

# Home Truths 2016/17

The housing market in the South East



## Solving the housing crisis

Housing associations are united by a single purpose – to ensure everyone in the country can live in a quality home that they can afford.

We meet shifting housing needs by building more affordable homes and market homes, homes to rent and buy, and essential supported and specialist housing.

**Last year housing associations in the South East built over 8,000 new homes, and started building over 7,000 more. Nearly 2,000 of these were for shared ownership.**

In addition, **almost half (47%) of all new homes we started were funded without government investment** – that’s because we generate income that doesn’t go to shareholders, so we can reinvest all our profits in homes and communities.

We offer **£6 of private investment for every £1 of public money.**

Our homes are for everybody – from those most in need, to young people, families and first time buyers, to older and more vulnerable people who may need support. We’ll continue to deliver across the mix to meet changing housing needs.

**If you share our sense of purpose, let’s work together to end the housing crisis.**

## Contact

National Housing Federation,  
Lion Court, 25 Procter Street,  
London WC1V 6NY

020 7067 1010  
info@housing.org.uk  
#housingcrisis

## The housing crisis in the South East

There is an acute housing crisis in the South East, with far too few homes being built to meet local need.

This report provides local data on the housing market in the South East and highlights that:

- Between 2011 and 2015, there was **a shortfall of almost 90,000 homes**, the second highest shortfall in the country.
- This has meant that the **average home in the region now costs over £338,000 – 11 times the average salary** of £30,000.
- The region is polarised, however, with average house prices ranging from £708,000 in Elmbridge, to £193,000 in Gosport.
- A family seeking to buy the average home in the South East would require **an income of more than £77,000 to afford a mortgage**, making home ownership unattainable for many.
- The cost of renting privately is also becoming less affordable, with average monthly rents now standing at £959, meaning local **people spend around almost 40% of their income on rent.**
- Work is no guarantee that local people will be able to pay their housing costs – **28% of Housing Benefit claimants are in work.**

## Footnotes to the table overleaf

1. Office for National Statistics (ONS), small area statistics
2. Valuation Office Agency
3. ONS, Annual Survey of Hours and Earnings
4. ONS, small area statistics and Annual Survey of Hours and Earnings
5. ONS, small area statistics and National Housing Federation own analysis
6. Department for Work and Pensions, Stat Xplore
7. ONS, NOMIS model based estimates
8. Town and Country Planning Association household projections; Department for Communities and Local Government (DCLG) table 253 and Federation own analysis
9. DCLG table 615
10. DCLG Council Tax base
11. Homes and Communities Agency Statistical Data Return 2016

