downturn in the national economy and housing market. The full extent of price falls, assuming the Nationwide Index is accurate, has not yet reflected in Land Registry transactions data which is available at the local level. It is therefore difficult to conclude whether the sub-region is following exactly the same path.

It is important to note that house prices across South Hampshire have increased significantly over the last 10 years. Average prices presented in Figure 3 mask the variability in the prices of different types and sizes of properties in the sub-region. But the data shows that, on average, prices have more than doubled since 1998; albeit this is a slightly slower rate than the South East as a whole.

Figure 3: HOUSE PRICE GROWTH OVER THE LAST 10 YEARS

Mean Average House Prices (based on two-quarter weighted average), Q2 1998 – Q2 2008

	1998	2008	% change
Western PUSH area	£83,200	£222,500	167%
Eastern PUSH area	£72,000	£201,500	180%
PUSH sub-region	£78,600	£205,900	162%
South East	£99,000	£270,000	173%

Source: Land Registry/DTZ

Property Prices Have Fallen

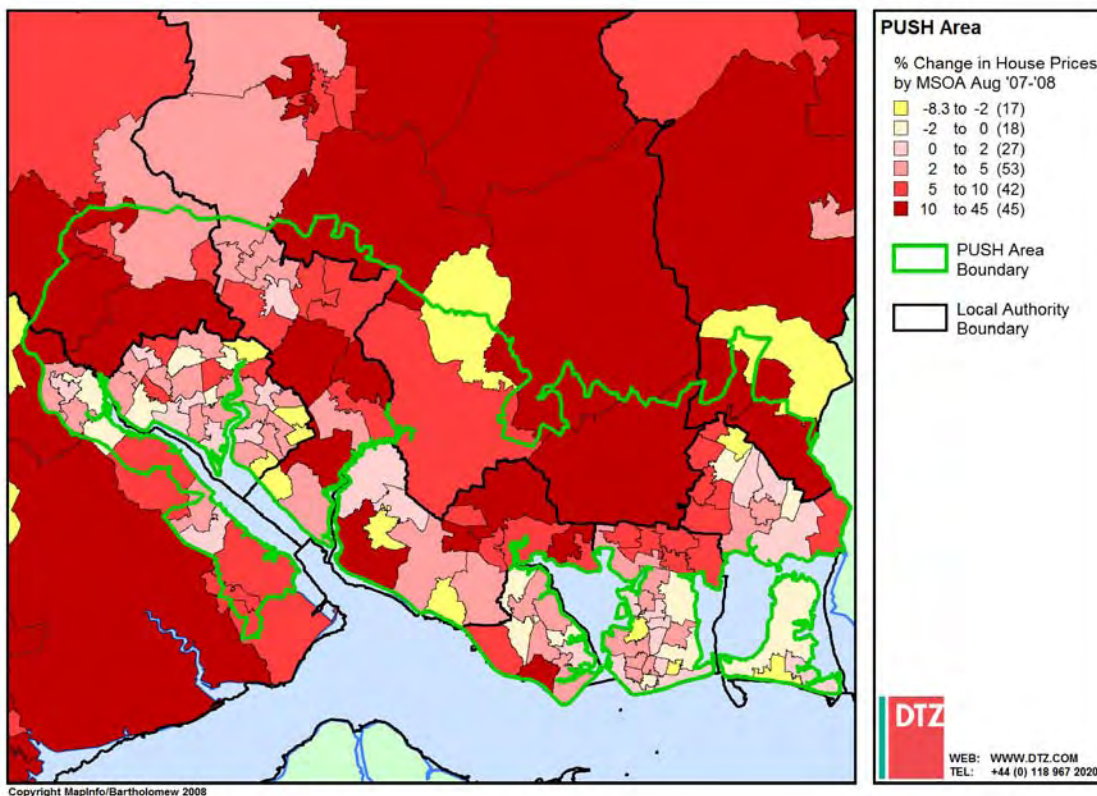
Prices in Southampton and Portsmouth have fallen by 6% since Q3 2007 according to Land Registry. Prices have been *less* robust than the South East (-1%) and England (-3%). The Land Registry is the most comprehensive measure of property prices but there is typically a 3 month lag in prices being recorded and so it cannot be compared with Nationwide's house price index for the same period.

The pattern of price change within the towns and cities in the sub-region has been variable (Figure 4). In the rural areas prices generally remain marginally higher than a year ago. This reflects more robust demand and limited supply. It is important to note that Hometrack price data presented in Figure 4 includes valuations data from lenders which

includes re-mortgages. Prices may therefore appear more robust than the Land Registry which is based only on transactions data.

The Appendix presents data for individual local authorities and shows how property prices per sq m vary. Winchester has the highest prices at £2,700 per square metre (per sq m) compared to Portsmouth and Gosport (£1,700 per sq m). Households effectively pay double for the same amount of space in Winchester compared to Portsmouth and Gosport. The price of the same amount of floorspace in different *types* of properties also varies in all of the authorities which can indicate different demand pressures as well as the premium that households are prepared to pay for other attributes such as large gardens (illustrated by detached properties having the highest price per sq m in all authorities).

Figure 4: VARIABILITY IN HOUSE PRICE CHANGE OVER THE LAST YEAR
Mean Average House Price Change August 2007- August 2008 (MSOA = Middle Super Output Area; Numbers in Brackets Refer to the Number of MSOAs which fall into that Price Band)³



Source: Hometrack & DTZ



Property Sales Have Halved

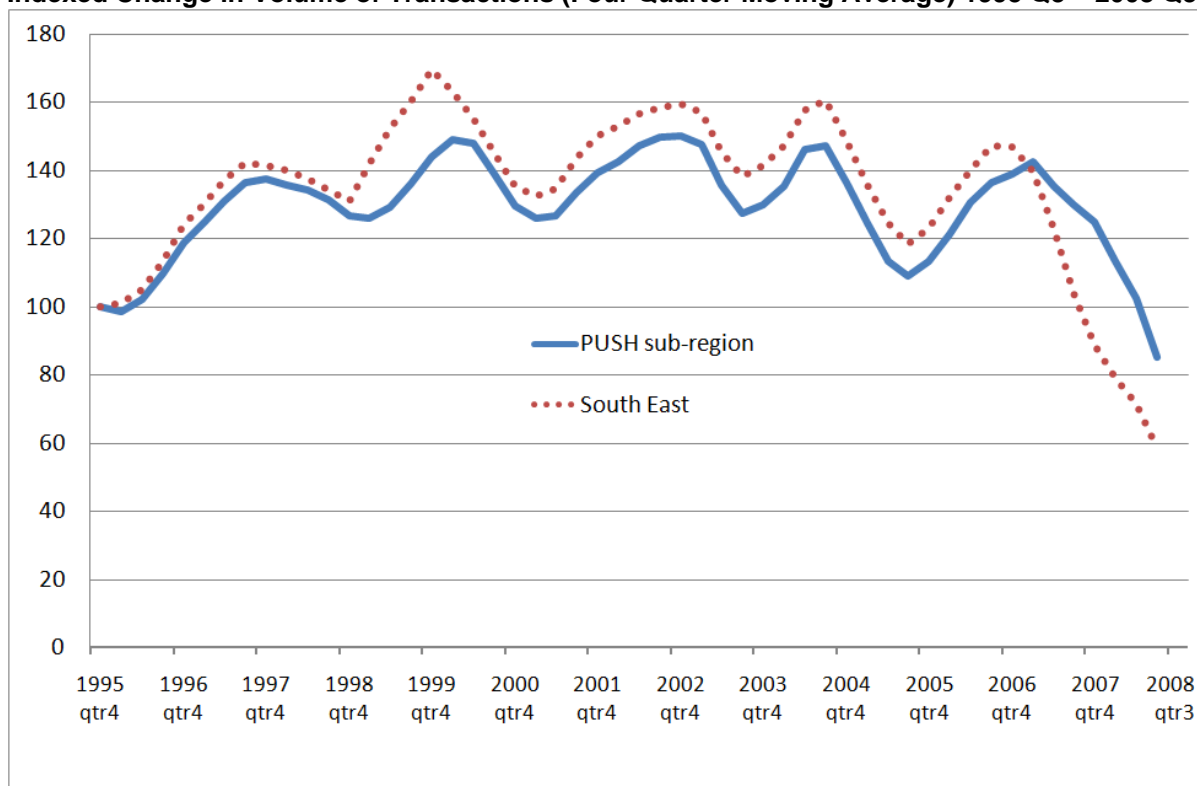
The volume of transactions in the PUSH sub-region, in both the Western and Eastern areas, has fallen by 52% compared to Q3 in 2007. This fall is consistent with the South East as a whole where volumes have fallen 53%.

Figure 5 shows that there has been a cycle to transaction volumes – they have not been consistent in levels over the last 10 years. However, **volumes are clearly at their lowest levels for over 10 years in the PUSH sub-region** and discussions with local agents suggest that this is largely due to lack of availability of mortgages and the cost of borrowing for first time buyers in particular.

Anecdotally, certain segments of the market remain relatively active. For example, amongst buyers with significant equity and who are able to purchase with cash (eg those moving from London) and amongst Buy to Let landlords, taking advantage of sales of repossessed properties to expand their portfolios.

