

Affordability and the intermediate housing market



**Available
in alternative
formats**

This publication can be provided in alternative formats, such as large print, Braille, audiotape and on disk. Please contact: Communications Department, Joseph Rowntree Foundation, The Homestead, 40 Water End, York YO30 6WP. Tel: 01904 615905. Email: info@jrf.org.uk

Affordability and the intermediate housing market

Local measures for all local authority areas in Great Britain

Steve Wilcox



**JOSEPH ROWNTREE
FOUNDATION**

The **Joseph Rowntree Foundation** has supported this project as part of its programme of research and innovative development projects, which it hopes will be of value to policy makers, practitioners and service users. The facts presented and views expressed in this report are, however, those of the author and not necessarily those of the Foundation.

Joseph Rowntree Foundation
The Homestead
40 Water End
York YO30 6WP
Website: www.jrf.org.uk

© Steve Wilcox 2005

First published 2005 by the Joseph Rowntree Foundation

All rights reserved. Reproduction of this report by photocopying or electronic means for non-commercial purposes is permitted. Otherwise, no part of this report may be reproduced, adapted, stored in a retrieval system or transmitted by any means, electronic, mechanical, photocopying, or otherwise without the prior written permission of the Joseph Rowntree Foundation.

A CIP catalogue record for this report is available from the British Library.

ISBN 1 85935 242 1 (paperback)
ISBN 1 85935 243 X (pdf: available at www.jrf.org.uk)

Cover design by Adkins Design

Prepared and printed by:
York Publishing Services Ltd
64 Hallfield Road
Layerthorpe
York YO31 7ZQ
Tel: 01904 430033; Fax: 01904 430868; Website: www.yps-publishing.co.uk

Further copies of this report, or any other JRF publication, can be obtained either from the JRF website (www.jrf.org.uk/bookshop/) or from our distributor, York Publishing Services Ltd, at the above address.

Contents

List of tables and figures	vi
Foreword	vii
Introductory remarks by Margaret Clark	ix
Introductory remarks by Chris Holmes	xi
Introduction	1
1 Housing market affordability trends over time	2
2 Local house price to income ratios	5
Regional affordability in 2004	7
Sustainable communities?	8
Local affordability in 2004	9
3 The intermediate housing market	11
Regional intermediate housing markets	13
Local intermediate housing markets	13
Alternative geographies	16
Some policy issues for intermediate housing market schemes	16
Notes	18
Appendix 1: Data sources and methodology for the affordability analyses	19
Appendix 2: Schedules	24
Schedule 1: House price to income ratios by local authority in Great Britain, 2004	24
Schedule 2: Households in intermediate housing markets	36
Schedule 3: Local house prices and incomes that single- and multiple-earner households require to purchase	49
Appendix 3: Can work; can't buy	61

List of tables and figures

Table 1	House price to income ratios, 2004, regional summary
Table 2	Regional earnings by place of work and place of residence
Table 3	The local authority areas with the highest house price to income ratios in Great Britain, 2004
Table 4	Percentage of working households in intermediate market
Table A1.1	Gross annual household earnings by number of workers present in household
Table A3.1	House prices and affordability, quarter 4, 2002
Table A3.2	Key worker incomes relative to income needed to purchase
Figure 1	House price to income ratios
Figure 2	Mortgage cost to income ratios
Figure 3	Regional trends in mortgage cost to income ratios
Figure 4	House price to income ratios, 2004, for every local authority in Great Britain
Figure 5	Broad and narrow intermediate housing markets
Figure 6	Broad and narrow intermediate housing markets, regional summary
Figure 7	Size of intermediate housing markets for younger working households

Foreword

The average age of a first-time buyer is now 34. The proportion of new homes sold to first-time buyers is the lowest since records began. And the switch to renting is seen in the extraordinary investment in buy to let – for which the £55 billion in mortgages may be only one-third of the total investment from the country and overseas into the rented sector over recent years.

Against this backdrop of a major shift from owning to renting, the Government has set itself a new target for *increasing* owner occupation in the UK. The hope is that it will rise from today's 70 per cent to 75 per cent, giving more people asset-based wealth.

Now this latest report from Professor Steve Wilcox shows just how many people in work cannot afford a property even in the cheapest 10 per cent in their area. These are the people with incomes too high for them to secure rented accommodation from a housing association or local authority. They are stuck in the middle in an 'intermediate housing market'.

The Wilcox report shows just how big this middle group has now become. Nationally, excluding students, we need roughly as many homes for the intermediate housing market (IHM) as we do for the social housing market. But while social housing attracts a good deal of attention – because local authorities have statutory obligations for homeless households and because housing associations concentrate their efforts on this part of the market – the IHM is not only beyond the reach of house builders but also off the screen of many social housing providers.

Does this matter?

Fuelled by the buy-to-let phenomenon, the private rented sector (PRS) may grow some more, perhaps boosted by the latest tax incentives in self-invest pension plans. In some areas the sector is already three times its size nationally: some 36 per cent of Westminster's population live in privately rented homes.

But what are the implications of ignoring the

hopes of the majority of new households to become home owners? Does this mean a wider divide between those clearly in the sector and those on the outside? Will it be the case in future that only those with better-off owner-occupying parents can become owners themselves? Will expecting more people on reasonable incomes to rent for life generate inflationary pressures on salaries? And, most significantly, will all those in the IHM actually find satisfactory and affordable homes in the private sector? Or will market rents and increased demand mean greater pressure on the social rented housing that is already in short supply?

Alternatives to reliance entirely on the PRS involve partial subsidy for 'sub-market renting', for shared ownership and for new models of low cost home ownership. Government has consulted on plans for 'Homebuy' – to enable house buyers to use equity loans to increase their buying power. But before the publication of this report from Steve Wilcox, the scale of the problem had not been apparent: the costs of extending support to a larger proportion of those in the IHM look daunting.

Even if help is confined to certain key workers in the public sector, like nurses and teachers – and many have argued that this definition of need is far too restrictive – the available public money may not go far, despite the recent increases to the Housing Corporation budget. Will additional resources be available so that demand for fully subsidised social housing does not increase dramatically?

One answer will certainly lie in the more effective use of 'planning gains' – usually Section 106 Agreements with house builders – to incorporate not only social rented housing but also provision for the IHM. Pressure for planning obligations to meet the middle market seldom comes from Housing Departments whose primary concern is with social renting. But, with backing from Planning Departments, the scale of the IHM now demands that more attention be paid to the million households in the middle.

Following on earlier work from Steve Wilcox

Affordability and the intermediate housing market

spelling out problems of affordability, and looking carefully at exactly where these are being experienced, this analysis of the intermediate housing market breaks new ground: the JRF, with a long-standing interest in mixed-income communities that avoid the segregation and stigmatising of those on the lowest incomes, greatly appreciates this latest output from the University of York. We are also grateful for the responses that follow from Chris Holmes and Margaret Clark:

these underline the need for action and offer challenges for the policy makers. I would add that, in the end, no policies will succeed in ensuring affordable homes for those at all income levels unless the UK can greatly increase the supply of homes to tackle acute shortages and meet the demands of tomorrow.

Richard Best
Director, Joseph Rowntree Foundation

Introductory remarks by Margaret Clark

Access to affordable housing is continually cited as one of the key issues affecting the future social and economic well-being of small towns and villages across rural England. It is certainly high on the list of priority issues for the new Commission for Rural Communities, in its roles of rural advocate, expert adviser and independent watchdog on matters affecting rural people and communities in England, especially in relation to disadvantage. Rural housing is also a major concern for government, as demonstrated by the recent decision by the Department of Environment, Food and Rural Affairs and the Office of the Deputy Prime Minister to set up a joint Affordable Rural Housing Commission, under the chairmanship of Elinor Goodman.

So, this study by Steve Wilcox for the Joseph Rowntree Foundation is timely. It shows quite clearly that the issue of housing affordability is now a major problem across England and is hitting rural areas as well as urban. Over half of the most hard-hit local authorities – some 37 authority areas with house price to income ratios ranging from 5.5 to 7.3 – are rural. Many of these are in the South West, with no less than ten rural authorities from that region in the worst 22 overall, reflecting the relatively lower incomes in that part of the country in comparison with house prices. Not surprisingly, the South East also scores prominently, with four rural authorities in the list, while Yorkshire and Humberside (two) and the West Midlands (two) also experience rural hot spots. The report reinforces the findings in our recent *State of the Countryside* report,¹ which showed that the least affordable rural areas for housing were in the South of England, mainly in the South West and South East regions, although our report also identified problems of affordability in the East and West Midlands.

Steve Wilcox's study clearly demonstrates that the problem of housing affordability is not confined to those on the lowest incomes but affects many

people on average or above average salaries. Over 40 per cent of households aged under 40 in the 37 worst affected areas could not afford a mortgage on even the cheapest tenth of properties, but would not be eligible for Housing Benefit if they went into social rented accommodation. Again, this confirms the findings of the *State of the Countryside* report, which reported that, in smaller settlements in some rural areas, average house prices were now almost £330,000, nearly ten times the average household income.

Often the debate on affordable housing focuses on the provision of publicly subsidised rented accommodation, today provided usually through housing associations for those on lower incomes. This is clearly a crucial element in meeting rural housing needs and more needs to be done to increase the supply of such housing in rural areas. But, it is important not to lose sight of the profound implications that the lack of affordable housing to buy, as well as to rent, will have for rural communities, because, even if it were possible to meet the needs of those in the 'social housing' market, there would still be a very significant shortfall of affordable homes. Those people in the 'intermediate' market, typically employed in schools, health or other public services, local trades and so on – often newly formed households who want to make the first step on the ladder to home ownership – would normally look to the open market to meet their housing needs. If there is no such 'intermediate' housing available and they are effectively forced to leave the area to find suitable housing, then rural communities are likely to become more socially and economically polarised and, consequently, less sustainable. Who then, in future, will take on local jobs, provide local services and contribute to the social 'glue' we value in rural communities?

This report is a reminder that access to a range of affordable housing for those unable to compete on the open market is fundamental to the future of

Affordability and the intermediate housing market

many communities, both rural and urban. In the countryside, the answer is not a question of large-scale development, but does mean providing a handful of houses in villages and market towns across the country. The report provides further evidence to make the case for urgent action to tackle the problem, not just by government but by communities themselves, and it will be an

important input into the Affordable Rural Housing Commission and other work on planning and finance.

Margaret Clark

Director

Commission for Rural Communities

(a division of the Countryside Agency)

Introductory remarks by Chris Holmes

Steve Wilcox's report *Affordability and the Intermediate Housing Market* breaks important new ground. It provides comprehensive statistical data for each local authority area in Britain on the need for intermediate housing options for people who cannot afford to buy outright, focusing on households in employment with members aged between 20 and 40.

The findings show a huge problem of homes not being affordable across many areas of London and the South of England. Despite a sustained period of low interest rates, there has been a marked growth over the past ten years in the number of households unable to afford to buy a home as house prices have risen faster than incomes. In London three out of five young working households cannot afford to buy even at the lowest quartile of house prices. In the South East and the South West more than half of such households cannot afford to buy. And, for many of these, social housing is not an option.

The concept of an 'intermediate housing market' was first put forward by the Mayor's Housing Commission for London in the report *Homes for a World City* (2000).¹ At that time there was growing pressure to provide homes for 'key workers', usually seen as nurses, teachers and police officers. The Commission argued that this was too narrow. Not only should staff on lower wages in other public sector jobs such as cleaners, porters and classroom assistants be recognised as 'key workers', there were many other workers on moderate incomes, in both the private and public sectors, who could not afford the high cost of market housing. The Commission's 'long term vision is that London should develop a new intermediate housing market'.

The radical proposal made by the Commission was that the level of unmet need was so high that 50 per cent of all new homes in London should be affordable, with 35 per cent being social rented and 15 per cent for the intermediate housing market. These proposals were adopted by Ken Livingstone

for inclusion in the London Plan and subsequently supported by the Inspector of the Panel of Inquiry following an examination-in-public.

The requirements to provide both for social rented and intermediate housing have now become commonly accepted. The Housing Corporation's Prospectus for the National Affordable Housing Programme 2006–08 has invited bids for intermediate rented homes, where the rent is below 80 per cent of the market rent, and a range of low cost home ownership products, as well as for the traditional social rented programme.

Significantly, the Prospectus also states that:

... we believe that mixing tenure is an important way to achieve the mix of incomes and households required to make communities work ... and that we will therefore continue our policy, reflecting the Government's approach, towards supporting projects that increase tenure mix.

There is now a growing recognition of the importance of developing more socially mixed communities. It was an ideal vividly expressed by Nye Bevan, the Minister responsible for housing in the 1945 Labour Government, when he said that:

... it is entirely undesirable that on modern housing estates only one type of citizen should live ... We should try to introduce what was always the lovely feature of English and Welsh villages, where the doctor, the grocer, the butcher and farm labourer all lived in the same street. I believe it is essential for the full life of a citizen to see the rich tapestry of a living community.

Sadly that dream was never realised and social polarisation has increased over recent decades.