South East	Average (mean) house prices in 2016 <sup>1</sup>	Mean monthly private sector rents in 2015/16 <sup>2</sup>	Mean annual earnings in 2015 <sup>3</sup>	Ratio of house prices to incomes <sup>4</sup>	Income required for 80% mortgage 2016 (80% at 3.5x) <sup>5</sup>	Percent of Housing Benefit claimants in employment <sup>6</sup>	Unemployment rate 2015/16 <sup>7</sup>	Five year shortfall 2011–2015 <sup>8</sup>	Long term empty homes <sup>9</sup>	Second homes <sup>10</sup>	Total housing association affordable homes 2016 <sup>11</sup>
<b>England</b>	<b>£282,011</b>	<b>£820</b>	<b>£27,680</b>	<b>10.2</b>	<b>£64,460</b>	<b>24%</b>	<b>5.1%</b>	<b>510,620</b>	<b>203,596</b>	<b>245,324</b>	<b>2,667,406</b>
<b>South East</b>	<b>£338,444</b>	<b>£959</b>	<b>£30,113</b>	<b>11.2</b>	<b>£77,359</b>	<b>28%</b>	<b>4.1%</b>	<b>89,254</b>	<b>23,600</b>	<b>40,849</b>	<b>373,106</b>
Bracknell Forest	£348,911	£1,017	£31,044	11.2	£79,751	30%	3.1%	1,001	300	123	8,587
Brighton and Hove	£360,738	£1,220	£27,482	13.1	£82,454	27%	6.1%	5,777	702	1,687	7,664
Isle of Wight	£219,072	£618	£24,107	9.1	£50,074	24%	5.2%	740	674	3,705	7,500
Medway	£216,338	£702	£27,851	7.8	£49,449	24%	6.9%	3,953	879	329	6,035
Milton Keynes	£267,035	£869	£29,546	9.0	£61,037	32%	4.6%	1,685	378	809	13,859
Portsmouth	£198,651	£797	£23,806	8.3	£45,406	26%	5.9%	2,848	765	1,084	7,004
Reading	£296,782	£969	£29,099	10.2	£67,836	33%	5.2%	883	423	949	5,261
Slough	£278,786	£853	£28,324	9.8	£63,723	42%	4.6%	3,197	136	312	4,662
Southampton	£199,463	£782	£23,046	8.7	£45,592	28%	5.8%	1,509	616	769	8,618
West Berkshire	£368,040	£981	£32,677	11.3	£84,123	29%	2.9%	1,204	415	409	9,549
Windsor and Maidenhead	£548,609	£1,362	£44,190	12.4	£125,396	31%	3.5%	1,774	679	842	8,087
Wokingham	£420,728	£1,150	£37,799	11.1	£96,166	30%	3.0%	1,703	305	361	2,221
Buckinghamshire	£428,327	£1,113	£32,750	13.1	£97,903	31%	3.5%	2,194	1,460	682	30,238
Aylesbury Vale	£317,934	£892	£29,422	10.8	£72,671	32%	3.3%	n/a	240	90	11,780
Chiltern	£580,106	£1,457	£36,332	16.0	£132,596	30%	2.7%	429	394	210	5,027
South Bucks	£690,392	£1,524	£36,806	18.8	£157,804	24%	3.5%	1,094	361	158	3,849
Wycombe	£403,225	£1,095	£33,160	12.2	£92,166	32%	4.5%	1,001	465	224	9,582
East Sussex	£278,518	£779	£25,906	10.8	£63,661	26%	3.4%	7,370	2,143	4,225	18,205
Eastbourne	£228,572	£725	£24,513	9.3	£52,245	27%	6.4%	1,989	377	1,029	2,615
Hastings	£196,448	£567	£22,355	8.8	£44,902	20%	7.7%	1,483	533	669	6,227
Lewes	£322,683	£1,011	£25,350	12.7	£73,756	30%	4.2%	1,872	269	340	1,833
Rother	£295,358	£725	£27,222	10.8	£67,510	24%	4.1%	1,665	376	1,381	4,574
Wealden	£332,745	£943	£28,808	11.6	£76,056	29%	3.4%	361	588	806	2,956
Hampshire	£316,301	£922	£30,659	10.3	£72,297	28%	3.7%	6,401	2,927	4,305	64,122
Basingstoke and Deane	£298,386	£884	£32,058	9.3	£68,202	29%	3.7%	2,083	431	173	14,209
East Hampshire	£377,640	£889	£31,944	11.8	£86,318	28%	3.2%	244	290	357	6,526
Eastleigh	£274,826	£817	£27,695	9.9	£62,817	31%	3.1%	838	311	195	7,179
Fareham	£277,728	£836	£29,682	9.4	£63,481	31%	3.5%	574	177	277	2,045
Gosport	£193,315	£712	£26,458	7.3	£44,186	27%	4.5%	456	190	225	3,301
Hart	£416,422	£1,080	£32,958	12.6	£95,182	32%	2.7%	n/a	204	120	3,555
Havant	£253,119	£776	£27,305	9.3	£57,856	27%	5.5%	518	248	422	5,810
New Forest	£342,602	£916	£32,864	10.4	£78,309	26%	3.3%	2,857	449	1,729	3,689
Rushmoor	£268,584	£827	£29,380	9.1	£61,391	24%	3.3%	576	184	204	6,667
Test Valley	£318,602	£978	£30,051	10.6	£72,823	30%	2.9%	n/a	189	228	8,251
Winchester	£430,651	£1,111	£34,424	12.5	£98,435	25%	2.3%	70	254	375	2,890