At the national level the volume of new Buy to Let mortgages has not declined as sharply as mortgages for new purchasers. Until recently, the sector was performing better than other properties in terms of repossessions (though repossessions as a percentage of mortgages in the BTL sector have overtaken those for all properties in the first half of 2008).

Figure 5: SIGNIFICANT REDUCTION IN THE VOLUME OF PROPERTIES SOLD
Indexed Change in Volume of Transactions (Four Quarter Moving Average) 1995 Q3 – 2008 Q3



Source: Land Registry

The Rental Market Has Expanded

Whilst purchase prices have generally declined over the last year, anecdotal evidence suggests rental levels have remained robust and increased in many parts of the Country (as households choose to rent rather than buy and as mortgage availability has become constrained).

The RICS survey of letting agents confirms that the majority of lettings agents in the South East observed **increased rental values in 2008**. Consultations with 4 local letting agents in the sub-region confirm that the private rented market is very active. The student accommodation market is particularly busy (reflecting the start of term), the professional market less busy (which is likely to reflect limited new recruitment) but family accommodation is letting well and tenants are generally staying longer in their accommodation. The supply of rented properties is now increasing as property owners consider letting their properties rather than selling. Rental levels over the next year will depend on the balance between increased demand and increased supply.

The private rented market within the PUSH sub-region has provided a relatively affordable alternative for households unable to buy in the open market. Figure 6 shows that **households need an income of between £21-29,000 per annum to rent a 2 bedroom property privately** within the sub-region. This is slightly below the income required to rent in the South East as a whole, and significantly lower than the income needed to purchase, which ranges between £35-60,000 across the sub-region. Households in this segment of the market are also likely to be able to access intermediate housing products such as shared ownership on the basis of their incomes.

In contrast, those **households with incomes significantly below £21,000 are unlikely to be able to rent in the open market**, particularly if they require a property with two or more bedrooms. These households are likely to need affordable, subsidised housing and/or access to housing benefit. Rental price increases in 2008, combined with falling sales values is likely to support a recovery of the housing market. As the cost of renting is brought closer in line with the cost of buying there becomes a greater incentive for households to buy rather than rent.

Figure 6: COMPARING RENTAL COSTS

Private and Housing Association Rental Costs 2007 (based on the assumption that households spend between 25% and 33% of income on rent - 6 Core Authorities Only)

	Private Rents				Housing Association Rents (excludes Local Authority Stock)			
	2 bed Property		Income Required		2 bed Property		Income required	
	Cost Per Week	Cost Per Annum	25% of gross income	33% of gross income	Cost Per Week	Cost Per Annum	25% of gross income	33% of gross income
Western PUSH area	£141	£7,350	£29,400	£22,050	£78	£4,040	£16,160	£12,120
Eastern PUSH area	£136	£7,070	£28,270	£21,200	£77	£3,980	£15,910	£11,940
PUSH Sub-region	£138	£7,180	£28,730	£21,550	£77	£4,000	£16,010	£12,010
South East	£144	£7,480	£29,900	£22,430	£77	£4,020	£16,090	£12,070

Source: Dataspring; CLG; ASHE



Demographic Influences Affecting Demand

Changes in the population, age and household structure influence the level and type of homes demanded in the PUSH sub-region in the longer term. This section considers these issues and their impact on the housing markets in South Hampshire.

Figure 7 shows that over the last decade the population of the PUSH sub-region has grown by 5%. **This growth has been concentrated in older age groups, particularly those aged 80 plus.** This reflects the national trend of an ageing population and also in-migration of older people to parts of the sub-region, associated with retirement. Within the PUSH sub-region the significant growth in the oldest age group (80 plus) raises issues about the provision of appropriate services including for care, which raises implications for housing and planning policies. However the growth in the population of older age groups does not necessarily imply the need for smaller properties. Many older people choose to live in larger properties for lifestyle reasons or remain in their family home despite the small size of their household.

Migration

Domestic migration figures from the National Health Service Central Patient Register in 2007 show that **in the sub-region as a whole there was continued net in-migration of 16-24 year olds.** There were net outflows or limited change in every other group.

This is likely to be explained by a number of factors:

- the presence of a number of Universities and other higher education institutions within the sub-region
- the dominance of the cities of Portsmouth and Southampton within the sub-region
- the general pattern of migration of young people into towns and cities and older people into more suburban and rural areas

In the Western PUSH area 12% of domestic in-migrants in 2007 were aged 16-24. The same figure for the Eastern PUSH area was 10.5% and 10.1% for the PUSH sub-region as a whole.

However, different parts of the sub-region experience different population dynamics. This reflects the nature of populations in cities compared to rural areas and the different migration patterns across the sub-region. Whilst it is predominately young people moving into the PUSH sub-region, it is mainly young families that are moving in the other direction. There were net outflows in the 0-15 and 25-44 age groups in 2007. The Eastern Area experienced no net change, whereas the Western Area experienced a net out-migration of 340 people aged 0-15 and over 1,500 aged 25-44, largely to adjacent Districts of New Forest, Test Valley and Winchester.

Figure 7: POPULATION GROWTH BY AGE GROUP 1997-2007

	Aged 0-19	Aged 20-39	Aged 40-59	Aged 60-79	Aged 80 +	Overall % Change	Absolute Change
Western PUSH Area	-4%	16%	11%	1%	25%	8%	351,200
Eastern Push Area	-4%	-6%	14%	8%	24%	3%	503,600
PUSH sub-region	-4%	3%	13%	5%	24%	5%	854,800
South East	3%	-4%	14%	11%	18%	6%	

Source: ONS Mid-Year Population Estimates



International In-Migration

The key factor driving growth in the numbers of overseas in-migrants has been the growth of jobs. The data on domestic migration does not tell the full story since it excludes new international migrants who arrive in the sub-region each year. Data on international migration is poor and so it is difficult to make firm conclusions. However, National Insurance Registrations⁴ data suggests in-migration of overseas workers has been significant (since EU expansion in 2004) with around 1,800 people registering for work within Portsmouth and 4,460 within Southampton in 2007.

The majority of these workers are younger households and therefore likely to reinforce the existing patterns of selective migration to and from the region but also likely to provide some counter-balance to the outmigration of younger families from the sub-region.

If job growth is limited or negative in 2008 and 2009 some recent migrants may decide to leave and new arrivals may be limited as international migration tends to be correlated to employment growth.

Household Growth

Figure 8 presents the Government's latest household projections to 2026 which expect household growth of around 20%. These are largely based on past trends and are a tool for understanding what might happen if these continued into the future. The fact that migration levels are affected by employment and economic growth will mean that some reversal of population and household growth might be expected in the short term during the economic downturn.

The South Hampshire HMA (2006) provided a breakdown of household projections by household type and considered the implications for different dwelling types and sizes. These broad estimates of the future composition of households in the sub-region remain relevant since, to date, the underlying influences have not changed ie the ageing population, trend in declining household size. However, changes in migration patterns in the future could influence the nature of the future household population in the sub-region so it will be important to monitor migration patterns, as far as possible, to consider the implications for housing and planning policies.

Figure 8: HOUSEHOLD PROJECTIONS

Total Number of Households Anticipated (Thousands), 2006-2026

	2006	2011	2016	2021	2026	Absolute change 2006-2026	% change 2006-2026
Western PUSH area	211	222	233	242	251	40	19%
Eastern PUSH area	146	155	163	170	178	32	22%
PUSH sub-region	357	377	396	412	429	72	20%
South East	3,443	3,618	3,807	3,993	4,160	717	21%

Source: CLG issued August 2007



The South Hampshire Economy

Economic growth and employment change within South Hampshire affects demand for housing by impacting on migration and through changes in household income and wealth. **PUSH has a target for economic growth (GVA) of 3.5% annually within the sub-region by 2026 in order to improve its economic performance.** Linked to PUSH's economic growth targets is the need to secure sufficient housing provision so that the housing stock is of an adequate size and quality to support demand from the growing workforce.

Lower economic growth nationally and the difficulties of accessing finance to fund business activities in the short term is likely to be felt within the sub-region. Given the need for homes, particularly affordable homes, in the longer term this does not imply the need to cut development targets. There is limited risk of over-supply since developers will build out in response to sales rates; though by the same token this means that development targets are likely to be difficult to achieve in the short term.

Economic Activity and Unemployment

Economic activity and unemployment rates provide a measure of the extent to which working age people in the sub-region are engaged in the economy (Figure 9).

Unemployment is generally low in all areas by historic standards and around half the level in the UK as a whole. There are different economic activity rates across the sub-region, reflecting factors such as early retirement and the student population. Nevertheless, economic activity rates are slightly below those in the South East as a whole, suggesting there is some scope to bring existing residents into the workforce. **It is also likely that unemployment levels in South Hampshire will increase as the national economic outlook deteriorates.**

The demand for housing from a workforce or population of a given size is ultimately driven by household income and wealth rather than the household type or size. Over the last 5 years, individual earnings have grown by 17% on average in the PUSH sub region (see Figure 10). Given inflation was relatively stable at around 2% per annum over this period this equates to a 7% increase in real earnings over 5 years. In general, 1% increase in real incomes leads to a greater than 1% increase in the amount of housing demanded. Household income is strongly correlated to housing demand⁵. As households become wealthier they buy more housing, or larger or higher quality houses.