In 1993 the Joseph Rowntree Foundation (JRF) published a seminal report *Building Communities* by David Page, which documented the serious problems being experienced on single-tenure housing estates, which were occupied predominantly by people on low incomes. Since then there have been many reports that have

shown the social cost resulting from neighbourhoods of concentrated poverty. More recently, there has been growing support for initiatives that seek to develop mixed-income communities, both in existing housing neighbourhoods and in the development of new housing. The potential benefits of such policies have been studied in several research projects commissioned by JRF's Mixed Incomes programme and also in a fascinating report by Alan Berube from the Brookings Institution in Washington, describing the work of the HOPE VI projects promoting mixed-income communities over the past ten years in over 150 North American cities.

There is now a new opportunity to rediscover the vision of communities where people in different forms of housing all live. Instead of separate privately built housing developments and estates of only rented housing, it is possible to create a range of housing options. These should include homes built for sale and socially rented homes, and also intermediate rented homes and homes for low cost home ownership, with no physical distinction between the different types of tenure. Instead of a sharp divide between owner occupation and renting, the homes should cover a spectrum encompassing each kind of housing requirement.

We also need a still greater step-change in the number of new homes being built. Steve Wilcox's research documents with irrefutable statistics the need for intermediate housing and also gives the evidence that enables programmes to be targeted

towards the areas where these homes are needed. Yet meeting this need must not be at the expense of the provision of extra socially rented homes, which are needed especially to reduce the number of homeless families in temporary accommodation and the unacceptable incidence of overcrowding.

The challenge for the Government is now very clear. We have a better picture than ever before of the different housing needs. We increasingly have available the range of housing products that enable people to choose those that suit them best. The Regional Housing Boards have produced strategies that identify housing priorities in their areas, linked to broader economic and social needs, and that provide a framework for investment decisions that reflect the policy objectives. We have policies for developing more socially mixed communities, which enable people from different backgrounds to live together. More money is being directed towards the provision of affordable housing.

The acute dilemma, especially in London, the South West and the South East, is that the needs are much greater than the resources to be allocated. Meeting the need for intermediate housing is in direct competition with the need for more socially rented homes, since it is impossible to meet the requirements of both from the funding available.

Increasing public funding for investment in affordable housing must now be a key priority for the Government in the next Spending Review.

Chris Holmes

Introduction

This report builds on earlier analyses conducted for the Joseph Rowntree Foundation in 2002 and 2003.¹ For ease of reference, a summary of the methods and main findings of the 2002 report are also included in Appendix 3. It provides an analysis at local authority level of the capacity of younger working households to buy in their local housing market in 2004, for every local authority area in Great Britain (except the Isles of Scilly).

The report sets out average house price to income ratios, together with an analysis of the proportion of younger working households in each area that cannot afford to buy, and identifies the potential market for 'intermediate' housing market products and policies to assist working households with incomes at the margins to enjoy, in one form or another, access to some form of home ownership.

There are a number of distinctive characteristics to these analyses.

- They are based on household earnings not individual earnings.

- They are based on house prices for two- and three-bedroom dwellings.
- They reflect local data on the distribution of earnings.
- They develop a new approach to defining potential 'intermediate' housing markets.

The first chapter of the report examines long-terms trends in housing market affordability and shows the limitations of analyses over time that just look at house price to income ratios without taking account of variations in interest rates. The second chapter then sets out the results of the analysis of local-level house price to income ratios, while the third chapter sets out the results of the local-level analyses of intermediate housing markets. Key points about methodology and data sources are covered in each chapter as appropriate, with a fuller methodological note in Appendix 1.

1 Housing market affordability trends over time

Over the last few years it has become more difficult for households to access home ownership as house prices have risen sharply. This has been the result not only of a sustained period of economic growth but also of lower interest rates that have made it easier for households to obtain – and afford – higher mortgages. Different approaches in analysing the trends in housing market affordability provide very different pictures of the characteristics of recent housing market cycles, as Figures 1 and 2 show.

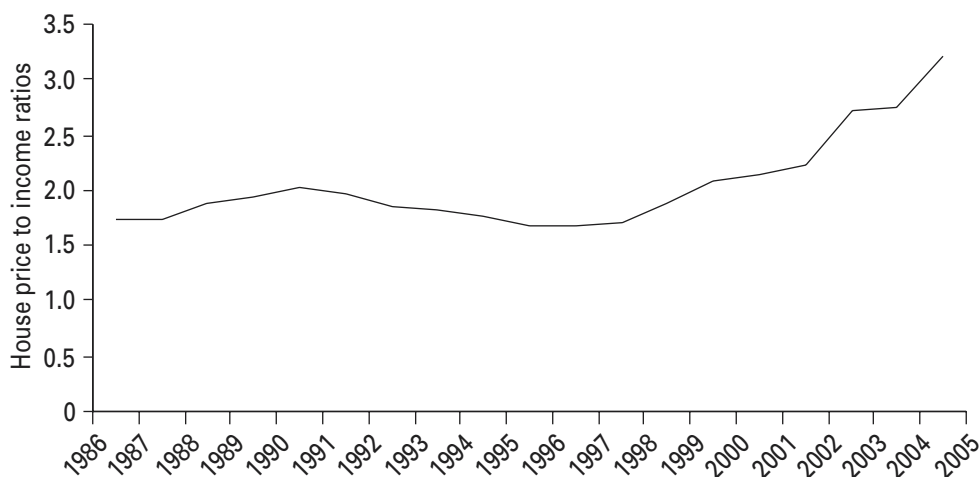
Figure 1 begins by showing the ratio of average house prices for first-time buyers to the incomes of working households in Great Britain. House price to income ratios are the most common form of analysis of housing market trends. The analysis in Figure 1 is only distinctive in that it is based on household incomes for working households (of all ages), rather than individual earnings. This approach is important because dual-earner households are a very significant proportion of all home buyers and the working composition of home-buying households also changes over time (and between localities).

Figure 1 shows that house price to income ratios have risen to record levels over the last three years, exceeding three to one in 2004. This ratio is at unprecedented levels – far higher than in the boom years of the late 1980s and earlier housing market cycles. If this trend is taken at face value, it would suggest that we are due for a severe housing market crash if house price to income ratios were to return to long-term trend levels.

However, a very different picture emerges from Figure 2, which shows instead the ratio between average mortgage costs for first-time buyers and working household incomes over the same period of time. Figure 2 assumes a constant 85 per cent mortgage in all years and the net costs of a standard 25-year annuity taking account of the availability (and eventual abolition) of mortgage interest tax relief.

In sharp contrast to Figure 1, this shows that, while the mortgage cost to income ratio in 2004 is far higher than it was in the mid and late 1990s, it is still a little below the acute levels experienced in the boom years of the late 1980s and early 1990s.

Figure 1 House price to income ratios



Note: based on average house prices for first-time buyers and disposable incomes of working households. Income data from Expenditure and Food Survey.

Figure 2 does show that mortgage cost to income ratios are nonetheless some way above the average level of 15 per cent over the last two decades. While this does suggest that some easing in house prices (or interest rates) is likely in the years ahead, continuing rises in incomes and supply constraints (especially in London and the wider South East) suggest that a substantial fall in house prices is unlikely (unless there is a wider downturn in the world economy that cannot be readily corrected by a reduction in UK interest rates).

There are, however, perennial issues about restricted access to home ownership regardless of the point in the economic and housing market cycle. Those issues have been more acute in recent years, partly because of the sharp rise in house prices and partly because mortgage lenders have, as a whole, been quite cautious in the extent to which they have relaxed their lending criteria in response to the structural decline in interest rates as a result of national and international economic policies designed to ensure the continuation of a low inflation regime.

The extent of access difficulties also varies substantially from region to region and locality to locality. House prices are higher, not just in areas

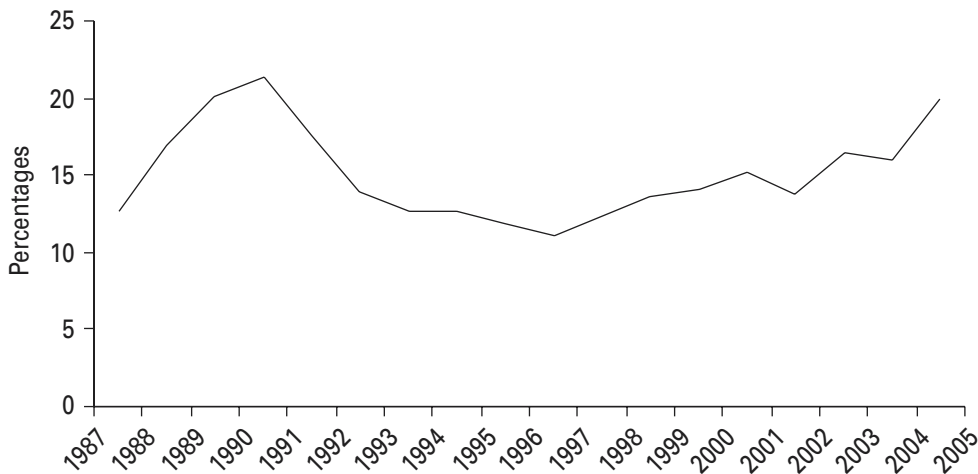
where incomes are higher, but also where there are additional pressures of demand linked to long-term economic and social changes, and the consequential migration of population within the UK to the areas with higher levels of economic growth. There are also additional population flows of retired households to attractive localities, which add to the concerns of affordability in those areas.

Figure 3 shows how mortgage cost to working household income ratios vary from region to region and also how those relationships have changed over the last decade.

Figure 3 clearly shows how the North–South divide in home ownership affordability has widened over the last decade. Typically, in the past, the regional affordability gap has broadened, and then narrowed, over the run of the economic and housing market cycle.

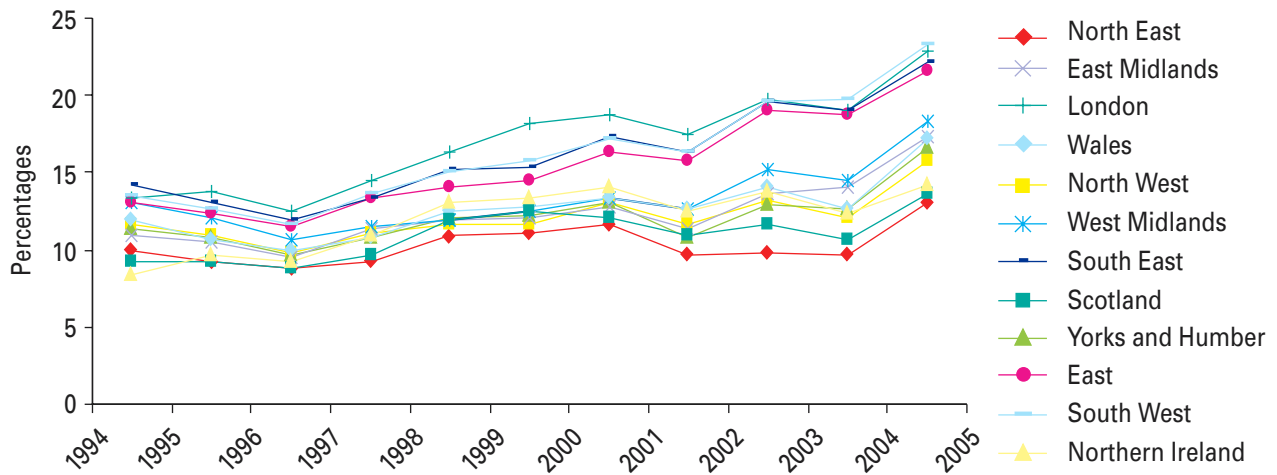
There are, however, a number of more particular features to note. The first is that mortgage cost to income ratios in the North East are markedly lower than the other northern and midland regions, and a little below those in Scotland and Northern Ireland. The second is that on this measure, within the South of England, mortgage cost to income ratios are now higher in the South West than in London and the South East.

Figure 2 Mortgage cost to income ratios



Note: data as Figure 1. Also assumes 25-year annuity at average building society interest rates.

Figure 3 Regional trends in mortgage cost to income ratios



Data: as Figures 1 and 2.

While house prices are clearly higher in London and the South East, affordability is measured not only by reference to house prices but also by the relationship between house prices and incomes. Thus, while house prices tend to be lower in the South West than in London and the South East, the levels of working household incomes are lower still. A key factor in this is that, while levels of economic growth across the southern regions are similar, there are additional housing market pressures in the South West as a result of inward migration by older and retired households, and the demand for second homes.

The data also suggests there was a marginal easing of affordability for first-time buyers in most regions in 2003, but this needs some clarification. Unusually, in 2003, the house prices for properties bought by first-time buyers fell in most regions while, at the same time, overall house prices continued to rise. However, in 2004, that dip in first-time buyer house prices was reversed and, in all regions, higher prices, and higher interest rates, saw a sharp rise in mortgage cost to income ratios, to levels now very close to those experienced in the late 1980s and early 1990s.

2 Local house price to income ratios

House price to income ratios in 2004 for every local authority area in Great Britain (except the Isles of Scilly), are shown in Figure 4, and full details for each local authority area are set out in Schedule 1. A regional summary of the results is also set out in Table 1. It should be noted that the local-level analyses are not directly comparable with the analyses of affordability trends over time set out in the preceding chapter. There are more constraints on the availability of data for the analyses of long-term trends than for the current local-level analyses.