South East	Average (mean) house prices in 2016 <sup>1</sup>	Mean monthly private sector rents in 2015/16 <sup>2</sup>	Mean annual earnings in 2015 <sup>3</sup>	Ratio of house prices to incomes <sup>4</sup>	Income required for 80% mortgage 2016 (80% at 3.5x) <sup>5</sup>	Percent of Housing Benefit claimants in employment <sup>6</sup>	Unemployment rate 2015/16 <sup>7</sup>	Five year shortfall 2011–2015 <sup>8</sup>	Long term empty homes <sup>9</sup>	Second homes <sup>10</sup>	Total housing association affordable homes 2016 <sup>11</sup>
<b>Kent</b>	<b>£288,892</b>	<b>£793</b>	<b>£27,945</b>	<b>10.3</b>	<b>£66,032</b>	<b>25%</b>	<b>5.2%</b>	<b>21,310</b>	<b>4,496</b>	<b>8,058</b>	<b>62,012</b>
Ashford	£277,374	£730	£28,168	9.8	£63,400	26%	4.7%	1,560	247	507	3,040
Canterbury	£283,342	£893	£27,300	10.4	£64,764	24%	5.4%	1,379	396	1,070	2,867
Dartford	£274,365	£874	£29,292	9.4	£62,712	29%	4.7%	659	176	116	2,284
Dover	£232,949	£564	£25,719	9.1	£53,246	23%	5.3%	971	478	1,128	2,756
Gravesham	£270,423	£800	£26,629	10.2	£61,811	28%	5.5%	1,692	193	84	1,943
Maidstone	£285,754	£793	£28,111	10.2	£65,315	27%	3.8%	1,484	273	158	9,504
Sevenoaks	£472,410	£1,377	£32,630	14.5	£107,979	25%	3.2%	2,086	291	293	7,235
Shepway	£234,952	£573	£25,085	9.4	£53,703	22%	4.9%	1,900	641	1,032	2,216
Swale	£222,276	£710	£25,906	8.6	£50,806	23%	5.8%	2,880	439	1,687	8,782
Thanet	£211,010	£591	£22,422	9.4	£48,231	24%	7.1%	2,847	731	1,426	4,876
Tonbridge and Malling	£354,727	£1,072	£32,100	11.1	£81,080	27%	4.0%	1,313	355	218	8,954
Tunbridge Wells	£412,556	£1,033	£31,782	13.0	£94,299	30%	3.6%	2,539	276	339	7,555
Oxfordshire	£380,526	£1,070	£30,846	12.3	£86,977	30%	3.8%	3,103	1,429	3,039	34,216
Cherwell	£307,862	£909	£29,422	10.5	£70,368	31%	3.4%	958	295	458	8,112
Oxford	£471,599	£1,206	£29,406	16.0	£107,794	30%	4.3%	1,393	264	1,159	5,050
South Oxfordshire	£441,889	£1,149	£35,490	12.5	£101,003	30%	n/a	n/a	375	341	7,277
Vale of White Horse	£361,784	£1,012	£32,339	11.2	£82,693	30%	2.6%	n/a	296	248	7,574
West Oxfordshire	£343,190	£876	£27,862	12.3	£78,444	30%	2.6%	1,253	199	833	6,203
Surrey	£484,735	£1,347	£35,074	13.8	£110,797	30%	3.0%	12,803	3,114	2,618	40,020
Elmbridge	£707,588	£1,845	£39,364	18.0	£161,734	32%	3.3%	662	477	369	5,919
Epsom and Ewell	£463,311	£1,279	£35,277	13.1	£105,900	35%	2.9%	923	152	10	2,981
Guildford	£492,452	£1,239	£33,322	14.8	£112,560	29%	3.1%	1,206	369	341	2,581
Mole Valley	£516,110	£1,346	£36,780	14.0	£117,968	27%	2.9%	1,222	265	306	4,675
Reigate and Banstead	£440,322	£1,137	£34,393	12.8	£100,645	32%	3.1%	2,423	347	269	7,934
Runnymede	£435,466	£1,294	£31,361	13.9	£99,535	27%	3.2%	980	189	178	1,839
Spelthorne	£366,887	£1,133	£33,353	11.0	£83,860	30%	3.7%	1,429	191	136	5,764
Surrey Heath	£412,215	£1,031	£33,639	12.3	£94,221	29%	3.1%	551	142	202	3,600
Tandridge	£467,618	£1,336	£34,377	13.6	£106,884	31%	2.8%	1,401	290	209	1,382
Waverley	£503,125	£1,274	£39,624	12.7	£115,000	28%	2.9%	1,564	468	370	1,754
Woking	£434,331	£1,297	£32,932	13.2	£99,276	32%	2.5%	443	224	228	1,591
West Sussex	£330,122	£908	£27,654	11.9	£75,456	30%	2.6%	9,799	1,759	6,543	35,246
Adur	£292,886	£874	£23,795	12.3	£66,945	27%	3.9%	1,114	98	178	1,104
Arun	£281,849	£757	£25,220	11.2	£64,423	29%	4.5%	1,599	449	1,561	3,788
Chichester	£410,771	£975	£27,435	15.0	£93,890	29%	2.9%	1,046	192	3,346	8,297
Crawley	£265,777	£950	£27,908	9.5	£60,749	36%	4.4%	2,116	32	321	2,826
Horsham	£389,887	£1,054	£30,124	12.9	£89,117	29%	3.0%	245	297	378	7,295
Mid Sussex	£374,843	£1,046	£30,061	12.5	£85,678	32%	2.5%	1,167	357	256	6,993
Worthing	£266,292	£738	£26,104	10.2	£60,867	28%	4.4%	2,513	334	503	4,943

n/a: not available