Figure 9: HISTORICALLY LOW LEVELS OF UNEMPLOYMENT
Economic Activity and Unemployment Rates (6 Core Authorities Only)

	Economically Active	Economic Activity (%)	Unemployed (JSA Claimants) Aug 2008	Unemployment Rate (Claimant Count Rate) %
Western PUSH area	182,300	79.0	4,740	2.2
Eastern PUSH area	247,600	81.0	6,100	2.0
PUSH sub-region	429,900	80.0	10,840	1.3
South East	4,122,700	82.0	78,310	1.5

Source: ONS Annual Population Survey 2007 and the Job Seekers Allowance Claimant Count August 2008⁶



Affordability, Incomes and Housing Need

This section considers the relationship between household incomes or earnings and house prices and the impact on affordability of housing.

Inherited wealth and equity, typically provided by family to support first time buyers, adds complexity to the issue of affordability. In practice it is also affected by the cost of borrowing - mortgage rates available and the bank's requirements in terms of loan to value ratio etc. The relatively cheap cost of borrowing over the last 10 years has allowed many households to access the open market despite worsening affordability ratios. There has been a reversal of this situation over the last year which, if continued in the longer term, would serve to increase the cost of accessing the open market; though this may be balanced to some extent by reduced house prices.

Affordability of Housing

There are various measures of affordability but the Government's preferred measure of affordability considers lowest quartile house prices to lowest quartile earnings i.e. the cheapest properties and the lowest earnings. This is not a real measure of affordability for this particular group since those falling into the

group with the 25% lowest earnings are unlikely ever to be able to purchase in the open market and typically rent in the private or social sector. Nevertheless, it provides a consistent measure over time to show how affordability changes and how one area compares to another.

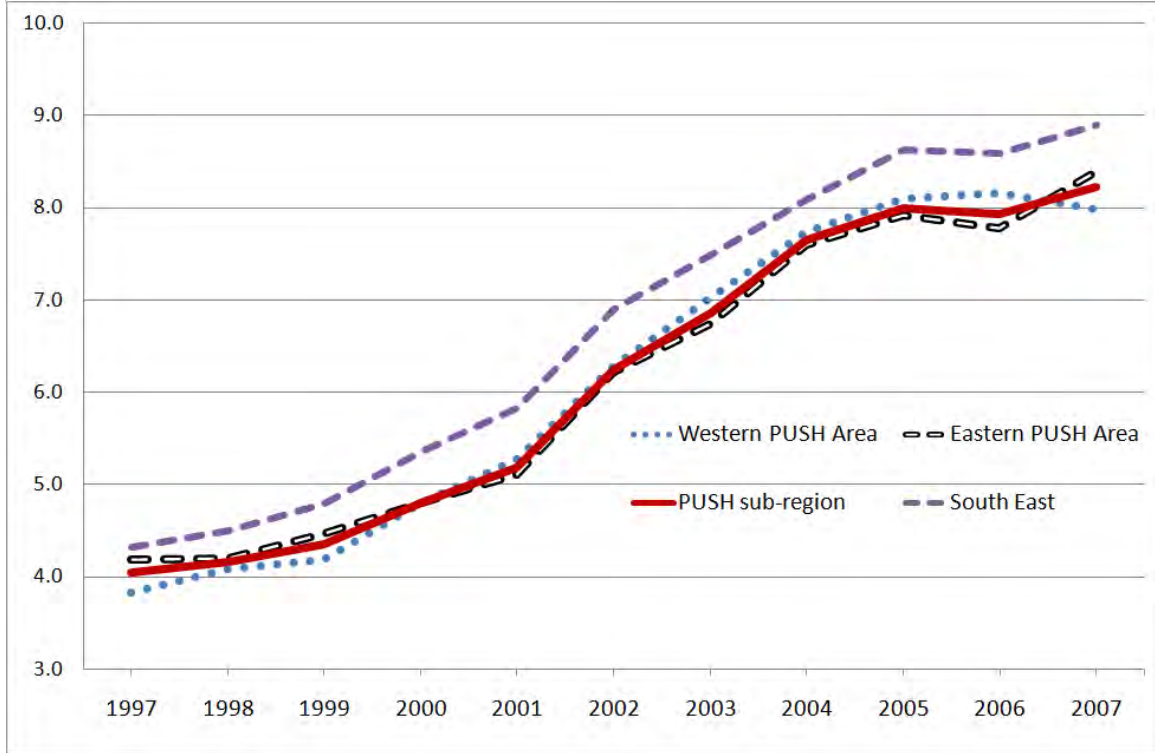
Figure 11 on the next page shows how **affordability has declined over the decade to 2007 in the PUSH sub-region in both the Eastern and Western PUSH areas**. However between 2005 and 2007, affordability stabilised in the Western PUSH area. Figure 10 shows that the increase in earnings may have contributed to this – earnings increased faster than the Eastern area in 2002-07. Affordability is also likely to have been affected by significant delivery of new housing, particularly of small flats and houses. Although these dwellings may not have been purchased by first time buyers (or indeed those on the lowest 25% earnings) they will have impacted on the price of other similar dwellings in the second hand stock, depressing prices of similar dwellings and thus improving affordability of small flats and houses which are likely to make up the largest part of the stock with the 25% lowest house prices within the area.

Figure 10: GROWTH IN EARNINGS OF PUSH RESIDENTS
Individual and Household Earnings, 2002-2007 (6 Core Authorities Only)

	Household Income (2007)	Individual Earnings (2007)	% Individual Earnings Change (2006-07)	% Individual Earnings Change (2002-07)
Western PUSH Area	£37,900	£22,900	6.1%	17.6%
Eastern PUSH Area	£39,300	£21,700	3.2%	16.1%
PUSH sub-region	£38,800	£22,200	4.4%	16.7%
South East	£44,800	£28,400	3.7%	18.7%

Source: Hometrack & ONS Annual Survey of Hours and Earnings

Figure 11: PICTURE OF DECLINING AFFORDABILITY OVER THE LAST 10 YEARS
 Ratio of Lower Quartile House Prices to Lower Quartile Earnings, 1997-2007 (6 Core Authorities Only)



Source: CLG

Figure 12: ILLUSTRATION OF THE AFFORDABILITY GAP IN THE PUSH SUB-REGION IN 2008

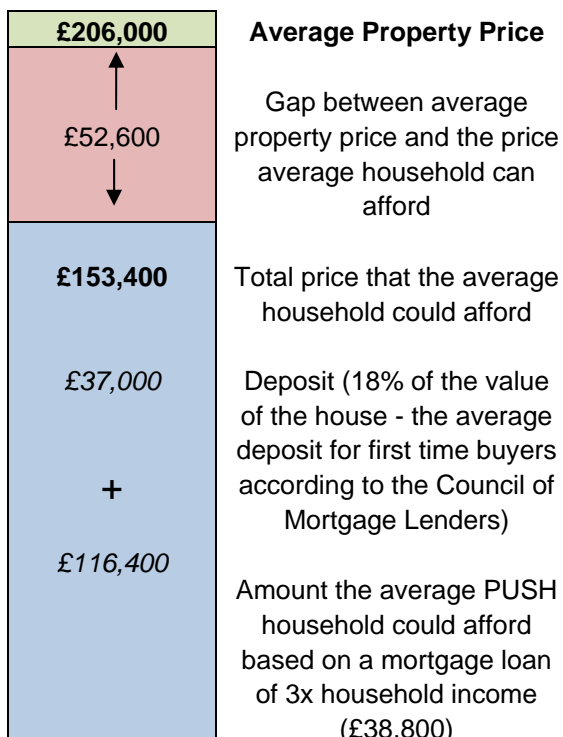


Figure 12 provides an illustration of the affordability problem within South Hampshire. The average cost of a property within the sub-region is around £206,000. Based on the average household income within the sub-region and a typical mortgage of three times household income plus a deposit of 18% of the property value, there remains a gap equating to around 25% of the property value.

In reality, many first time buyers are unlikely to have more than a 10% deposit. So, even for first time buyers with an average household income, the gap would be around £69,000 (one third of the value of the average property). The size of this gap varies across the sub-region but illustrates that, despite falling prices across the sub-region over the last year; **there is still a substantial gap between what first time buyers could afford and the price of property.**



The Need for Affordable Housing

This section considers the scale of need for accommodation for households who are unable to meet their needs in the market. Declining affordability in the sub-region over the last 10 years has impacted on housing need.

Figure 13 on the next page shows that there has been an increase in the proportion of households within the sub-region on local authority waiting lists for social rented housing. **In South Hampshire as a whole there are around 35 households per 1,000 households on waiting lists** – on this measure housing need has trebled within the sub-region over the period⁷.

It is important to note that headline waiting list figures like these do not provide an accurate measure of housing need. They can include double counting of households registered in more than one authority and in some instances can under-represent housing need, for example where Councils undertake a review of their waiting lists and require households to reapply. Each of the authorities in the sub-region has detailed evidence of housing need contained in a housing need assessment. The scale of housing need identified through housing need assessments is one of the key factors that has informed PUSH's ambitious targets for housing development.

Intermediate Affordable Housing

'Intermediate' households are able to access housing priced below open market prices or rents but above social rents, typically low cost home ownership products. The South Hampshire HMA (2006) estimated the scale of this market within the sub-region, based on household incomes and house prices. However, these estimates do not confirm the extent to which households actually take up options such as shared ownership.