Local house price data is readily available from the Land Registry, but this gives no indication of the mix of properties sold in any area. Yet survey data clearly indicates that the size of dwellings varies widely, both regionally and more locally. In order to provide a consistent measure of house prices between one locality and another the analyses in this study make use of a specially commissioned data set from the Survey of Mortgage Lenders (SML), which was provided by the Office of the Deputy Prime Minister (ODPM).

This has provided mean average house prices for every local authority area in Britain based on an equal mix of two- and three-bedroom dwellings. This data has only recently become available, as the sample size of the SML has increased to a level where it can provide robust local data.

Like the analyses of national and regional affordability trends, the local analyses are based on the household incomes of working households, rather than on individual earnings. The local analyses, however, are based on the younger households that comprise the vast majority of first-time entrants to the home-owner sector. In more technical terms, the analyses are for households with a 'household representative person' aged from 20 to 39 years.

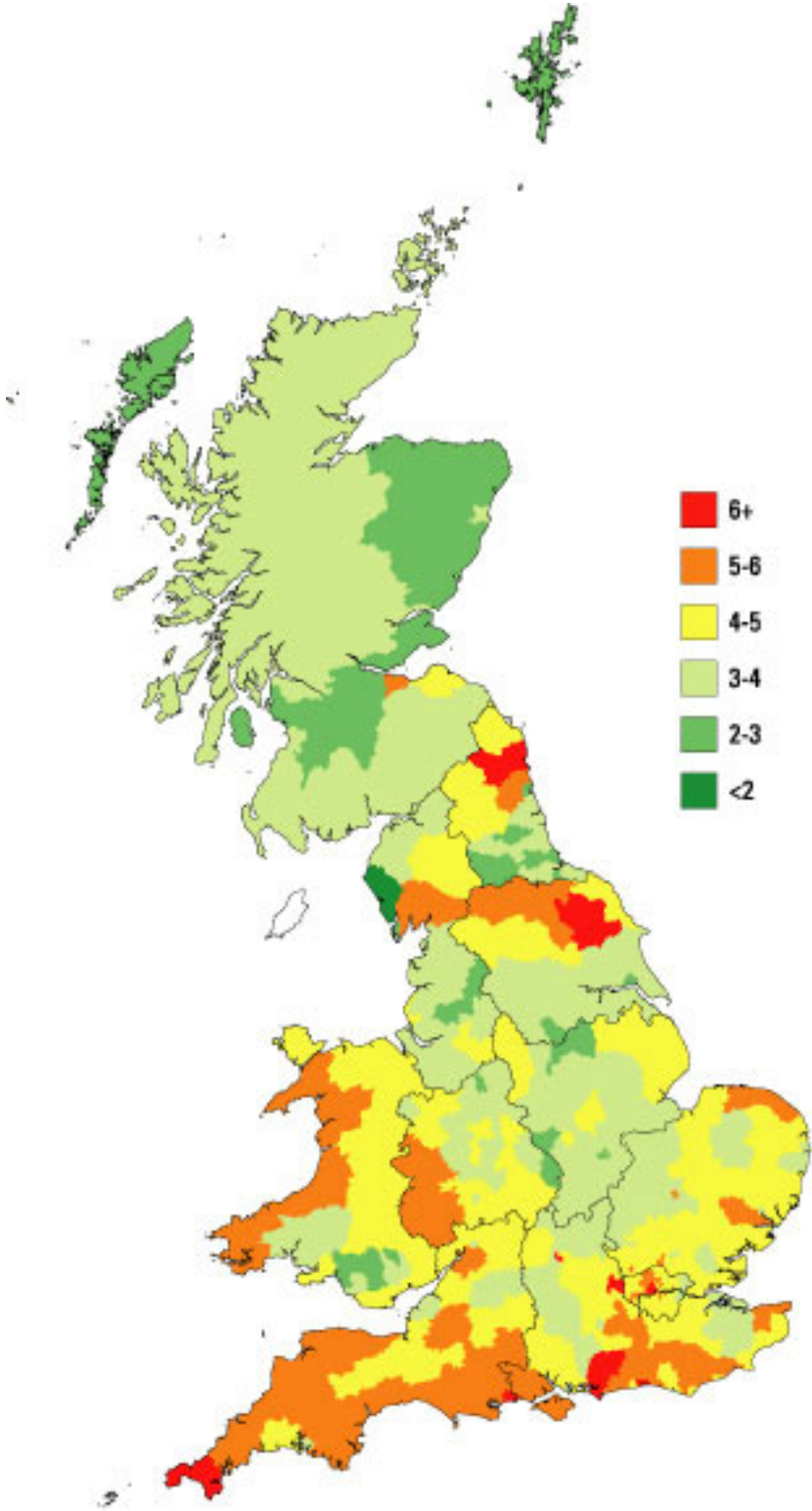
Local-level household incomes have to be computed – national surveys are only sufficiently large to provide regional data. The local household incomes for these analyses are computed from Labour Force Survey (LFS) data showing the numbers of working households in local authority area and data on mean average individual earnings in

Table 1 House price to income ratios, 2004, regional summary

Region	Numbers of working households	Annual household earnings (£)	Average house prices (£)	House price to income ratios
London	830,123	52,656	257,687	4.89
South West	480,683	33,826	160,221	4.74
South East	817,183	41,426	188,543	4.55
East of England	567,025	38,943	165,798	4.26
West Midlands	496,358	32,203	124,767	3.87
Yorkshire and Humber	507,109	30,189	108,311	3.59
East Midlands	416,238	34,429	119,724	3.48
North West	657,619	31,917	109,626	3.43
North East	232,420	29,428	98,528	3.35
England	5,004,758	38,106	159,986	4.20
Scotland	517,736	29,984	101,020	3.37
Wales	271,753	27,039	107,864	3.99
Great Britain	5,794,247	36,865	152,273	4.13

Note: based on average household incomes of working households aged 20–39 and average house prices for two- and three-bedroom dwellings.

Figure 4 House price to income ratios, 2004, for every local authority in Great Britain



each area (defined on the basis of place of residence) drawn from the new Annual Survey of Hours and Earnings (ASHE). The local computations are related to, and controlled by, regional data from the Expenditure and Food Survey (EFS).

The local computations were undertaken separately for households with a single earner and those with two (or more) earners. Table A1.1 in Appendix 1 sets out the levels of gross household earned incomes for each region, for both single- and multiple-earner households. It also shows the regional factors used to ensure that the computed local household earnings figures were consistent with the regional data derived from the Expenditure and Food Survey. Further details of the methodology can also be found in Appendix 1.

Regional affordability in 2004

Table 1 above shows that average regional house price to income ratios range from 3.35 to 1 in the North East, up to 4.89 to 1 in London. The next highest ratios are in the South West (4.74 to 1) and the South East (4.55 to 1). The average ratio for Scotland (3.37 to 1) is only marginally higher than for the North East, while the average ratio for Wales (3.99 to 1) is above the levels for the northern and midland regions of England, but lower than in the southern regions of England.

The regional pattern from this analysis differs in some respects to that in the analysis of long-term trends set out above. In particular, this analysis shows London as the least affordable region, while the time series shows the South West as the least affordable. This reflects the different definitions and data sources.

The time series analysis is based on the average household incomes of all working households, rather than just those with a household representative person aged 20 to 39. There is less of a gap between earnings in London and the South West for working households of all ages than there is for younger households. For all working households, average

incomes in London are 45 per cent higher than in the South West; while, for younger households only, they are 55 per cent higher in London than in the South West. This difference is consistent with the observed trend for many older, and typically better off, working households to move out of London, whether or not they continue to work in London.

More significantly, the time series analysis is also based on house prices for first-time buyers, and in London that includes a far higher proportion of households buying bedsit and one-bedroom flats than in any other region. In contrast, the local affordability analyses are based on an average of prices for two- and three-bedroom dwellings, thus providing a more consistent basis for comparisons between one area and another. While London first-time buyer house prices as a whole are 40 per cent higher than in the South West, average prices for two- and three-bedroom dwellings are 61 per cent higher than in the South West.

These differences, taken together, account for the switch between London and the South West, as the least affordable region, in the results of the two different analyses. However, both analyses show the South West, as a whole, to be less affordable than the South East.

While house prices are higher in the South East than is the case in the South West (17.7 per cent higher for two- and three-bedroom dwellings), household incomes are higher still (22.5 per cent) compared to the South West.

The more acute level of affordability in the South West, as opposed to the South East, was also found in the 2002 and 2003 analyses undertaken for the Foundation. This relative position is also shown by long-time series analysis for all working households in the years 2003 and 2004. However, in the two preceding years, it showed identical mortgage cost to income ratios for both regions and, in the years before that, the relative position of the two regions varied, although in all cases they both experienced more acute affordability than all other regions (except London).

Sustainable communities?

These findings also contrast with the assertion in the Government's *Sustainable Communities* report¹ that affordability issues are more acute in the South East than the South West. However, the analyses in that report were based on Land Registry house price data that reflects the much smaller proportion of small dwellings in the South East compared to London.

The *Sustainable Communities* analysis is also based on regional individual earnings data centred on place of work. This therefore fails to take account of the regional differences between individual and household earnings, and the impact of the predominantly high earners who commute into London from the South East. The place of work earnings figures thus exaggerates the average earned incomes of individuals residing in London, while at the same time underestimating the earned incomes of individuals living in the South East (and East). This effect can be seen in Table 2.

The use of the place of residence earnings data (which became available only after the analysis for the initial *Sustainable Communities* report had been completed), rather than the conventional place of work earnings data, consequentially has a particularly significant impact on the resulting regional house price to earnings ratios as between London, the South East and the South West.

In part, the Office of the Deputy Prime Minister (ODPM) has now accepted the argument set out in the *Can Work – Can't Buy* report that increased

provision for investment in new affordable housing should be made for the South West, rather than just for the 'wider South East', as has been the case for the years since the ODPM *Sustainable Communities* report was published.

Following the adoption of its own affordability ratio measure, ODPM does now plan to increase the share of investment in new affordable housing in the South West in the years from 2006/07.² However, that measure is still derived from place of work individual earnings rather than place of residence individual earnings, although this data is now routinely available.

Although the ODPM measure focuses on lower quartile, rather than mean incomes, the choice of earnings based on place of work still increases the share of resources going to the East and South East regions, and reduces the share that goes to London and the South West.

The new ODPM affordability measure is distributed 36 per cent to London, 35 per cent to the South East, 13 per cent to the East and 12 per cent to the South West, with 4 per cent going to the Midlands regions and nothing to the North regions. This distributional result is the consequence both of the use of place of work individual earnings data and the arbitrary selection of a very high house price to income ratio (8 to 1) as a threshold to determine the areas to be counted for the ODPM measure.

There is something very unbalanced about a measure that uses a fixed income definition (lower

Table 2 Regional earnings by place of work and place of residence

Region	Work (£ pw)	Residence (£ pw)	Work as per cent of GB	Residence as per cent of GB
London	590.30	556.70	140.5	131.9
South East	443.10	474.30	105.4	112.3
South West	375.00	383.70	89.2	90.9
East	410.40	447.00	97.7	105.9
Great Britain	420.20	422.20	100.0	100.0

Source: Annual Survey of Hours and Earnings, 2004.

quartile) that is below the level required to purchase at lower quartile house prices in every region of the country, together with a threshold ratio greatly in excess of the advance ratios that are generally available in the mortgage market.

Both the ratios and intermediate housing market analyses in this report would suggest that the new ODPM affordability measure still fails to fully reflect the extent of the affordability difficulties faced in the South West region as a whole.

Local affordability in 2004

The individual local authorities facing the most acute affordability difficulties are set out in Table 3. This shows the 37 authorities where the ratio of average house prices to the incomes of younger working households exceeds 5.5 to 1. While, not surprisingly, this includes many authorities from the three regions identified as being the least affordable, it also includes individual authorities from Wales and several other English regions – Yorkshire and Humber, West Midlands, North East and East.

The two least affordable authorities are identified as Kensington and Chelsea and Westminster, with house price to income ratios of 7.30 and 6.77 to 1 respectively. However only three other London authorities have ratios in excess of 5.50 to 1 – Camden (6.00), Hammersmith and Fulham (5.59) and Brent (5.50).

Altogether 16 of the least affordable areas are located in the South West, with house price to

income ratios ranging from 6.51 to 1 in Penwith down to 5.53 to 1 in North Dorset. While the result for Penwith must be treated with caution, with particular respect to the earnings data, the broad thrust of the results across the South West cannot be doubted. Three other South West authorities have house price to income ratios in excess of 6 to 1 – Bournemouth (6.15), Kerrier (6.06) and Christchurch (6.03).

Eight of the least affordable authorities are located in the South East, and these include four where house price to income ratios are in excess of 6 to 1 – Oxford (6.41), Chichester (6.21), Adur (6.17) and South Buckinghamshire (6.09).

The affordability ‘hot spots’ in the other regions ranged down from Ryedale in Yorkshire and Humber (6.40 to 1), to Alnwick in the North East (6.09 to 1), Ceredigion in Wales (5.66 to 1), North Norfolk in the East (5.55 to 1) and South Shropshire in the West Midlands (5.53 to 1).