There is a list of households interested in intermediate affordable housing within the sub-region, maintained by Swaythling Housing Association⁸. Around 10% of households on Swaythling's list are also on local authority waiting lists - there is some overlap. **There are around 4,000 households actively looking at intermediate affordable housing options** currently which suggests significant interest in these products. The South Hampshire HMA (2006) identified 1,800 households interested in these products, based on the same list, which suggests that **interest has doubled over the last two years** (see Figure 14 on the next page).

It is important to note that the intermediate sector has been impacted by the downturn. **Households are delaying purchase to take advantage of lower prices and are also affected by the lack of availability and higher cost of mortgages.** This is reflected in rising levels of unsold new build HomeBuy properties in the sub-region which is also affecting the ability of housing associations to deliver additional affordable housing since some have relied on sales to cross subsidise social rented housing. It is likely that lower prices will enable some households to access the open market, which may limit demand for these products. Conversely, others will be priced into the market. The largest group of households interested in low cost home ownership are able to access the private rental market. Low cost home ownership products will need to provide sufficient incentive for households to move from this relatively cheap and flexible tenure.

Those on the intermediate list aspire to a property with more than one bedroom. 60% of those registered as interested in intermediate products would prefer a two-bedroom property; around 18% would prefer a one bedroom property and around 22% would prefer 3 bedrooms or more. However, these households vary in the extent to which they are able to afford the property of their choice in terms of type, tenure and size.



Figure 13: SUBSTANTIAL NUMBERS OF HOUSEHOLDS IN HOUSING NEED
 Number of Households on Local Authority Waiting and Transfer Lists per 1,000 Households
 (6 Core Authorities Only)

	1997	2004	2008	Change 1997-2008
Western PUSH Area	9	36	46	+35
Eastern PUSH Area	15	31	27	+12
PUSH sub-region	13	33	35	+22

Source: CLG & HSSA

Figure 14: DEMAND FOR LOW COST HOME OWNERSHIP IN 2008
 (6 Core Authorities Only)

	Numbers Actively Looking	Current Tenure					
		Private Rented	Family/Friends	Social Rented	Owner Occupied	Shared/Ownership	Other
Western PUSH Area	1,950	40%	35%	10%	10%	2%	3%
Eastern PUSH Area	2,070	37%	35%	7%	12%	2%	6%
PUSH sub-region	4,020	39%	35%	8%	11%	2%	5%

Source: Swaythling –HomeBuy agent responsible for marketing intermediate products in Hampshire

New Housing Supply

PUSH has challenging targets related to the delivery of new homes. This section sets out how far delivery is being achieved and the nature of new housing supply within the sub-region. It is important to set this in the context of the existing stock within the sub-region.

Over 4,230 gross new dwellings (3,840 net) were completed in the PUSH sub-region in 2007/08 which is consistent with the PUSH target for around 80,000 (4,000 p/a) new dwellings by 2026. Completions were broadly balanced between the Eastern and Western areas of the PUSH sub-region. The majority of completions (74%) in the previous year were one and two bedroom properties (Figure 15).

Part of the reason for this bias has been because of the increased development of flats. Flats accounted for over two thirds of all new development in 2007/08 (Figure 16). The existing dwelling stock as recorded in 2001 within the sub-region has a stronger bias towards flats (22%) and terraced housing (28%) than the South East as a whole (18% flats and 23% terraces). The South Hampshire HMA (2006) shows that the delivery of 2 bedroom dwellings in the sub-region increased significantly from 2001 and the proportion of flats completed exceeded houses from 2003 onwards. Delivery of significant proportions of smaller dwellings in recent years will have reinforced the existing pattern within the sub-region.

Figure 15: THE SIZE OF NEW HOMES 2007/08
 Completions by Size (All dwellings excluding Open Market HomeBuy purchases)

	1-Bed	2-Bed	3-Bed	4-Bed	5-Bed	Gross (Net)
Western PUSH Area	31%	43%	16%	8%	2%	2,070 (1,830)
Eastern PUSH Area	31%	42%	14%	9%	3%	2,160 (2,010)
PUSH sub-region	31%	43%	15%	9%	2%	4,230 (3,840)



Affordable Housing Completions

Around **940 (910 net) affordable dwellings were completed in 2007/08, 24% of total completions** (Figure 17)⁹. This is a decrease on the previous year, when 1,270 net new affordable homes were completed, 28% of total net completions (4,550 net new dwellings). It must be noted that many developments are on small sites and not currently captured by affordable housing policies. This figure also *excludes* the additional households assisted into affordable housing through Open Market Homebuy.

The vast majority (87%) of affordable completions were one and two bedroom properties. **The bias towards smaller dwellings has been more acute in the affordable sector.**

This presents an issue for PUSH given the substantial need for family sized affordable housing, identified in the South Hampshire HMA.

It is challenging to deliver new development in the current market environment. Sales rates have fallen, discouraging developers from building out. Falls in house prices have a disproportionate effect on land values since development costs broadly remain the same and so land values are squeezed. Different developers and land owners are reacting differently to these circumstances. Many are delaying development, awaiting a better market. Others may decide to continue but switch the type of product they build to reflect changes in the market.

Figure 16: NEW HOUSING COMPLETED BY TYPE OF DWELLING 2007/08
Gross Completions by Type (All Dwellings and Affordable Dwellings)

	All Dwellings			Affordable Dwellings excl Open Market Homebuy Purchases		
	Flat	House	Total Gross (Net)	Flat	House	Total Gross (Net)
Western PUSH Area	67%	33%	2,070 (1,830)	77%	23%	490 (480)
Eastern PUSH Area	67%	33%	2,160 (2,010)	82%	18%	450 (430)
PUSH sub-region	67%	33%	4,230 (3,840)	79%	21%	940 (910)

Source: Hampshire County Council

Figure 17: AFFORDABLE COMPLETIONS (excludes Open Market Homebuy)
By Size and as a Percentage of Total Completions, 2007/08

	1-Bed	2-Bed	3-Bed	4-Bed+	Total Affordable (Net)	Affordable as % of All Completions
Western PUSH Area	28%	56%	14%	2%	480	26%
Eastern PUSH Area	42%	49%	8%	2%	430	21%
PUSH sub-region	34%	53%	11%	2%	910	24%

Source: Hampshire County Council



Concluding Remarks

The data in this report presents a snapshot of the housing markets in South Hampshire (the PUSH Sub-Region) in 2008. Given the current uncertainties in the wider economy and the rapidly changing circumstances in the housing market it is difficult to make firm policy conclusions.

However, in the light of the evidence presented in this market monitoring report, DTZ suggest that PUSH consider responding to three issues which will have important implications for the achievement of PUSH housing and policies:

- whether measures can be taken on a site by site basis to improve development viability and therefore secure delivery of both market and affordable homes through the housing market downturn
- linked to this, identifying whether there may be opportunities to re-plan sites to improve viability and whether this could also present the opportunity to secure more family sized accommodation
- whether actions can be taken to improve sales of unsold low cost home ownership properties. This might be achieved by reviewing eligibility criteria or by switching the tenure of a property (eg to intermediate or social rent) to ensure properties are occupied.

References

¹ According to Nationwide and Halifax Indices, based on mortgage approvals

² Ministry of Justice Statistics Bulletin 21st November 2008: statistics on mortgage and landlord repossession actions in the Country Court – third quarter 2008. Note that Repossession orders do not necessarily result in a repossession

³ Middle Super Output Area (MSOA) - Minimum population 5000; mean 7200. Built from groups of Lower Layer SOAs and constrained by the 2003 local authority boundaries used for 2001 Census outputs.

⁴ Department for Work and Pensions National Insurance Registrations data 2007

⁵ Professor Christine Whitehead (LSE and Cambridge Centre for Housing Research) is one of a number of academics to model this relationship

⁶ The economic activity rate is the percentage of the working age population that is either employed or seeking work. The Job Seekers Allowance Claimant data provide the most up to date indicator of unemployment. The Claimant Count Rate is the percentage of the working age population whom are claiming Job Seekers Allowance.

⁷ This is not an accurate measure of housing need since a proportion of households in the sub-region will be registered on more than one waiting list and some of those on the waiting lists will not be in priority need. Nevertheless it provides a headline indicator of the volume of housing need over time.

⁸ The Government's agent for low cost homeownership products within Hampshire, responsible for marketing of and access to intermediate housing eg shared ownership

⁹ Note that Hampshire County Council's figures differ slightly from those on authority's HSSA returns but Hampshire County Council data is used here for consistency in comparing the figures to total completions.