The least affordable areas in the regions not shown in Table 3 are South Lakeland in the North West (5.32 to 1), Edinburgh in Scotland (5.05 to 1) and Oadby and Wigston in the East Midlands (4.69 to 1).

At the other end of the spectrum there are also 37 areas where house price to income ratios fall below 3 to 1. Of those, 13 are in Scotland, eight are in the North West and six in the North East of England. The lowest ratios are in Copeland in the North West (1.91 to 1), the Shetland Islands in Scotland (2.17 to 1) and Merthyr Tydfil in Wales (2.23 to 1).

Affordability and the intermediate housing market

Table 3 The local authority areas with the highest house price to income ratios in Great Britain, 2004

Local authority	Region	Numbers of working households	Annual household earnings (£)	Average house prices (£)	House price to income ratios
Kensington and Chelsea	Lon	20,660	88,625	646,856	7.30
Westminster	Lon	24,537	70,415	476,560	6.77
Penwith	SW	6,016	27,266	177,602	6.51
Oxford	SE	13,541	34,242	219,557	6.41
Ryedale	Y&H	4,067	26,018	166,555	6.40
Chichester	SE	8,200	36,408	226,241	6.21
Adur	SE	5,303	29,123	179,698	6.17
Bournemouth UA	SW	20,750	30,837	189,511	6.15
Alnwick	NE	3,008	22,562	137,458	6.09
South Buckinghamshire	SE	5,879	42,472	258,573	6.09
Kerrier	SW	5,433	25,889	156,884	6.06
Christchurch	SW	1,975	35,040	211,228	6.03
Camden	Lon	26,399	65,879	395,495	6.00
West Somerset	SW	1,858	29,151	173,881	5.96
Purbeck	SW	2,945	34,161	202,637	5.93
South Hams	SW	5,380	33,848	200,012	5.91
Isle of Wight UA	SE	11,803	26,690	157,468	5.90
Restormel	SW	8,627	26,352	153,098	5.81
Carrick	SW	7,847	31,630	183,314	5.80
Teignbridge	SW	9,473	28,899	165,705	5.73
West Devon	SW	3,311	31,410	179,694	5.72
North Devon	SW	6,866	28,590	163,393	5.72
Richmondshire	Y&H	5,050	25,787	147,051	5.70
Mole Valley	SE	6,036	45,038	256,217	5.69
Ceredigion	Wales	5,968	22,626	128,175	5.66
Poole UA	SW	12,171	33,118	186,793	5.64
Rother	SE	6,872	31,330	175,644	5.61
Salisbury	SW	11,440	32,663	182,781	5.60
Hammersmith and Fulham	Lon	23,533	63,332	354,249	5.59
Pembrokeshire	Wales	9,701	21,682	120,524	5.56
North Norfolk	East	6,872	25,930	143,913	5.55
Brighton and Hove UA	SE	32,150	39,156	216,998	5.54
Torbay UA	SW	11,805	27,909	154,340	5.53
South Shropshire	WM	3,879	31,413	173,691	5.53
North Dorset	SW	5,969	29,619	163,720	5.53
Herefordshire UA	WM	14,620	28,027	154,550	5.51
Brent	Lon	21,613	44,951	247,453	5.50

Note: based on average household incomes of working households aged 20–39 and average house prices for two- and three-bedroom dwellings. The earnings (and therefore ratio) figures for Penwith should be treated with particular caution.

3 The intermediate housing market

The intermediate housing market (IHM) analysis relies essentially on the same data sources as the ratios analysis. However, it uses lowest decile and lower quartile house price figures rather than the mean house price figures used in the ratios analysis.

The report sets out two IHM measures – based on broad and narrow definitions. The broad definition of the IHM in each local authority area is the proportion of working households in each area unable to purchase at lower quartile house prices for two- and three-bedroom dwellings. The narrow definition of the IHM in each local authority area is the proportion of working households in each area that can afford to pay a social rent without recourse to housing benefit but cannot purchase at lowest decile house prices for two- and three-bedroom dwellings.

The relationship between these measures is illustrated in Figure 5. This shows the three sub-sectors within the broad IHM – the working households unable to meet a social housing rent without recourse to housing benefit, the households in the narrowly defined IHM and the households able to buy at lowest decile house prices but unable to buy at lower quartile house prices.

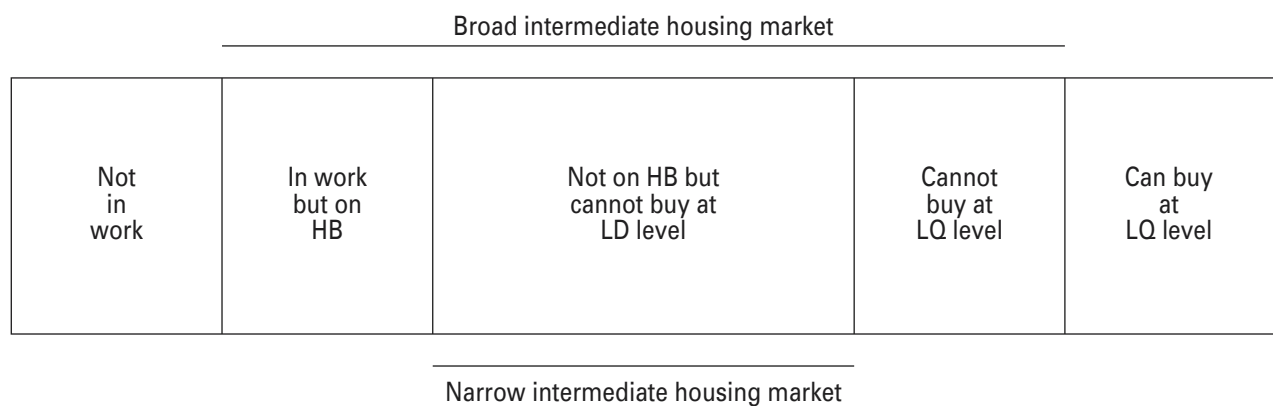
Previous analyses have taken a different approach in defining intermediate housing markets. They have, in effect, taken a given intermediate housing market product (typically one form or another of shared ownership) and identified the households able to afford that particular product, but unable to afford outright house purchase.

The objective of the approach adopted in this report is to move away from analyses based on a given existing intermediate housing market product, and instead to identify the characteristics and scope of the target market that such products should be being developed to serve.

However, it should be emphasised that, in common with earlier analyses, this is a needs-based assessment of the requirement for intermediate housing market products, rather than a demand-based assessment.

There will be additional demands for intermediate housing market products where they offer households the opportunity to obtain larger or better quality properties than they could afford to buy at the lower end of the housing market, or to purchase in more attractive and expensive localities than they could otherwise afford.

Figure 5 Broad and narrow intermediate housing markets



Notes: HB = housing benefit; LD = lowest decile; LQ = lower quartile.

Affordability and the intermediate housing market

Meeting those demands may have a legitimate policy objective in terms of ensuring a greater degree of social mix in areas with more expensive properties, and in assisting with the recruitment and retention of public sector key workers. Similarly, intermediate housing schemes may have a role to play as part of regeneration plans in areas of low demand, even when the needs-based assessment shows there is a very limited IHM for the local authority area as a whole.

The summary regional results of the IHM analysis are shown in Figure 6, and the full results for every local authority area and region are set out in Schedule 2 in Appendix 2. The analysis assumes a maximum mortgage of 3.75 times household income for the working households with a single adult earner and 3.25 times household income for households with two (or more) adult earners. This is based on 2003 data showing that only a quarter of all first-time buyers were able to secure advances at higher levels relative to their incomes.

It must also be recognised that a further proportion of working households would be able to purchase dwellings with prices below the lowest

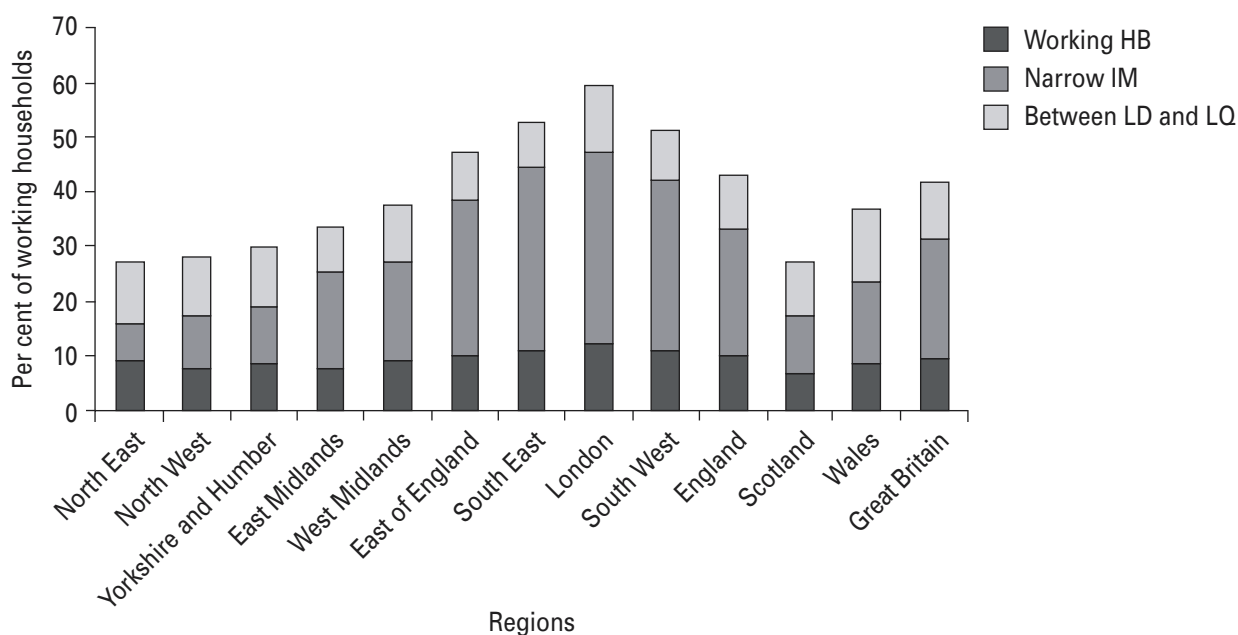
decile level for two- and three-bedroom dwellings. In many cases these would be smaller properties. The precise numbers and proportions will vary from one area to another, depending on the distributional profile of house prices and sizes, and household incomes in each area.

Additionally, some households will be able to purchase where they can utilise significant levels of savings to supplement their mortgage. However, the IHM analysis does already assume an 18 per cent deposit, based on the recent average level for deposits by first-time buyers. If the analysis does not then provide an *absolute* measure of working households unable to purchase in *any* circumstances, it nonetheless provides a consistent measure of the *relative* difficulty of accessing even the lower end of the housing market in each area.

The lowest decile house prices for every local authority area, and the incomes that single- and multiple-earner households are assumed to require to purchase at those levels, based on the multipliers outlined above and an 18 per cent deposit, are set out in Schedule 3 in Appendix 2.

The proportions of households falling within

Figure 6 Broad and narrow intermediate housing markets, regional summary



the IHM (and its sub-sectors) were modelled using data from the Annual Survey of Hours and Earnings showing the distribution of individual earnings within each local authority area. As with the ratios analysis, it was assumed that the distribution of incomes of both single-earner and multiple-earner households matched the distributional profile for individual earnings, and factors were applied to ensure that the modelled local household incomes were consistent with the regional data from the Expenditure and Food Survey. Further details on the methodology can be found in Appendix 1.

Regional intermediate housing markets

Figure 6 above shows that three out of every five younger working households in London cannot afford to buy at lower quartile house prices and fall into the broader IHM. These comprise 12.1 per cent who cannot meet a social rent without recourse to housing benefit, 35.0 per cent that fall into the narrow IHM and 12.5 per cent that can afford to buy at lowest decile house prices but cannot afford to buy at lower quartile prices.

The two other regions with the largest IHMs (as a proportion of all younger working households) are the South East and the South West. However, under this analysis, the South East is shown to have more acute affordability difficulties than the South West. This reverses the position shown in the ratios analysis outlined above. The broad IHM in the South East represents 52.9 per cent of all younger working households, compared to 51.5 per cent in the South West.

The reasons for the different results from the ratios and the IHM analyses are to be found in the greater differential between lowest decile, lower quartile and mean house prices in the South West compared to the South East, and the wider distribution of earned incomes in the South East compared to the South West. The different results

from these two analyses also indicate the limitations of any policy that is based solely on a single measure of housing market affordability.

While these results do reverse the relative position of the South East and the South West, they still make the case for a higher level of resources for affordable housing to be directed to the South West than is planned under the new ODPM ratio measure discussed above. They also suggest that a higher level of resources should be directed to London and a lower level of resources to the wider South East.

Local intermediate housing markets

The top 40 authorities ranked by the proportion of younger working households within the narrowly defined IHM are shown in Table 4. These represent all areas where the narrow IHM represents more than 40 per cent of all younger working households. While many of the high-ranking authorities in the ratios analysis also have high ranking in the IHM analysis there are also some marked differences. These reflect variations in the distribution of house prices and incomes within each area.

The authorities in the narrow IHM 'top 40' are pretty evenly split between London (13), the South East (14) and the South West (12), joined by Ryedale from Yorkshire and Humber region. The four authorities with the highest proportion of younger working households in the narrow IHM are all in the South West and, in two of those areas (Weymouth and Portland and Bournemouth), the proportion is more than a half of all younger working households.

The areas in London with the largest narrow IHM proportions are Kensington and Chelsea (48.8 per cent) and Harrow (48.8 per cent). The areas in the South East with the largest narrow IHM proportions are Mole Valley (47.7 per cent) and Brighton and Hove (47.3 per cent).

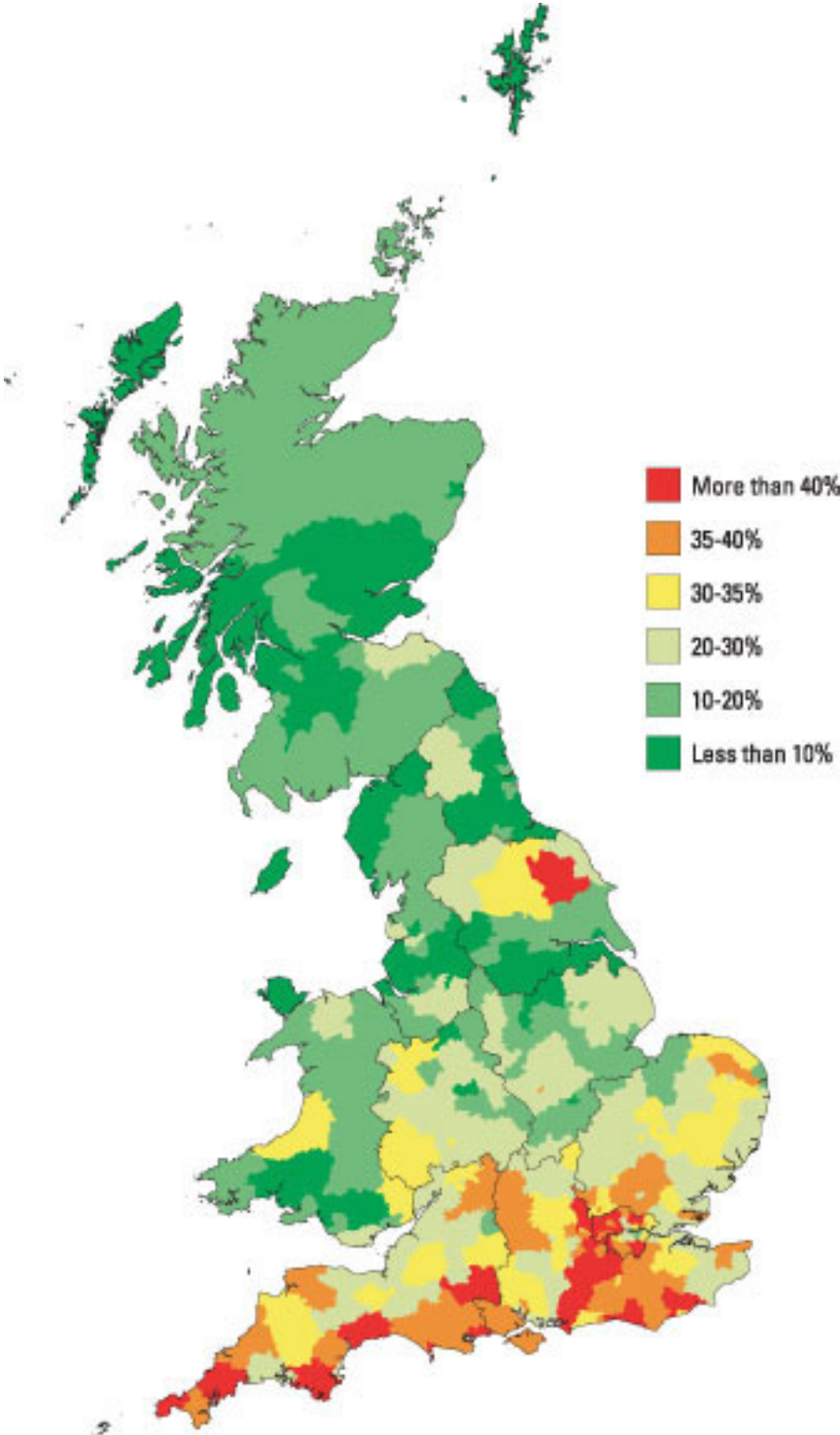
Affordability and the intermediate housing market

Table 4 Percentage of working households in intermediate market

Local authority area	Region	The intermediate housing market			
		Broad	Narrow	Sub-sectors	
				Working; on housing benefit; cannot buy at lowest decile prices	Can buy at lowest decile; but not at lower quartile prices
Weymouth and Portland	SW	65.5	54.6	1.0	9.9
Bournemouth UA	SW	72.6	51.6	14.2	6.8
South Buckinghamshire	SW	66.5	49.2	8.7	8.5
Carrick	SW	63.4	49.0	8.3	6.1
Kensington and Chelsea	Lon	69.6	48.8	8.5	12.3
Harrow	Lon	67.8	48.8	13.9	5.0
Restormel	SW	67.4	48.7	12.3	6.3
Mole Valley	SE	67.2	47.7	12.5	7.0
South Hams	SW	64.4	47.7	6.7	10.0
Brighton and Hove UA	SE	64.4	47.3	8.4	8.6
Chichester	SE	68.8	47.1	16.8	4.9
Penwith	SW	72.0	47.0	13.0	12.1
Epsom and Ewell	SE	64.1	46.2	9.7	8.2
Barnet	Lon	67.3	46.0	11.4	9.9
Kingston upon Thames	Lon	63.0	45.6	8.9	8.4
Hillingdon	Lon	63.1	45.4	9.6	8.1
Christchurch	SW	67.6	44.6	11.9	11.1
Westminster	Lon	69.2	44.2	13.0	12.0
Salisbury	SW	65.5	43.7	11.7	10.1
Adur	SE	74.3	43.5	25.7	5.2
Guildford	SE	63.3	43.3	9.2	10.8
Runnymede	SE	68.0	42.7	18.7	6.6
Hammersmith and Fulham	Lon	72.3	42.3	12.2	17.7
Camden	Lon	73.0	42.0	11.7	19.3
Richmond upon Thames	Lon	56.5	41.8	5.8	8.9
Waltham Forest	Lon	65.2	41.7	14.8	8.7
Exeter	SW	60.2	41.4	12.7	6.2
Woking	SE	60.5	41.2	14.7	4.6
Reigate and Banstead	SE	61.1	41.0	12.8	7.4
Waverley	SE	61.1	40.9	8.9	11.3
Rother	SE	63.0	40.8	13.0	9.2
Bromley	Lon	57.7	40.8	5.7	11.2
Spelthorne	SE	53.2	40.7	2.8	9.7
Ryedale	Y&H	68.1	40.6	9.8	17.8
Poole UA	SW	59.2	40.6	11.4	7.2
Redbridge	Lon	59.6	40.5	8.3	10.7
East Devon	SW	55.7	40.5	9.2	6.1
Chiltern	SE	57.4	40.3	8.1	9.0
Ealing	Lon	62.7	40.2	10.7	11.9
Lewes	SE	58.1	40.0	6.3	11.8

Ranked by 'narrow' intermediate market.

Figure 7 Size of intermediate housing markets for younger working households



In contrast there are three areas where there is no narrowly defined IHM – that is, areas where any household that can afford to pay a social rent without recourse to housing benefit can automatically afford to purchase at lowest decile house prices. Those areas are Copeland, Pendle and Middlesbrough.

There are a further ten areas where the narrow IHM comprises only 1 per cent of all younger working households. In ascending order they are Wear Valley, Burnley, Hartlepool, Wansbeck, Blaenau Gwent, Shetland Islands, Neath Port Talbot, Kingston upon Hull, Derwentside and Stockton on Tees. Altogether there are 41 local authority areas in Great Britain where the narrowly defined IHM comprises less than 5 per cent of all younger working households. Any investment in intermediate housing market products in those areas would clearly need to be justified primarily in terms of social inclusion or regeneration objectives.

Alternative geographies

All the affordability analyses in this report have been at the level of the individual local authority. This is the most local level at which consistent and reliable data is available. However, for different areas, other levels of analysis are also appropriate.

Thus, for example, in London and the major conurbations, housing markets are not structured according to local authority boundaries, and there is a great deal of cross-border movement by home-buying households. In this sense the analyses in this report could be argued to overstate the difficulties confronting households wishing to purchase.

Alternative approaches would be to undertake analyses along the lines of ‘travel-to-work areas’ or to look at affordability in terms of groups of local authority areas. Within London this might be done either by dividing London into vectors or by analysing affordability for each authority area on the basis of the capacity to buy either within that

area itself or within a contiguous local authority area if that was cheaper.

On this basis, for example, while lowest decile house prices for dwellings with two/three bedrooms in Kensington and Chelsea in 2004 were £304,500, in neighbouring Brent they were £163,500.

While 54.5 per cent of the younger working households could not afford to buy within Kensington and Chelsea at lowest decile house prices, almost half of those households could afford to buy at lowest decile house prices in neighbouring Brent.

While it is appropriate to take these considerations into account in market analyses for major conurbations, different considerations apply in rural areas without an equivalent transport infrastructure. Indeed, within many rural areas, far more localised analyses are required, especially in areas where prices in small rural villages are far higher than in the larger market towns. However, there are far greater difficulties in obtaining reliable household incomes at that very localised level. In any event such localised analyses are beyond the scope and purpose of this national-level report.

Some policy issues for intermediate housing market schemes

The analyses in this report amply make the case that, in many parts of Great Britain, there is a very large potential market for IHM schemes to bridge the divide between social renting and home ownership.

Some caution is required, however, before the current, and planned, range of IHM schemes are rolled out on a much increased scale. The point has already been made that, in many urban areas, working households with moderate incomes can access home ownership if they are able and prepared to move to a nearby area where house prices are lower, and there is a very clear pattern of household moves for that reason.

In including IHM dwellings in development

schemes in particularly expensive areas it is therefore important to assess how far households would prefer the IHM product(s) in that area to the option of conventional ownership in a cheaper location, even if this involved an increase in the costs and time for journeys to and from work.

The scope for IHM schemes is also subject to cyclical variations. The potential market in 2004, at the peak of the current housing market cycle, is far greater than would have been the case in 1996, when average first time buyer mortgage costs were just 10.9 per cent of average working household incomes (compared to 19.5 per cent in 2004). It follows from this that investment in IHM schemes should be expanded and contracted over the housing market cycle, rather than in response to changing political and policy fashions.

A number of reports over the years have confirmed that existing households within low cost home ownership (LCHO) programmes have very high satisfaction ratings, notwithstanding some anomalies in their operation.¹ At the same time there is little public knowledge about such schemes and little enthusiasm for them before their characteristics are fully explained. There are also reports that in some cases it has been difficult to attract applicants for certain IHM schemes.

In part, this may be because most existing IHM schemes are effectively aimed towards the upper end of the income spectrum within the IHM range identified within this report. In 2003/04, for example, the average income of households entering LCHO programmes was £25,673. This is only £3,000 less than the average income of first time buyer households in 2003.

In a number of cases, existing IHM programmes are part of developments in relatively expensive locations (such as prime riverside sites in London) and, even where shared ownership schemes are offered with a fairly low purchase element, total costs can be higher than conventional purchase elsewhere in less expensive areas within the same local authority. IHM programmes may still have a part to play in those areas, in terms of social diversity and key worker provision, but it is far less clear that they are making a significant contribution in meeting the needs of households that could not access the market at all.

In broad terms, evaluations have shown that LCHO schemes potentially offer good value for money and they clearly require less immediate support in terms of public spending. The value-for-money benefits, however, also depend on the long-term contribution that schemes make to local housing markets and how well they are targeted. In those terms, there is a much stronger case for schemes that assist households that would not be able to access home ownership at the very bottom of the housing market, rather than those that provide a greater degree of social diversity in more expensive locations.

These cautionary notes do not, however, in any way negate the case for a substantial increase in investment in IHM schemes and for further innovation in the development of IHM products – in particular for those that will assist households with incomes towards the lower end of the local IHM ranges identified in this report.

Notes

Introductory remarks by Margaret Clark

- 1 *The State of the Countryside*, The Countryside Agency, 2004.

Introductory remarks by Chris Holmes

- 1 *Homes for a World City: The Report of the Mayor's Housing Commission*. Greater London Authority, 2000.

Introduction

- 1 *Can Work – Can't Buy*, Steve Wilcox, Joseph Rowntree Foundation, 2003. 'Affordability differences by area for working households buying their homes – 2003 update', Steve Wilcox, Joseph Rowntree Foundation, *Findings*, 2004. *Home Ownership Affordability in Wales*, Steve Wilcox, Centre for Housing Policy, University of York, 2004.

Chapter 2

- 1 *Sustainable Communities: Building for the Future*, Office of the Deputy Prime Minister, 2003.
- 2 *Housing Investment in the Regions* (Consultation Paper and Technical Note), Office of the Deputy Prime Minister, 2003.