Appendix 1

Individual Local Authority Profile Tables

Explaining the Terms and Sources Presented in these Appendices

INDICATOR	DESCRIPTION	SOURCE
Current Population	This is a midyear population estimate for the number of people who live in an area. Members of UK and non UK armed forces are included as well as students at their term time address, and migrants staying for more than 12 months.	ONS (Office for National Statistics, Mid Year Population Estimates)
Population Growth 1997-07	1997 and 2007 data from the midyear population estimates (above) to provide absolute and percentage population growth.	ONS (Office for National Statistics, Mid Year Population Estimates)
Net Migration	Number of people in 2007 who have registered to a different health authority compared to the previous year and is a proxy for net domestic (UK internal) migration. Does not capture international migration.	NHSCR (National Health Service Central Register)
Main Origin of In-migrants	Records the number of people who have registered to a different health authority from one year previous. Main origin is the local authority from which the highest volume of in-migrants originated	NHSCR (National Health Service Central Register)
Main Destination of Out-Migrants	Records the number of people who have registered to a different health authority from one year previous. Main destination is the local authority to which the highest volume of in-migrant move to.	NHSCR (National Health Service Central Register)
Current Employment	Total number of people (residents) employed and expresses this value as a proportion of the working age population. The working age population refers to men aged 16-64 and women aged 16-59.	ONS (Office for National Statistics, Annual Population Survey)
GVA growth 1996-2006 (£m), at local authority level	Gross Value Added measures the economic performance of an area. It is the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production. This is measured in real terms at year 2000 prices.	DTZ Research, using ONS data
Economic Activity Rate	The economic activity rate measures the percentage of the working age population who are employed or unemployed, and so are active in the labour market.	ONS (Office for National Statistics, Annual Population Survey)
Unemployment Rate	Records the number and proportion of the working age resident population claiming jobseekers allowance.	ONS (Office for National Statistics, Claimant Count)
Current Average Property Price	Current average property prices are calculated using sales and valuations data. The average price is calculated by using a 3 month mean rolling average.	Hometrack
Lower Quartile Property Price	This is calculated by ranking all property prices for a certain point in time in descending order. The lowest 25% per cent of prices fall into the lower quartile.	Land Registry
Annual Average Earnings (individual)	Obtained from an annual survey of employers conducted annually across the UK which asks for particular employee details including pay. The figures presented herein are averages for residents of local authority.	ONS (Office for National Statistics, Annual Survey of Hours & Earnings)
Affordability Ratio (LQ HP: LQ Earnings)	This is the Government's preferred indicator of affordability that is calculated as a ratio of Lower Quartile House Prices to Lower Quartile Earnings (individual earnings).	CLG (Communities and Local Government)
Purchase Income Threshold	This is the minimum household income required to buy one of the cheapest properties in the local authority. This is calculated using the lower quartile house price and assuming that purchasers can afford an 18% deposit, and 3 times mortgage multiplier.	Hometrack and DTZ
Private Sector Rent - Entry Level for 2 Bed Property	This is the minimum rental level to enter the private rented sector. The measure is based on the weekly rent for a 2 bedroom property.	DataSpring and the Rent Service

Explaining the Terms and Sources Presented in these Appendices

Number of households on Waiting Lists (as % of all households)	This is the number of households who are on housing waiting lists as a % of all households in the local authority. These lists are maintained by local authorities. The data here excludes transfer tenants (ie those already housed in social rented homes).	CLG and HSSA (Communities and Local Government - Housing Strategy Statistical Appendix)
Total Completions of New Homes of All Tenures	The total number of new home completions in a year. These new build housing completions are monitored through planning applications. The figures presented are gross but have been adjusted to take account of losses to produce a net figure in brackets.	Hampshire County Council
Affordable Housing as % of all Completions (exc OMHB)	This is the total number of affordable homes completed as a percentage of all housing completions over a year. This measure excludes Open Market Homebuy schemes (not involving a new completion) and affordable dwellings that have been renovated.	Hampshire County Council
% of Social Housing Decent	Measured by BVPI 184(a) 'Decent homes' are now calculated by using the Housing Health and Safety Rating System (HHSRS) that replaces the fitness standard as the statutory element of the Decent Home Standard. The HHSRS is a risk assessment procedure and does not set a standard. To be decent, a dwelling should be free of category 1 hazards	BVPI (Best Value Performance indicator)
Number of Empty Homes Brought into Use	Measured by BVPI 064	BVPI (Best Value Performance indicator)
Average SAP Rating – Public Sector	SAP is the Government's Standard Assessment Procedure for assessing energy ratings of buildings. Buildings are rated from 0 to 100; a score of 0 indicates a very inefficient building and 100 being highly efficient.	BVPI (Best Value Performance indicator)
Average SAP Rating – Private Sector	SAP is the Government's Standard Assessment Procedure for assessing energy ratings of buildings. Buildings are rated from 0 to 100; a score of 0 indicates a very inefficient building and 100 being highly efficient.	BVPI (Best Value Performance indicator)
Number of Disabled Facilities Grants Made	This records the number of Disabled Facilities Grants made by a Local Authority to individuals. This grant is used to adapt homes to enable disabled residents to continue to live there.	CLG and HSSA (Communities and Local Government - Housing Strategy Statistical Appendix)

EAST HAMPSHIRE

INDICATOR	VALUE	%	SOURCE	DATE
Current Population	111,000	-	ONS, Mid Year Estimates	2007
Population Growth 1997-2007	+2,200	2.0%	ONS, Mid Year Estimates	1997,2007
Net Migration	+800	-	NHSCR	2007
Main Origin of In-migrants	London - 750	-	NHSCR	2007
Main Destination of Out-Migrants	Havant - 670	-	NHSCR	2007
Current Employment	49,400	76.4%	ONS, APS	2007
GVA growth 1996-2006 (£m), at local authority level	+£770	58.3%	DTZ Research	1996,2006
Economic Activity Rate	50,800	78.5%	ONS - APS	2007
Unemployment Number and Rate	705	1.1%	ONS - Claimant Count	Sep 2008
Current Average Property Price	Total			
1 bedroom	£132,330	-	Hometrack	Aug 2008
2 bedroom	£199,755	-	Hometrack	Aug 2008
3 bedroom	£260,620	-	Hometrack	Aug 2008
4 bedroom	£464,050	-	Hometrack	Aug 2008
% Change in House Prices Q3 2007 – Q3 2008	-	-8%	Land Registry	Q3 2007 – Q3 2008
Current Average Price Per Sq Metre	Per sq m			
Overall	£2,500	-	Hometrack	Aug 2008
Flats	£2,300	-	Hometrack	Aug 2008
Terraced	£2,300	-	Hometrack	Aug 2008
Semi-Detached	£2,600	-	Hometrack	Aug 2008
Detached	£2,700	-	Hometrack	Aug 2008
Lower Quartile Property Price	£174,970	-	Land Registry	2008 Q1
Annual Average Earnings (individual)	£28,850	-	ONS, ASHE	2007
Affordability Ratio (LQ HP: LQ Earnings)	10.4	-	CLG	2007
Purchase Income Threshold	£53,000	-	Hometrack	Aug 2008
Private Market Rent – 2 Bed Property	£153 p w	-	DataSpring & Rent Service	2007
Number of Households on Waiting Lists (as % of all households)	-	4.7%	CLG - HSSA	2007/08
Total Completions of New Homes of All Tenures Gross and (Net)	596 (546)	-	Hampshire CC	2007/08
Affordable Housing as % of all Completions (exc Open Market Home Buy)	-	22.7%	Hampshire CC	2007/08
% of social housing decent	N/A	-	BVPI	2007/08
Number of empty homes brought into use	36	-	BVPI	2007/08
Average SAP rating – public sector	N/A	-	BVPI	2007/08
Average SAP rating – private sector	55	-	BVPI	2007/08
No. of disabled facilities grants made	151	-	CLG – HSSA	2007/08

EASTLEIGH

INDICATOR	VALUE	%	SOURCE	DATE
Current Population	120,100	-	ONS, Mid Year Estimates	2007
Population Growth 1997-2007	+8,900	8.0%	ONS, Mid Year Estimates	1997,2007
Net Migration	+800	-	NHSCR	2007
Main Origin of In-migrants	Southampton - 2,250	-	NHSCR	2007
Main Destination of Out-Migrants	Southampton - 1,430	-	NHSCR	2007
Current Employment	58,000	77.8%	ONS, APS	2007
GVA growth 1996-2006 (£m), at local authority level	£1,155	67.6%	DTZ Research	1996,2006
Economic Activity Rate	59,200	79.3%	ONS - APS	2007
Unemployment Number and Rate	1,097	1.5%	ONS - Claimant Count	Sep 2008
Current Average Property Price	Total	-		
1 bedroom	£117,200	-	Hometrack	Aug 2008
2 bedroom	£173,585	-	Hometrack	Aug 2008
3 bedroom	£229,700	-	Hometrack	Aug 2008
4 bedroom	£367,170	-	Hometrack	Aug 2008
% Change in House Prices Q3 2007 – Q3 2008	-	-6%	Land Registry	Q3 2007 – Q3 2008
Current Average Price Per Sq Metre	Per sq m	-		
Overall	£2,300	-	Hometrack	Aug 2008
Flats	£2,400	-	Hometrack	Aug 2008
Terraced	£2,100	-	Hometrack	Aug 2008
Semi-Detached	£2,100	-	Hometrack	Aug 2008
Detached	£2,400	-	Hometrack	Aug 2008
Lower Quartile Property Price	£160,560	-	Land Registry	2008 Q1
Annual Average Earnings (individual)	£25,667	-	ASHE	2007
Affordability Ratio (LQ HP: LQ Earnings)	9.5	-	CLG	2007
Purchase Income Threshold	£47,013	-	Hometrack	Aug 2008
Private Market Rent – 2 Bed Property	£148 per week	-	DataSpring & Rent Service	2007
Number of Households on Waiting Lists (as % of all households)	-	11.2%	CLG – HSSA	2007/08
Total Completions of New Homes of All Tenures Gross and (Net)	462 (417)	-	Hampshire CC	2007/08
Affordable Housing as % of all Completions (exc Open Market Homebuy)	-	27.3%	Hampshire CC	2007/08
% of social housing decent	N/A	-	BVPI	2007/08
Number of empty homes brought into use	46	-	BVPI	2007/08
Average SAP rating – public sector	68	-	BVPI	2007/08
Average SAP rating – private sector	58	-	BVPI	2007/08
No. of disabled facilities grants made	84	-	CLG – HSSA	2007/08

FAREHAM

INDICATOR	VALUE	%	SOURCE	DATE
Current Population	109,500	-	ONS, Mid Year Pop Estimates	2007
Population Growth 1997-2007	+4,400	4.2%	ONS, Mid Year Pop Estimates	1997,2007
Net Migration	+1,200	-	NHSCR	2007
Main Origin of In-migrants	Portsmouth- 1,010	-	NHSCR	2007
Main Destination of Out-Migrants	Gosport - 900	-	NHSCR	2007
Current Employment	51,100	81.0%	ONS, APS	2007
GVA growth 1996-2006 (£m), at local authority level	£479	30.1%	DTZ Research	1996,2006
Economic Activity Rate	52,300	82.8%	ONS - APS	2007
Unemployment Number and Rate	756	1.2%	ONS - Claimant Count	Sep 2008
Current Average Property Price	Total			
1 bedroom	£115,850	-	Hometrack	Aug 2008
2 bedroom	£169,615	-	Hometrack	Aug 2008
3 bedroom	£220,840	-	Hometrack	Aug 2008
4 bedroom	£335,310	-	Hometrack	Aug 2008
% Change in House Prices Q3 2007 – Q3 2008	-	-3%	Land Registry	Q3 2007 – Q3 2008
Current Average Price Per Sq Metre	Per sq m			
Overall	£2,100	-	Hometrack	Aug 2008
Flats	£1,900	-	Hometrack	Aug 2008
Terraced	£2,000	-	Hometrack	Aug 2008
Semi-Detached	£2,100	-	Hometrack	Aug 2008
Detached	£2,300	-	Hometrack	Aug 2008
Lower Quartile Property Price	£170,380	-	Land Registry	2008 Q1
Annual Average Earnings (individual)	£23,052	-	ASHE	2007
Affordability (LQ HP: LQ Earnings)	10.5	-	CLG	2007
Purchase Income Threshold	£47,286	-	Hometrack	Aug 2008
Private Market Rent – 2 Bed Property	£140 pw	-	DataSpring & Rent Service	2007
Number of households on Waiting List (as % of all households)	-	3.4%	CLG – HSSA	2007/08
Total Completions of New Homes of All Tenures Gross and (Net)	590 (548)	-	Hampshire CC	2007/08
Affordable Housing as % of all Completions (exc Open Market Homebuy)	-	14.4%	Hampshire CC	2007/08
% of social housing decent	-	91%	BVPI	2007/08
Number of empty homes brought into use	69	-	BVPI	2007/08
Average SAP rating – public sector	78.60	-	BVPI	2007/08
Average SAP rating – private sector	78.60	-	BVPI	2007/08
No. of disabled facilities grants made	63	-	CLG – HSSA	2007/08

GOSPORT

INDICATOR	VALUE	%	SOURCE	DATE
Current Population	79,200	-	ONS, Mid Year Pop Estimates	2007
Population Growth 1997-2007	+2,300	+3.0%	ONS, Mid Year Pop Estimates	1997,2007
Net Migration	+600	-	NHSCR	2007
Main Origin of In-migrants	Fareham – 900	-	NHSCR	2007
Main Destination of Out-Migrants	Fareham - 870	-	NHSCR	2007
Current Employment	39,500	85.0%	ONS, APS	2007
GVA growth 1996-2006 (£m), at local authority level	+£74	6.4%	DTZ Research	1996,2006
Economic Activity Rate	40,800	87.8%	ONS - APS	2007
Unemployment Number and Rate	893	1.9%	ONS - Claimant Count	2008
Current Average Property Price	Total			
1 bedroom	£92,720	-	Hometrack	Aug 2008
2 bedroom	£148,370	-	Hometrack	Aug 2008
3 bedroom	£174,640	-	Hometrack	Aug 2008
4 bedroom	£246,230	-	Hometrack	Aug 2008
% Change in House Prices Q3 2007 – Q3 2008	-	+4%	Land Registry	Q3 2007 – Q3 2008
Current Average Price Per Sq Metre	Per sq m			
Overall	£1,700	-	Hometrack	Aug 2008
Flats	£1,900	-	Hometrack	Aug 2008
Terraced	£1,600	-	Hometrack	Aug 2008
Semi-Detached	£1,700	-	Hometrack	Aug 2008
Detached	£2,200	-	Hometrack	Aug 2008
Lower Quartile Property Price	£122,250	-	Land Registry	2008 Q1
Annual Average Earnings (individual)	£20,076	-	ASHE	2007
Affordability (LQ HP: LQ Earnings)	7.0	-	CLG	2007
Purchase Income Threshold	£34,973	-	Hometrack	Aug 2008
Private Market Rent – 2 Bed Property	£120 per week	-	DataSpring & Rent Service	2007
Number of households on Waiting Lists (as % of all households)	-	9.1%	CLG – HSSA	2007/08
Total Completions of New Homes of All Tenures Gross (Net)	311 (277)	-	Hampshire CC	2007/08
Affordable Housing as % of all Completions (exc Open Market Homebuy)	-	27.3%	Hampshire CC	2007/08
% of social housing decent	N/A	-	BVPI	2007/08
Number of empty homes brought into use	277	-	BVPI	2007/08
Average SAP rating – public sector	81	-	BVPI	2007/08
Average SAP rating – private sector	58	-	BVPI	2007/08
No. of disabled facilities grants made	40	-	CLG – HSSA	2007/08

HAVANT

INDICATOR	VALUE	%	SOURCE	DATE
Current Population	116,900	-	ONS, Mid Year Pop Estimates	2007
Population Growth 1997-2007	+500	0.4%	ONS, Mid Year Pop Estimates	1997, 2007
Net Migration	+200	-	NHSCR	2007
Main Origin of In-migrants	Portsmouth- 1,790	-	NHSCR	2007
Main Destination of Out-Migrants	Portsmouth- 1,570	-	NHSCR	2007
Current Employment	52,800	78.2%	ONS, APS	2007
GVA growth 1996-2006 (£m), at local authority level	+£340	21.4%	DTZ Research	1996,2006
Economic Activity Rate	54,300	80.4%	ONS - APS	2007
Unemployment Number and Rate	1,506	2.2%	ONS - Claimant Count	2008
Current Average Property Price	Total			
1 bedroom	£115,850	-	Hometrack	Aug 2008
2 bedroom	£169,655	-	Hometrack	Aug 2008
3 bedroom	£220,840	-	Hometrack	Aug 2008
4 bedroom	£335,310	-	Hometrack	Aug 2008
% Change in House Prices Q3 2007 – Q3 2008	-	-3%	Hometrack	Q3 2007 – Q3 2008
Current Average Price Per Sq Metre	Per sq m			
Overall	£2,000	-	Hometrack	Aug 2008
Flats	£2,000	-	Hometrack	Aug 2008
Terraced	£1,900	-	Hometrack	Aug 2008
Semi-Detached	£2,000	-	Hometrack	Aug 2008
Detached	£2,200	-	Hometrack	Aug 2008
Lower Quartile Property Price	£142,130	-	Land Registry	2008 Q1
Annual Average Earnings (individual)	£22,452	-	ASHE	2007
Affordability (LQ HP: LQ Earnings)	9.1	-	CLG	2007
Purchase Income Threshold	£39,633	-	Hometrack	Aug 2008
Private Market Rent – 2 Bed Property	£139 per week	-	DataSpring & Rent Service	2007
Number of households on Waiting List (as % of all households)	-	8.3%	CLG – HSSA	2007/08
Total Completions of New Homes of All Tenures Gross and (Net)	416 (390)	-	Hampshire CC	2007/08
Affordable Housing as % of all Completions (exc Open Market Homebuy)	-	22.1%	Hampshire CC	2007/08
% of social housing decent	N/A	-	BVPI	2007/08
Number of empty homes brought into use	14	-	BVPI	2007/08
Average SAP rating – public sector	65	-	BVPI	2007/08
Average SAP rating – private sector	55	-	BVPI	2007/08
No. of disabled facilities grants made	201	-	CLG – HSSA	2007/08