Chapter 3

- 1 *Evaluation of the Low Cost Home Ownership Programme*, G. Bramley, J. Morgan, L. Cousins and K. Dunmore, Three Dragons Consultancy and MORI Social Research, Office of the Deputy Prime Minister and Welsh Assembly Government, 2002.

Appendix 1

Data sources and methodology for the affordability analyses

The analysis of housing affordability in this report has two component elements.

- 1 Ratios: average house price to income ratios, for working households, for each local authority area in Great Britain.
- 2 Intermediate housing markets (IHM): an analysis of the proportion of working households unable to access the housing market in each local authority in Great Britain that are the target group for intermediate housing market policies and products.

This appendix provides a guide both to the data sources used in these analyses and the methodology applied in the application of that data in each case.

House prices

The house prices used for the ratios analysis are mean average prices for two- and three-bedroom dwellings. The data used is from the Survey of Mortgage Lenders for 2004.

This provides a consistent price measure for a small family size dwelling.

While comprehensive and up to date, Land Registry data does not distinguish between the size of dwellings and thus does not provide a consistent measure between either regions or localities.

The same data source is used for the IHM analysis, except that it is based on the lower quartile and lowest decile prices for two- and three-bedroom dwellings, rather than mean average prices.

For each measure, a simple average of the figures for two-bedroom and three-bedroom dwellings is used, so the figures are based on a consistent (and equal) mix of two- and three-bedroom dwellings in each area.

Incomes

The IHM and ratios analyses both utilise local income data for 2004 obtained from the new Annual Survey of Hours and Earnings (ASHE), which has now replaced the New Earnings Survey. This covers the earned incomes of all individuals aged from 20 to 39 inclusive. This age range has been chosen because the great majority of first-time buyers fall within this range.

The ASHE data used in these analyses is also based on place of residence, rather than on place of work. Residence-based data is more appropriate for a housing market analysis, and this distinction is particularly important between London and the South East given the very substantial proportion of the London workforce that lives outside the capital city. These commuters also tend to have earnings well above average levels.

However, the residence-based ASHE data still relates to the incomes of individuals. For the purpose of the IHM and ratios analyses, this has to be converted to estimates of household incomes at local authority level, as there is no directly available source of data on household incomes at that level.

The ASHE provides data on the distribution of earnings at the local level, as well as mean averages. For most authorities, data is provided on income level at every decile, from tenth to ninetieth, as well as means, medians and lower and upper quartile levels.

In cases where the full range of data is not provided because of small sample sizes and high standard errors, the missing data has been imputed based on the available local data and the data showing the regional profiles of income distributions.

Mean average earnings data was provided directly from ASHE for all authorities, with the sole exceptions of Darlington, Enfield, Macclesfield, Penwith and Trafford. For those authorities, except

Penwith, the mean earnings figures were derived from the local median income figures, assuming that the relationship between mean and median earnings in those authorities reflected the relevant regional profile. For Penwith, the mean average income was derived from the local data on fortieth and sixtieth percentile earnings, again based on the average relationships prevailing in that region.

Households

Robust data on household incomes is not available at the local authority level. Regional data from the Expenditure and Food Survey (previously known as the Family Expenditure Survey) shows a variable relationship between individual and household incomes when analysed by numbers of people in work in each household. While the Family Resources Survey has a larger sample (c.26,000 households compared to just 7,000 for EFS), the weightings in the sample are structured at the national level and this does not make it an ideal source for regional data.

Regional data on household incomes, analysed by the numbers of adult workers in each household, has been obtained from EFS, for working households with representatives aged 20 to 39 inclusive. The data is based on three years of the survey, from 2000/01 to 2002/03, in order to ensure a robust regional sample. For the affordability analysis this data has been uprated to 2004 levels (by 12.6 per cent) and the regional EFS household income figures provide control totals for the local-level estimates of household incomes within each region. They are set out in Table A1.1.

The regional income figures are gross household earnings, including earnings from self-employment. They do not include other sources of income, such as from savings or investments. This is because the analysis also assumes that households need to find an 18 per cent deposit and this would deplete households' potential income from those sources.

The average gross income in the UK from investments and savings amounts to some £10 per week (at 2004 prices). Even assuming a poor rate of return on investments, this still implies average levels of capital holdings lower than that required to meet the average level of assumed deposits.

Social security benefits are also excluded, although it must be recognised that some lenders will take tax credits into account when considering the level of mortgage advance they are prepared to make to lower-income purchasers.

Households and employment

Labour Force Survey data for the years 2001 to 2004 has been used to show the numbers of households in each local authority area, broken down into categories based on the numbers of people in each household in employment.

The data shows the numbers of households with nil, one or two or more workers, and once again the data is restricted to households with representatives aged 20 to 39 inclusive. Data for four years has been combined, and averaged, in order to overcome problems of small sample sizes at the local level.

Local household incomes

Within each local authority area, it is assumed that the relationship between the earned incomes of one-earner and multi-earner households correspond with the regional relationship shown by the EFS data. Factors (see Table A1.1 above) are then applied to the local ASHE data so that the regional sums of the computed local household earnings, based on the ASHE and LFS data, are consistent with the regional EFS figures. These computed local household incomes are used for both the ratios and IHM analyses.

Table A1.1 Gross annual household earnings by number of workers present in household

Number of workers present	Yorkshire and the North												United Kingdom (£)								
	North		East Midlands		West Midlands		London		South East		South West			England		Wales		Scotland		Northern Ireland	
	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)		(£)	(£)	(£)	(£)	(£)	(£)	(£)	(£)
One	18,116	22,361	21,231	22,525	21,869	28,386	36,460	29,903	27,338	26,887	18,508	20,376	19,053	25,581							
Two(+)	37,585	39,265	37,339	41,964	39,722	45,647	65,063	49,190	37,684	46,057	34,481	40,219	35,483	44,880							
All	29,428	31,917	30,189	34,429	32,204	38,943	52,656	41,426	33,825	38,106	27,039	29,984	28,076	36,648							
<i>Income ratios</i>																					
Two(+)-earner to single-earner households	2.07	1.76	1.76	1.86	1.82	1.61	1.78	1.64	1.38	1.71	1.86	1.97	1.86	1.75							
Single earners to ASHE individual earners	1.085	1.166	1.123	1.176	1.155	1.287	1.345	1.286	1.453	-	1.011	1.050	-	-							

Note: annual earnings at 2004 levels (earned incomes only). Household reference person aged 20 to 39.

Source: Expenditure and Food Surveys 2000/01 to 2002/03; uprated to 2004 levels.

Income required to purchase

Lender practices in defining incomes required to purchase vary, but a typical maximum loan would be three and a half times annual gross income. Lender practice further varies in the treatment of households with two or more earners. A typical example would be to take three and a half times the larger income and just one times the second income. However, lender practice is in the process of change in response to the sharp reductions in interest rates and advance to income ratios have increased over the last few years.

In the UK as a whole, in 2003, ratios of mortgage advances to incomes exceeded 3.75 to 1 in only about a quarter of all cases where just a single income was taken into account. Similarly, ratios exceeded 3.25 to 1 in only about a quarter of all cases where more than one income was taken into account. Those ratios are therefore applied in the IHM analyses, which are undertaken separately for single- and dual-earner households.

In practice, average ratios vary regionally, but, in part, those variations will reflect the different household compositions in terms of numbers of household members in employment that are reflected elsewhere in the methodology. The regional variations in the ratios will also reflect the variations in affordability between different parts of the country. To provide a neutral measure of *potential* affordability it is therefore important to use consistent ratios across the country.

The IHM analyses also assume a constant 18 per cent deposit, based on the UK average for first-time buyers over the last decade. Again, in practice, average deposits vary regionally, but, as with the ratios, a consistent assumption has to be made across the whole country in order to provide a neutral measure of *potential* affordability.

Affordability: the intermediate housing market analysis

By applying, in reverse, the factors used in constructing local household incomes for single- and multi-earner households, it is possible to derive estimates of the proportions of each type of household with incomes below the level required to purchase in each local authority area, at lowest decile and lower quartile house prices for two- and three-bedroom dwellings.

The threshold income levels that single- and multi-earner households need to purchase at the specified threshold levels (after the reverse application of the factors) are applied against the data showing the distribution of individual earnings in each area from the Annual Survey of Hours and Earnings data.

This exercise effectively assumes that the local distribution in the incomes of single- and multi-earner households each follows the same profile as the distribution of earned incomes found by the Annual Survey of Hours and Earnings for individuals aged 20 to 39. This assumption was preferred to the assumption of a log-normal distribution (used in earlier local affordability analyses conducted by Glen Bramley), because of its greater transparency and because it captures local differences in the distribution of earned incomes.

The results from the ASHE analysis have then been translated into numbers of households unable to purchase, based on the numbers of households in each area in each category in terms of numbers in employment, as derived from the Labour Force Survey data.

A similar approach was adopted in identifying the proportions of working households that would be unable to meet a social sector rent without recourse to housing benefit. The threshold income levels involved were derived on the basis of housing association target rents in England, and housing association assured rents in Scotland and Wales, taking the case of a couple with a single child.

In principle there is a sound argument for defining households that would end up with very low residual incomes, after mortgage costs, as being unable to purchase, even if their income were sufficient to purchase in terms of the required house price to income ratio. This can occur in areas where both house prices and incomes are particularly low.

However, on examination, it was found that work and child tax credits would, in all cases where households were eligible, ensure that residual incomes remained by some margin well above income support levels. The potential difficulty is consequently confined to the minority of working households that do not meet the qualifying conditions for tax credits, primarily being single people and childless couples aged under 25, or over 25 but where only one person is working and they work for less than 30 hours per week. This line of modelling was not therefore pursued.

Affordability: the ratio analysis

The ratio analysis uses the same household income data as the IHM analysis. It also uses the same SML

source for house prices. However, in this case, the ratios are calculated on mean average household incomes for working households and mean house prices for two- and three-bedroom dwellings.

Regions and localities

All regional figures relate to Government Office regions. All analyses were undertaken at the level of the individual local authority. Regional results are the aggregates of the local results; they have not been computed separately.

In practice, many households move out from their current local authority area in order to purchase. There is therefore an argument that affordability analyses should be based on wider housing market areas, or should at least take account of house prices in the areas of contiguous local authorities. However, while that rationale may hold quite soundly for the London boroughs, and some other conurbations, it is far less clear that it is applicable in rural districts that cover very wide geographical areas with less well developed transportation links.

Appendix 2

Schedules

Schedule 1 House price to income ratios by local authority in Great Britain, 2004

Region, county and local authority	Numbers of working households	Annual household earnings (£)	Average house prices (£)	House price to income ratios
East Midlands	416,238	34,429	119,724	3.48
Derbyshire				
Amber Valley	11,161	32,630	115,762	3.55
Bolsover	7,384	31,132	84,942	2.73
Chesterfield	8,033	31,365	102,147	3.26
Derby UA	26,010	34,574	111,193	3.22
Derbyshire Dales	4,890	45,036	187,693	4.17
Erewash	13,532	32,096	112,157	3.49
High Peak	8,701	31,375	132,929	4.24
North East Derbyshire	10,241	33,862	117,527	3.47
South Derbyshire	9,734	35,966	120,524	3.35
Leicestershire				
Leicester UA	26,835	27,317	113,072	4.14
Rutland UA	3,243	45,813	161,170	3.52
Blaby	9,164	41,710	135,472	3.25
Charnwood	13,859	35,061	134,829	3.85
Harborough	6,696	43,390	147,991	3.41
Hinckley and Bosworth	9,304	43,357	125,671	2.90
Melton	4,154	33,807	142,384	4.21
North West Leicestershire	8,944	35,677	123,038	3.45
Oadby and Wigston	5,158	28,320	132,878	4.69
Lincolnshire				
Boston	5,897	25,751	105,570	4.10
East Lindsey	10,824	27,720	122,681	4.43
Lincoln	10,115	29,982	109,992	3.67
North Kesteven	9,457	35,073	121,856	3.47
South Holland	7,104	36,068	120,784	3.35
South Kesteven	14,866	38,217	127,332	3.33
West Lindsey	7,492	26,191	116,028	4.43
Northamptonshire				
Corby	3,868	30,250	83,408	2.76
Daventry	6,737	45,034	144,015	3.20
East Northamptonshire	7,240	39,065	129,149	3.31
Kettering	8,652	33,816	120,279	3.56
Northampton	18,792	39,200	124,352	3.17
South Northamptonshire	6,890	49,391	168,505	3.41
Wellingborough	8,289	35,514	114,506	3.22

(Continued)

Schedule 1 House price to income ratios by local authority in Great Britain, 2004 (continued)