NEW FOREST

INDICATOR	VALUE	%	SOURCE	DATE
Current Population	174,700	-	ONS, Mid Year Pop Estimates	2007
Population Growth 1997-2007	+6,000	3.6%	ONS, Mid Year Pop Estimates	1997, 2007
Net Migration	+1,200	-	NHSCR	2007
Main Origin of In-migrants	Southampton - 1,040	-	NHSCR	2007
Main Destination of Out-Migrants	Southampton - 900	-	NHSCR	2007
Current Employment	74,100	76.8%	ONS, APS	2007
GVA growth 1996-2006 (£m), at local authority level	+£751	36.3%	DTZ Research	1996,2006
Economic Activity Rate	77,400	80.2%	ONS - APS	2007
Unemployment Number and Rate	1,094	1.1%	ONS - Claimant Count	2008
Current Average Property Price	Total			
1 bedroom	£124,680	-	Hometrack	Aug 2008
2 bedroom	£199,655	-	Hometrack	Aug 2008
3 bedroom	£275,700	-	Hometrack	Aug 2008
4 bedroom	£275,890	-	Hometrack	Aug 2008
% Change in House Prices Q3 2007 – Q3 2008	-	-5%	Land Registry	Q3 2007 – Q3 2008
Current Average Price Per Sq Metre	Per sq m			
Overall	£2,500	-	Hometrack	Aug 2008
Flats	£2,500	-	Hometrack	Aug 2008
Terraced	£2,200	-	Hometrack	Aug 2008
Semi-Detached	£2,200	-	Hometrack	Aug 2008
Detached	£2,900	-	Hometrack	Aug 2008
Lower Quartile Property Price	£177,250	-	Land Registry	2008 Q1
Annual Average Earnings (individual)	£26,762	-	ASHE	2007
Affordability (LQ HP: LQ Earnings)	10.9	-	CLG	2007
Purchase Income Threshold	£49,323	-	Hometrack	Aug 2008
Private Market Rent – 2 Bed Property	£140 per week	-	DataSpring & Rent Service	2007
Number of households on Waiting List (as % of all households)	6.8%	-	CLG – HSSA	2007/08
Total Completions of New Homes of All Tenures Gross and (Net)	593 (435)	-	Hampshire CC	2007/08
Affordable Housing as % of all Completions (exc Open Market Homebuy)	-	12.0%	Hampshire CC	2007/08
% of social housing decent	-	90%	BVPI	2007/08
Number of empty homes brought into use	91	-	BVPI	2007/08
Average SAP rating – public sector	72	-	BVPI	2007/08
Average SAP rating – private sector	N/A	-	BVPI	2007/08
No. of disabled facilities grants made	45	-	CLG – HSSA	2007/08

PORTSMOUTH

INDICATOR	VALUE	%	SOURCE	DATE
Current Population	197,700	-	ONS, Mid Year Pop Estimates	2007
Population Growth 1997-2007	+8,300	+4.4%	ONS, Mid Year Pop Estimates	1997,2007
Net Migration	-1,200	-	NHSCR	2007
Main Origin of In-migrants	Havant- 1,570	-	NHSCR	2007
Main Destination of Out-Migrants	London- 1,200	-	NHSCR	2007
Current Employment	94,000	72.8%	ONS, APS	2007
GVA growth 1996-2006 (£m), at local authority level	+£1,185	37.2%	DTZ Research, ONS	1996,2006
Economic Activity Rate	100,200	77.6%	ONS - APS	2007
Unemployment Number and Rate	3,162	2.4%	ONS - Claimant Count	2008
Current Average Property Price	Total			
1 bedroom	£108,230	-	Hometrack	Aug 2008
2 bedroom	£146,025	-	Hometrack	Aug 2008
3 bedroom	£182,730	-	Hometrack	Aug 2008
4 bedroom	£269,230	-	Hometrack	Aug 2008
% Change in House Prices Q3 2007 – Q3 2008	-	-6%	Land Registry	Q3 2007 – Q3 2008
Current Average Price Per Sq Metre	Per sq m			
Overall	£1,700	-	Hometrack	Aug 2008
Flats	£1,900	-	Hometrack	Aug 2008
Terraced	£1,600	-	Hometrack	Aug 2008
Semi-Detached	£1,900	-	Hometrack	Aug 2008
Detached	£2,200	-	Hometrack	Aug 2008
Lower Quartile Property Price	£135,000	-	Land Registry	2008 Q1
Annual Average Earnings (individual)	£21,113	-	ASHE	2007
Affordability (LQ HP: LQ Earnings)	7.38	-	CLG	2007
Purchase Income Threshold	£36,626	-	Hometrack	Aug 2008
Private Market Rent – 2 Bed Property	£138 pw	-	DataSpring & Rent Service	2007
Number of households on Waiting Lists (as % of all households)	-	5.4%	CLG – HSSA	2007/08
Total Completions of New Homes of All Tenures Gross and (Net)	773 (712)	-	Hampshire CC	2007/08
Affordable Housing as % of all Completions (exc Open Market Homebuy)	-	25.4%	Hampshire CC	2007/08
% of social housing decent	-	64.5%	BVPI	2007/08
Number of empty homes brought into use	47	-	BVPI	2007/08
Average SAP rating – public sector	71	-	BVPI	2007/08
Average SAP rating – private sector	51	-	BVPI	2007/08
No. of disabled facilities grants made	203	-	CLG – HSSA	2007/08

SOUTHAMPTON

INDICATOR	VALUE	%	SOURCE	DATE
Current Population	231,200	-	ONS, Mid Year Pop Estimates	2007
Population Growth 1997-2007	+17,300	8.1%	ONS, Mid Year Pop Estimates	1997,2007
Net Migration	-1,400	-	NHSCR	2007
Main Origin of In-migrants	Eastleigh- 1,430	-	NHSCR	2007
Main Destination of Out-Migrants	Eastleigh- 2,250	-	NHSCR	2007
Current Employment	114,300	73.1%	ONS, APS	2007
GVA growth 1996-2006 (£m), at local authority level	+£1,112	27.4%	DTZ Research	1996,2006
Economic Activity Rate	123,100	78.8%	ONS - APS	2007
Unemployment Number and Rate	3,742	2.4%	ONS - Claimant Count	2008
Current Average Property Price	Total			
1 bedroom	£108,290	-	Hometrack	Aug 2008
2 bedroom	£153,300	-	Hometrack	Aug 2008
3 bedroom	£186,970	-	Hometrack	Aug 2008
4 bedroom	£278,210	-	Hometrack	Aug 2008
% Change in House Prices Q3 2007 – Q3 2008	-	-6%	Hometrack	Q3 2007 – Q3 2008
Current Average Price Per Sq Metre	Per sq m			
Overall	£1,900	-	Hometrack	Aug 2008
Flat	£2,100	-	Hometrack	Aug 2008
Terraced	£1,700	-	Hometrack	Aug 2008
Semi-Detached	£1,800	-	Hometrack	Aug 2008
Detached	£2,100	-	Hometrack	Aug 2008
Private Sector Rent – 2 Bed Property	£131,000	-	Land Registry	2008 Q1
Annual Average Earnings (individual)	£21,437	-	ASHE	2007
Affordability (LQ HP: LQ Earnings)	7.2	-	CLG	2007
Purchase Income Threshold	£37,651	-	Hometrack	Aug 2008
Private Market Rent - entry level	£138 pw	-	DataSpring & Rent Service	2007
Number of households on Waiting List (as % of all households)	-	11.7%	CLG – HSSA	2007/08
Total Completions of New Homes of All Tenures Gross and (Net)	1,051 (900)	-	Hampshire CC	2007/08
Affordable Housing as % of all Completions (exc Open Market Homebuy)	-	22.1%	Hampshire CC	2007/08
% of social housing decent	-	75%	BVPI	2007/08
Number of empty homes brought into use	102	-	BVPI	2007/08
Average SAP rating – public sector	66	-	BVPI	2007/08
Average SAP rating – private sector	51	-	BVPI	2007/08
No. of disabled facilities grants made	109	-	CLG – HSSA	2007/08

TEST VALLEY

INDICATOR	VALUE	%	SOURCE	DATE
Current Population	114,700	-	ONS, Mid Year Pop Estimates	2007
Population Growth 1997-2007	+8,400	7.9%	ONS, Mid Year Pop Estimates	1997,2007
Net Migration	+500	-	NHSCR	2007
Main Origin of In-migrants	Southampton - 760	-	NHSCR	2007
Main Destination of Out-Migrants	Eastleigh-500	-	NHSCR	2007
Current Employment	61,000	88.5%	ONS, APS	2007
GVA growth 1996-2006 (£m), at local authority level	+£587	32.6%	DTZ Research	1996,2006
Economic Activity Rate	62,600	90.8%	ONS - APS	2007
Unemployment Number and Rate	743	1.1%	ONS - Claimant Count	2008
Current Average Property Price	Total			
1 bedroom	£100,950	-	Hometrack	Aug 2008
2 bedroom	£172,875	-	Hometrack	Aug 2008
3 bedroom	£232,290	-	Hometrack	Aug 2008
4 bedroom	£391,160	-	Hometrack	Aug 2008
% Change in House Prices Q3 2007 – Q3 2008	-	+4%	Land Registry	Q3 2007 – Q3 2008
Current Average Price Per Sq Metre	Per sq m			
Overall	£2,300	-	Hometrack	Aug 2008
Flats	£1,900	-	Hometrack	Aug 2008
Terraced	£1,900	-	Hometrack	Aug 2008
Semi-Detached	£2,200	-	Hometrack	Aug 2008
Detached	£2,600	-	Hometrack	Aug 2008
Lower Quartile Property Price	£181,750	-	Land Registry	2008 Q1
Annual Average Earnings (individual)	£26,119	-	ASHE	2007
Affordability (LQ HP: LQ Earnings)	9.7	-	CLG	2007
Purchase Income Threshold	£49,473	-	Hometrack	Aug 2008
Private Market Rent – 2 Bed Property	£143 pw	-	DataSpring & Rent Service	2007
Number of households on Waiting List (as % of all households)	-	6.3%	CLG – HSSA	2007/08
Total Completions of New Homes of All Tenures Gross and (Net)	405 (339)	-	Hampshire CC	2007/08
Affordable Housing as % of all Completions (exc Open Market Homebuy)	-	25.9%	Hampshire CC	2007/08
% of social housing decent	85%	-	BVPI	2007/08
Number of empty homes brought into use	65	-	BVPI	2007/08
Average SAP rating – public sector	50	-	BVPI	2007/08
Average SAP rating – private sector	50.5	-	BVPI	2007/08
No. of disabled facilities grants made	150	-	CLG – HSSA	2007/08