Region, county and local authority	Numbers of working households	Annual household earnings (£)	Average house prices (£)	House price to income ratios
Nottinghamshire				
Ashfield	10,824	29,786	93,360	3.13
Bassetlaw	10,766	33,460	99,827	2.98
Broxtowe	10,231	36,975	122,872	3.32
Gedling	10,349	32,957	120,142	3.65
Mansfield	8,935	29,650	91,372	3.08
Newark and Sherwood	11,539	34,699	116,688	3.36
Nottingham UA	31,480	29,415	105,437	3.58
Rushcliffe	8,848	50,146	159,286	3.18
East of England	567,025	38,943	165,798	4.26
Bedfordshire				
Bedford	15,533	37,548	144,789	3.86
Luton UA	21,672	34,401	138,919	4.04
Mid Bedfordshire	15,998	47,043	163,427	3.47
South Bedfordshire	14,053	41,420	160,783	3.88
Cambridgeshire				
Peterborough UA	17,210	34,219	114,137	3.34
Cambridge	12,546	38,066	196,027	5.15
East Cambridgeshire	8,385	36,453	156,428	4.29
Fenland	8,697	35,360	118,454	3.35
Huntingdonshire	19,263	42,738	144,233	3.37
South Cambridgeshire	15,006	46,231	177,720	3.84
Essex				
Basildon	14,998	39,311	161,093	4.10
Braintree	14,396	38,392	160,528	4.18
Brentwood	5,355	53,749	219,349	4.08
Castle Point	8,585	39,964	173,315	4.34
Chelmsford	16,554	46,026	181,742	3.95
Colchester	16,570	36,344	155,635	4.28
Epping Forest	11,407	48,734	228,720	4.69
Harlow	7,945	42,618	156,401	3.67
Maldon	6,766	44,079	178,548	4.05
Rochford	6,086	41,540	184,253	4.44
Southend-on-Sea UA	17,157	35,402	167,684	4.74
Tendring	9,879	34,661	148,986	4.30
Thurrock UA	16,468	38,077	159,194	4.18
Uttlesford	6,439	44,127	204,155	4.63
Hertfordshire				
Broxbourne	7,758	38,237	196,624	5.14
Dacorum	15,925	41,602	207,825	5.00
East Hertfordshire	16,262	50,452	215,685	4.28

(Continued)

Affordability and the intermediate housing market

Schedule 1 House price to income ratios by local authority in Great Britain, 2004 (continued)

Region, county and local authority	Numbers of working households	Annual household earnings (£)	Average house prices (£)	House price to income ratios
Hertsmere	12,305	51,251	229,140	4.47
North Hertfordshire	13,368	42,009	181,851	4.33
St Albans	15,301	56,185	252,043	4.49
Stevenage	10,915	35,188	153,475	4.36
Three Rivers	8,813	47,412	231,380	4.88
Watford	11,423	38,490	200,625	5.21
Welwyn Hatfield	7,654	43,924	204,647	4.66
Norfolk				
Breckland	13,097	33,790	130,901	3.87
Broadland	10,933	31,093	145,761	4.69
Great Yarmouth	8,570	27,630	113,892	4.12
Kings Lynn and West Norfolk	10,783	26,655	126,694	4.75
North Norfolk	6,872	25,930	143,913	5.55
Norwich	13,789	31,176	126,565	4.06
South Norfolk	10,765	33,550	146,929	4.38
Suffolk				
Babergh	7,284	31,525	158,431	5.03
Forest Heath	8,270	28,650	137,176	4.79
Ipswich	11,865	31,584	125,479	3.97
Mid Suffolk	8,396	32,017	143,987	4.50
St Edmundsbury	9,828	31,465	146,556	4.66
Suffolk Coastal	11,005	36,083	157,189	4.36
Waveney	8,876	31,078	121,645	3.91
London	830,123	52,656	257,687	4.89
Barking and Dagenham	17,284	38,388	162,664	4.24
Barnet	29,785	53,487	271,361	5.07
Bexley	18,855	49,385	181,100	3.67
Brent	21,613	44,951	247,453	5.50
Bromley	29,850	51,986	227,757	4.38
Camden	26,399	65,879	395,495	6.00
City of London	1,357	78,080	393,759	5.04
Croydon	38,300	45,511	200,875	4.41
Ealing	27,001	53,785	250,005	4.65
Enfield	28,037	45,605	214,705	4.71
Greenwich	23,804	48,152	198,231	4.12
Hackney	26,564	42,805	215,645	5.04
Hammersmith and Fulham	23,533	63,332	354,249	5.59
Haringey	21,027	45,650	235,248	5.15
Harrow	20,442	49,750	242,689	4.88
Havering	19,461	50,815	189,727	3.73
Hillingdon	22,279	48,561	221,893	4.57
Hounslow	22,661	47,826	239,733	5.01

(Continued)

Schedule 1 House price to income ratios by local authority in Great Britain, 2004 (continued)

Region, county and local authority	Numbers of working households	Annual household earnings (£)	Average house prices (£)	House price to income ratios
Islington	26,426	67,981	313,669	4.61
Kensington and Chelsea	20,660	88,625	646,856	7.30
Kingston upon Thames	18,864	55,218	253,280	4.59
Lambeth	39,278	50,128	222,852	4.45
Lewisham	32,466	42,916	199,453	4.65
Merton	22,974	56,797	242,999	4.28
Newham	27,737	37,253	181,505	4.87
Redbridge	24,798	47,405	217,148	4.58
Richmond upon Thames	21,814	65,431	312,916	4.78
Southwark	32,993	45,181	230,276	5.10
Sutton	21,001	49,153	202,224	4.11
Tower Hamlets	29,594	48,927	242,208	4.95
Waltham Forest	25,804	39,783	197,539	4.97
Wandsworth	42,925	71,706	302,102	4.21
Westminster	24,537	70,415	476,560	6.77
North East	232,420	29,428	98,528	3.35
Cleveland				
Hartlepool UA	7,507	32,519	87,143	2.68
Middlesborough UA	11,278	26,873	80,592	3.00
Redcar and Cleveland UA	12,993	27,589	94,419	3.42
Stockton on Tees UA	17,448	32,248	98,000	3.04
Durham				
<i>Darlington UA</i>	9,212	26,058	99,334	3.81
Chester-le-Street	5,167	38,093	97,167	2.55
Derwentside	8,675	29,914	83,596	2.79
Durham	7,530	30,939	112,950	3.65
Easington	6,854	27,254	83,781	3.07
Sedgefield	8,316	30,238	76,981	2.55
Teesdale	1,920	39,942	113,074	2.83
Wear Valley	6,246	25,192	88,645	3.52
Northumberland				
Alnwick	3,008	22,562	137,458	6.09
Berwick-upon-Tweed	1,919	26,070	109,588	4.20
Blyth Valley	8,347	27,203	94,194	3.46
Castle Morpeth	2,529	31,649	170,753	5.40
Tynedale	4,307	28,945	138,712	4.79
Wansbeck	5,709	34,252	80,751	2.36
Tyne and Wear				
Gateshead	18,563	30,168	103,910	3.44
Newcastle upon Tyne	25,961	29,927	99,578	3.33
North Tyneside	21,944	30,274	109,252	3.61

(Continued)

Affordability and the intermediate housing market

Schedule 1 House price to income ratios by local authority in Great Britain, 2004 (continued)

Region, county and local authority	Numbers of working households	Annual household earnings (£)	Average house prices (£)	House price to income ratios
South Tyneside	12,237	29,772	97,749	3.28
Sunderland	24,750	26,623	97,539	3.66
North West	657,619	31,917	109,626	3.43
Cheshire				
Chester	10,078	39,829	147,315	3.70
Congleton	8,887	34,515	132,959	3.85
Crewe and Nantwich	11,494	30,178	113,790	3.77
Ellesmere Port and Neston	8,394	35,014	115,188	3.29
Halton UA	12,453	31,333	94,751	3.02
<i>Macclesfield</i>	14,382	41,384	177,412	4.29
Vale Royal	13,837	37,095	130,823	3.53
Warrington UA	16,304	34,715	126,632	3.65
Cumbria				
Allerdale	7,571	27,526	98,015	3.56
Barrow-in-Furness	8,479	27,446	74,283	2.71
Carlisle	10,820	25,366	95,040	3.75
Copeland	7,087	39,211	74,971	1.91
Eden	4,363	31,481	147,519	4.69
South Lakeland	9,341	30,466	161,966	5.32
Greater Manchester				
Bolton	29,461	31,923	95,456	2.99
Bury	17,616	37,538	109,175	2.91
Manchester	41,068	29,102	108,541	3.73
Oldham	23,632	30,086	92,815	3.09
Rochdale	19,865	30,578	92,787	3.03
Salford	22,407	31,672	95,741	3.02
Stockport	22,408	34,062	133,261	3.91
Tameside	22,610	31,466	94,829	3.01
<i>Trafford</i>	22,086	36,533	149,119	4.08
Wigan	33,291	32,282	92,300	2.86
Lancashire				
Blackburn UA	13,016	27,290	82,773	3.03
Blackpool UA	15,217	25,480	96,430	3.78
Burnley	8,225	26,437	70,898	2.68
Chorley	8,974	36,244	118,633	3.27
Fylde	8,197	37,432	138,323	3.70
Hyndburn	9,335	25,549	82,119	3.21
Lancaster	13,879	30,369	117,644	3.87
Pendle	7,790	30,513	77,726	2.55
Preston	14,934	28,778	106,817	3.71
Ribble Valley	5,233	40,916	143,985	3.52

(Continued)

Schedule 1 House price to income ratios by local authority in Great Britain, 2004 (continued)

Region, county and local authority	Numbers of working households	Annual household earnings (£)	Average house prices (£)	House price to income ratios
Rossendale	8,317	33,104	93,920	2.84
South Ribble	12,599	34,261	119,127	3.48
West Lancashire	8,980	32,831	120,837	3.68
Wyre	9,588	35,629	128,343	3.60
Merseyside				
Knowsley	11,968	28,079	91,210	3.25
Liverpool	36,626	28,923	102,593	3.55
Sefton	22,516	29,073	119,833	4.12
St Helens	12,475	31,412	100,843	3.21
Wirral	31,816	33,297	110,094	3.31
South East	817,183	41,426	188,543	4.55
Berkshire				
Bracknell Forest UA	11,210	45,287	182,365	4.03
Reading UA	22,351	43,287	179,080	4.14
Slough UA	14,009	38,079	178,152	4.68
West Berkshire UA	14,427	50,088	193,877	3.87
Windsor and Maidenhead UA	10,517	53,625	251,859	4.70
Wokingham UA	15,620	52,347	213,720	4.08
Buckinghamshire				
Aylesbury Vale	17,780	45,757	178,261	3.90
Chiltern	6,893	52,186	256,450	4.91
Milton Keynes UA	26,465	42,051	149,869	3.56
South Buckinghamshire	5,879	42,472	258,573	6.09
Wycombe	17,235	46,932	217,726	4.64
East Sussex				
Brighton and Hove UA	32,150	39,156	216,998	5.54
Eastbourne	8,148	32,193	159,993	4.97
Hastings	8,338	29,898	137,087	4.59
Lewes	7,430	38,887	192,975	4.96
Rother	6,872	31,330	175,644	5.61
Wealden	9,902	39,297	199,636	5.08
Hampshire				
Basingstoke and Deane	18,476	47,712	182,653	3.83
East Hampshire	9,359	53,427	205,846	3.85
Eastleigh	14,117	37,356	174,148	4.66
Fareham	9,709	42,356	174,695	4.12
Gosport	9,170	34,505	137,035	3.97
Hart	10,009	47,657	210,078	4.41
Havant	10,290	33,121	157,602	4.76
New Forest	15,104	37,091	200,850	5.42
Portsmouth UA	22,489	31,778	148,546	4.67

(Continued)

Affordability and the intermediate housing market

Schedule 1 House price to income ratios by local authority in Great Britain, 2004 (continued)

Region, county and local authority	Numbers of working households	Annual household earnings (£)	Average house prices (£)	House price to income ratios
Rushmoor	12,585	48,815	172,699	3.54
Southampton UA	30,178	32,618	153,650	4.71
Test Valley	12,573	36,905	180,955	4.90
Winchester	10,133	49,337	223,035	4.52
Isle of Wight UA	11,803	26,690	157,468	5.90
Kent				
Ashford	9,828	42,462	157,189	3.70
Canterbury	11,397	32,794	173,820	5.30
Dartford	9,839	41,254	173,128	4.20
Dover	11,396	31,454	149,579	4.76
Gravesham	8,575	35,199	165,413	4.70
Maidstone	15,597	44,285	172,969	3.91
Medway Towns UA	25,859	36,923	141,858	3.84
Sevenoaks	8,870	50,356	221,885	4.41
Shepway	8,533	33,355	150,734	4.52
Swale	14,070	36,341	143,914	3.96
Thanet	9,311	27,668	143,164	5.17
Tonbridge and Malling	10,704	45,838	190,973	4.17
Tunbridge Wells	11,739	47,722	208,894	4.38
Oxfordshire				
Cherwell	15,292	42,078	167,053	3.97
Oxford	13,541	34,242	219,557	6.41
South Oxfordshire	14,115	47,564	208,132	4.38
Vale of White Horse	11,257	52,264	188,942	3.62
West Oxfordshire	7,810	39,819	194,655	4.89
Surrey				
Elmbridge	9,533	61,788	271,153	4.39
Epsom and Ewell	6,381	51,700	244,067	4.72
Guildford	13,721	44,705	239,229	5.35
Mole Valley	6,036	45,038	256,217	5.69
Reigate and Banstead	12,739	47,967	225,169	4.69
Runnymede	4,947	42,745	231,482	5.42
Spelthorne	8,752	48,037	224,792	4.68
Surrey Heath	6,705	48,569	215,326	4.43
Tandridge	5,636	49,350	227,380	4.61
Waverley	10,582	49,975	245,080	4.90
Woking	9,442	42,812	218,512	5.10
West Sussex				
Adur	5,303	29,123	179,698	6.17
Arun	10,654	34,772	176,145	5.07
Chichester	8,200	36,408	226,241	6.21
Crawley	12,134	41,409	170,349	4.11