WINCHESTER

INDICATOR	VALUE	%	SOURCE	DATE
Current Population	111,300	-	ONS, Mid Year Estimates	2007
Population Growth 1997-2007	+5,800	5.5%	ONS, Mid Year Estimates	1997,2007
Net Migration	+1,200	-	NHSCR	2007
Main Origin of In-migrants	Eastleigh - 730	-	NHSCR	2007
Main Destination of Out-Migrants	Eastleigh - 730	-	NHSCR	2007
Current Employment	52,800	81.7%	ONS, APS	2007
GVA growth 1996-2006 (£m), at local authority level	+£382	13.3%	DTZ Research	1996,2006
Economic Activity Rate	54,800	84.8%	ONS - APS	2007
Unemployment Number and Rate	651	1.0%	ONS - Claimant Count	2008
Current Average Property Price	Total			
1 bedroom	£145,760	-	Hometrack	Aug 2008
2 bedroom	£216,435	-	Hometrack	Aug 2008
3 bedroom	£313,170	-	Hometrack	Aug 2008
4 bedroom	£499,700	-	Hometrack	Aug 2008
% Change in House Prices Q3 2007 0 Q3 2008	-	-3%	Land Registry	Q3 2007 – Q3 2008
Current Average Price Per Sq Metre	Per sq m			
Overall	£2,700	-	Hometrack	Aug 2008
Flats	£2,700	-	Hometrack	Aug 2008
Terraced	£2,700	-	Hometrack	Aug 2008
Semi-Detached	£2,600	-	Hometrack	Aug 2008
Detached	£2,800	-	Hometrack	Aug 2008
Lower Quartile Property Price	£207,130	-	Land Registry	2008 Q1
Annual Average Earnings (individual)	£28,811	-	ASHE	2007
Affordability (LQ HP: LQ Earnings)	9.6	-	CLG	2007
Purchase Income Threshold	£60,133	-	Hometrack	Aug 2008
Private Market Rent – 2 Bed Property	£150 pw	-	DataSpring & Rent Service	2007
Number of households on Waiting List (as % of all households)	-	4.9%	CLG – HSSA	2007/08
Total Completions of New Homes of All Tenures Gross and (Net)	608 (562)	-	Hampshire CC	2007/08
Affordable Housing as % of all Completions (exc Open Market Homebuy)	-	28.0%	HSSA/ Hampshire CC	2007/08
% of social housing decent	-	99.5%	BVPI	2007/08
Number of empty homes brought into use	0	-	BVPI	2007/08
Average SAP rating – public sector	77.78	-	BVPI	2007/08
Average SAP rating – private sector	N/A	-	BVPI	2007/08
No. of disabled facilities grants made	88	-	CLG – HSSA	2007/08



Appendix 2

Local Authority Data Comparison Tables

SOCIO-ECONOMICS

LOCAL AUTHORITY	POPULATION		MIGRATION			EMPLOYMENT			ECONOMIC ACTIVITY RATE	GVA GROWTH 1996 - 2006	
	Current	% growth 1997 - 2007	Net	Main Origin of In-Migrants	Main Origin of Out-migrants	Total number of people employed	% of working age population employed	Unemployment rate	%	£m	%
East Hampshire	111,000	+2.0%	+800	London (750)	Havant (670)	49,400	76.4%	1.1%	78.5%	+£770	58.3%
Eastleigh	120,100	+8.0%	+800	Southampton (2,250)	Southampton (1,430)	58,000	77.8%	1.5%	79.3%	+£1,155	67.6%
Fareham	109,500	+4.2%	+1,200	Portsmouth (1,010)	Gosport (900)	51,100	81.0%	1.2%	82.8%	+£479	30.1%
Gosport	79,200	+3.0%	+600	Fareham (900)	Fareham (870)	39,500	85.0%	1.9%	87.8%	+£74	6.4%
Havant	116,900	+0.4%	+200	Portsmouth (1,790)	Portsmouth (1,570)	52,800	78.2%	2.2%	80.4%	+£340	21.4%
New Forest	174,700	+3.6	+1,200	Southampton (1,040)	Southampton (900)	74,100	76.8%	1.1%	80.2%	+£751	36.3%
Portsmouth	197,700	+4.4%	-1,200	Havant (1,570)	London (1,200)	94,000	72.8%	2.4%	77.6%	+£1,185	37.2%
Southampton	231,200	+8.1%	-1,400	Eastleigh (1,430)	Eastleigh (2,250)	114,300	73.1%	2.4%	78.8%	+£1,112	27.4%
Test Valley	114,700	+7.9%	+500	Southampton (760)	Eastleigh (500)	61,000	88.5%	1.1%	90.8%	+£587	32.6%
Winchester	111,300	+5.5%	+1,200	Eastleigh (730)	Eastleigh (730)	52,800	81.7%	1.0%	84.8%	+£382	13.3%

Sources: See definitions in Appendix 1

PROPERTY PRICES

LOCAL AUTHORITY	AVERAGE PROPERTY PRICE				%CHANGE IN HOUSE PRICE Q3 2007 – Q3 2008	AVERAGE PRICE PER SQ METRE				
	1 bedroom	2 bedroom	3 bedroom	4 bedroom		Overall	Flats	Terraced	Semi - Detached	Detached
East Hampshire	£132,330	£199,755	£260,620	£464,050	-8%	£2,500	£2,300	£2,300	£2,600	£2,700
Eastleigh	£117,200	£173,585	£229,700	£367,170	-6%	£2,300	£2,400	£2,100	£2,100	£2,400
Fareham	£115,850	£169,615	£220,840	£335,310	-3%	£2,100	£1,900	£2,000	£2,100	£2,300
Gosport	£92,750	£148,370	£174,640	£246,230	+4%	£1,700	£1,900	£1,600	£1,700	£2,200
Havant	£115,850	£169,655	£220,840	£335,310	-3%	£2,000	£2,000	£1,900	£2,000	£2,200
New Forest	£124,680	£199,655	£275,700	£275,890	-5%	£2,500	£2,500	£2,200	£2,200	£2,900
Portsmouth	£108,230	£146,025	£182,730	£269,230	-6%	£1,700	£1,900	£1,600	£1,900	£2,200
Southampton	£108,290	£153,300	£186,970	£278,210	-6%	£1,900	£2,100	£1,700	£1,800	£2,100
Test Valley	£100,950	£172,875	£232,290	£391,160	+4%	£2,300	£1,900	£1,900	£2,200	£2,600
Winchester	£145,760	£216,435	£313,170	£499,700	-3%	£2,700	£2,700	£2,700	£2,600	£2,800

Sources: See definitions in Appendix 1

EARNINGS, AFFORDABILITY AND HOUSING STOCK

LOCAL AUTHORITY	Lower Quartile Property Price	Annual Average Earnings (Individual)	Affordability Ratio LQ HP: LQ Earnings	Purchase Income Threshold	Private Market Rent – 2 beds (per week)	% of All H'holds on Waiting List	Total Completions of New Homes of All Tenures		Afford. Housing as % of all Completions	% of council housing decent	No. of empty homes brought into use	Average SAP Rating		No. of disabled facilities grants
							Gross	Net				Public	Private	
East Hampshire	£174,970	£28,850	10.4	£53,000	£153	4.7%	596	546	22.7%	-	36	-	55	151
Eastleigh	£160,560	£25,667	9.5	£47,013	£148	11.2%	462	417	27.3%	-	46	68	58	84
Fareham	£170,380	£23,052	10.5	£47,286	£140	3.4%	590	548	14.4%	91%	69	78.6	78.60	63
Gosport	£122,250	£20,076	7.0	£34,973	£120	9.1%	311	277	27.3%	-	277	81	58	40
Havant	£142,130	£22,452	9.1	£39,633	£139	8.3%	416	390	22.1%	-	14	65	55	201
New Forest	£177,250	£26,762	10.9	£49,323	£140	6.8%	593	435	12.0%	90%	91	72	-	45
Portsmouth	£135,000	£21,113	7.38	£36,626	£138	5.4%	773	712	25.4%	64.5%	47	71	51	203
Southampton	£131,000	£21,437	7.2	£37,651	£138	11.7%	1,051	900	22.1%	75%	102	66	51	109
Test Valley	£181,750	£26,119	9.7	£49,473	£143	-	405	339	25.9%	85%	65	50	50.5	150
Winchester	£207,130	£28,811	9.6	£60,133	£150	4.9%	608	562	28.0%	99.5%	0	77.8	-	68

Sources: See definitions in Appendix 1



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