(Continued)

Schedule 1 House price to income ratios by local authority in Great Britain, 2004 (continued)

Region, county and local authority	Numbers of working households	Annual household earnings (£)	Average house prices (£)	House price to income ratios
Horsham	12,830	41,508	215,557	5.19
Mid Sussex	12,965	40,601	208,503	5.14
Worthing	11,669	36,301	173,212	4.77
South West	480,683	33,826	160,221	4.74
Avon				
Bath and North East Somerset UA	18,092	35,788	191,327	5.35
Bristol UA	47,513	34,126	155,912	4.57
North Somerset UA	20,379	41,384	152,830	3.69
South Gloucestershire UA	27,573	35,995	150,754	4.19
Cornwall				
Caradon	5,840	30,513	143,972	4.72
Carrick	7,847	31,630	183,314	5.80
Kerrier	5,433	25,889	156,884	6.06
North Cornwall	5,552	29,690	162,371	5.47
<i>Penwith</i>	6,016	27,266	177,602	6.51
Restormel	8,627	26,352	153,098	5.81
Devon				
East Devon	8,729	32,904	175,459	5.33
Exeter	13,384	30,243	157,021	5.19
Mid Devon	4,947	31,518	155,515	4.93
North Devon	6,866	28,590	163,393	5.72
Plymouth UA	29,218	31,327	121,892	3.89
South Hams	5,380	33,848	200,012	5.91
Teignbridge	9,473	28,899	165,705	5.73
Torbay UA	11,805	27,909	154,340	5.53
Torrige	4,859	28,750	149,707	5.21
West Devon	3,311	31,410	179,694	5.72
Dorset				
Bournemouth UA	20,750	30,837	189,511	6.15
Christchurch	1,975	35,040	211,228	6.03
East Dorset	5,634	38,983	203,540	5.22
North Dorset	5,969	29,619	163,720	5.53
Poole UA	12,171	33,118	186,793	5.64
Purbeck	2,945	34,161	202,637	5.93
West Dorset	5,752	34,019	175,424	5.16
Weymouth and Portland	5,638	30,921	157,258	5.09
Gloucestershire				
Cheltenham	13,573	37,100	164,298	4.43
Cotswold	8,301	42,524	209,445	4.93
Forest of Dean	8,065	31,515	144,442	4.58
Gloucester	12,459	37,614	127,932	3.40

(Continued)

Affordability and the intermediate housing market

Schedule 1 House price to income ratios by local authority in Great Britain, 2004 (continued)

Region, county and local authority	Numbers of working households	Annual household earnings (£)	Average house prices (£)	House price to income ratios
Stroud	10,430	33,037	171,676	5.20
Tewkesbury	6,244	39,711	159,365	4.01
Somerset				
Mendip	9,443	30,674	153,892	5.02
Sedgemoor	7,559	30,552	136,538	4.47
South Somerset	14,137	31,566	145,068	4.60
Taunton Deane	10,414	32,818	153,415	4.67
West Somerset	1,858	29,151	173,881	5.96
Wiltshire				
Kennet	8,302	38,012	170,657	4.49
North Wiltshire	12,408	46,133	164,159	3.56
Salisbury	11,440	32,663	182,781	5.60
Swindon UA	22,916	37,630	136,960	3.64
West Wiltshire	11,456	35,352	147,008	4.16
West Midlands	496,358	32,203	124,767	3.87
Hereford and Worcs				
Bromsgrove	7,785	42,142	165,756	3.93
Herefordshire UA	14,620	28,027	154,550	5.51
Malvern Hills	4,933	39,587	163,926	4.14
Redditch	6,673	31,173	123,558	3.96
Worcester	12,293	34,498	136,948	3.97
Wychavon	10,849	38,118	159,212	4.18
Wyre Forest	9,074	34,521	129,711	3.76
Shropshire				
Bridgnorth	4,146	39,557	153,673	3.88
North Shropshire	5,675	32,820	143,979	4.39
Oswestry	3,810	34,616	122,038	3.53
Shrewsbury and Atcham	12,454	32,026	143,596	4.48
South Shropshire	3,879	31,413	173,691	5.53
Telford and the Wrekin UA	19,373	31,274	111,130	3.55
Staffordshire				
Cannock Chase	11,644	28,688	110,441	3.85
East Staffordshire	11,370	33,105	114,875	3.47
Lichfield	7,939	36,891	148,302	4.02
Newcastle-under-Lyme	10,803	31,541	120,232	3.81
South Staffordshire	8,337	32,018	132,175	4.13
Stafford	12,895	35,046	129,603	3.70
Staffordshire Moorlands	7,260	36,095	119,254	3.30
Stoke-on-Trent UA	24,447	28,027	82,235	2.93
Tamworth	8,355	33,926	123,469	3.64

(Continued)

Schedule 1 House price to income ratios by local authority in Great Britain, 2004 (continued)

Region, county and local authority	Numbers of working households	Annual household earnings (£)	Average house prices (£)	House price to income ratios
Warwickshire				
North Warwickshire	4,593	39,230	134,606	3.43
Nuneaton and Bedworth	10,914	29,854	110,109	3.69
Rugby	8,736	45,267	134,199	2.96
Stratford-on-Avon	7,423	41,261	185,828	4.50
Warwick	15,219	40,838	175,590	4.30
West Midlands				
Birmingham	84,482	29,757	124,139	4.17
Coventry	27,515	30,251	111,949	3.70
Dudley	27,993	31,087	113,611	3.65
Sandwell	28,623	28,413	99,863	3.51
Solihull	16,765	37,583	163,672	4.35
Walsall	23,519	29,378	102,794	3.50
Wolverhampton	21,962	27,780	93,919	3.38
Yorkshire and Humber	507,109	30,189	108,311	3.59
Humberside				
East Riding of Yorkshire UA	26,777	32,041	117,807	3.68
Kingston upon Hull UA	27,636	24,124	71,900	2.98
North East Lincolnshire UA	15,390	26,954	85,246	3.16
North Lincolnshire UA	16,137	29,018	93,999	3.24
North Yorkshire				
Craven	4,156	32,832	141,562	4.31
Hambleton	8,031	31,827	172,005	5.40
Harrogate	16,131	37,050	168,240	4.54
Richmondshire	5,050	25,787	147,051	5.70
Ryedale	4,067	26,018	166,555	6.40
Scarborough	6,823	29,033	130,120	4.48
Selby	7,275	38,218	125,934	3.30
York UA	19,109	33,692	152,725	4.53
South Yorkshire				
Barnsley	22,440	28,050	86,519	3.08
Doncaster	32,307	29,377	91,250	3.11
Rotherham	25,122	28,701	86,001	3.00
Sheffield	52,058	30,978	103,760	3.35
West Yorkshire				
Bradford	45,037	26,617	96,835	3.64
Calderdale	18,324	32,132	107,511	3.35
Kirklees	41,866	30,419	104,223	3.43
Leeds	79,387	32,278	122,110	3.78
Wakefield	33,986	30,019	96,775	3.22

(Continued)

Affordability and the intermediate housing market

Schedule 1 House price to income ratios by local authority in Great Britain, 2004 (continued)

Region, county and local authority	Numbers of working households	Annual household earnings (£)	Average house prices (£)	House price to income ratios
England	5,004,758	38,106	159,986	4.20
Scotland	517,736	29,984	101,020	3.37
Aberdeen City	28,041	31,922	105,048	3.29
Aberdeenshire	21,966	30,742	86,719	2.82
Angus	9,812	27,329	78,393	2.87
Argyll and Bute	6,661	27,945	92,240	3.30
Clackmannanshire	6,018	24,893	79,609	3.20
Dumfries and Galloway	10,865	25,338	88,714	3.50
Dundee City	13,775	24,462	78,515	3.21
East Ayrshire	12,661	29,473	74,432	2.53
East Dunbartonshire	8,451	35,897	125,491	3.50
East Lothian	8,689	27,422	122,212	4.46
East Renfrewshire	7,659	45,027	134,486	2.99
Edinburgh, City of	60,219	32,831	165,804	5.05
Falkirk	17,170	27,916	78,047	2.80
Fife	36,940	30,741	84,204	2.74
Glasgow City	59,656	28,649	113,914	3.98
Highland	15,729	26,852	86,769	3.23
Inverclyde	7,603	25,750	87,974	3.42
Midlothian	7,699	32,753	112,179	3.43
Moray	10,309	28,124	74,284	2.64
North Ayrshire	11,827	25,741	73,890	2.87
North Lanarkshire	33,472	28,975	74,004	2.55
Orkney Islands	2,364	24,357	78,705	3.23
Perth and Kinross	11,807	29,377	96,183	3.27
Renfrewshire	16,816	30,261	92,477	3.06
Scottish Borders, The	10,118	26,791	92,142	3.44
Shetland Islands	1,791	29,713	64,363	2.17
South Ayrshire	9,819	30,169	100,158	3.32
South Lanarkshire	31,831	32,518	87,702	2.70
Stirling	8,714	32,167	109,315	3.40
West Dunbartonshire	8,644	26,944	85,465	3.17
West Lothian	19,808	32,494	89,048	2.74
Western Isles	802	20,332	60,868	2.99
Wales	271,753	27,039	107,864	3.99
Blaenau Gwent	7,810	25,213	66,939	2.65
Bridgend	14,327	27,582	98,708	3.58
Caerphilly	17,452	25,616	90,508	3.53
Cardiff	35,007	30,842	142,773	4.63
Carmarthenshire	14,968	27,195	95,079	3.50
Ceredigion	5,968	22,626	128,175	5.66

(Continued)

Schedule 1 House price to income ratios by local authority in Great Britain, 2004 (continued)

Region, county and local authority	Numbers of working households	Annual household earnings (£)	Average house prices (£)	House price to income ratios
Conwy	5,596	30,765	126,314	4.11
Denbighshire	7,693	27,128	108,821	4.01
Flintshire	14,623	27,492	111,865	4.07
Gwynedd	8,601	21,735	111,536	5.13
Isle of Anglesey	4,527	24,181	102,394	4.23
Merthyr Tydfil	5,534	29,259	65,251	2.23
Monmouthshire	9,614	30,184	147,084	4.87
Neath Port Talbot	12,024	25,724	77,168	3.00
Newport	14,211	27,547	110,588	4.01
Pembrokeshire	9,701	21,682	120,524	5.56
Powys	11,447	23,598	115,200	4.88
Rhondda, Cynon, Taff	23,834	26,466	78,354	2.96
Swansea	20,577	25,701	104,073	4.05
Torfaen	7,505	29,777	92,435	3.10
Vale of Glamorgan, The	11,199	30,908	138,019	4.47
Wrexham	9,535	25,716	104,474	4.06
Great Britain	5,794,247	36,865	152,273	4.13

Note : based on average household incomes of working households aged 20–39 and average house prices for two- and three-bedroom dwellings. The earnings figures and ratios for the authorities in italics should be treated with caution as, because of small samples and/or wide dispersion, the mean earnings have had to be derived from medians, based on the average regional relationship between means and medians. The figures for Penwith should be treated with particular caution as, in that case, the median had to be derived from the fortieth and sixtieth percentile cases.

Affordability and the intermediate housing market

Schedule 2 Households in intermediate housing markets

Region, county and local authority	Percentage of working households The intermediate housing market				Numbers of working households The intermediate housing market			
	Broad	Narrow	Working	LD	Broad	Narrow	Working	LD
			HB and not LD	not LQ			HB and not LD	not LQ
East Midlands	33.4	17.6	7.7	8.2	138,965	73,069	31,939	33,956
Derbyshire								
Amber Valley	28.8	13.3	5.7	9.8	3,218	1,485	634	1,099
Bolsover	23.6	7.5	8.6	7.5	1,742	554	632	557
Chesterfield	30.9	13.5	10.0	7.5	2,485	1,086	800	599
Derby UA	30.5	12.7	11.0	6.8	7,933	3,294	2,863	1,776
Derbyshire Dales	36.1	23.4	4.1	8.6	1,765	1,142	200	423
Erewash	33.3	19.8	4.6	8.9	4,506	2,685	622	1,199
High Peak	43.8	19.0	16.6	8.1	3,807	1,657	1,445	705
North East Derbyshire	26.8	12.3	5.2	9.3	2,743	1,257	531	956
South Derbyshire	37.9	20.3	7.1	10.5	3,693	1,973	696	1,025
Leicestershire								
Leicester UA	41.2	22.6	9.4	9.2	11,045	6,066	2,510	2,469
Rutland UA	30.9	21.8	3.8	5.3	1,003	708	124	172
Blaby	37.9	25.0	6.1	6.8	3,473	2,291	559	623
Charnwood	39.0	24.7	4.8	9.5	5,403	3,419	670	1,315
Harborough	39.5	25.3	4.5	9.6	2,642	1,697	303	643
Hinckley and Bosworth	33.8	20.8	8.1	4.9	3,144	1,936	756	452
Melton	38.4	20.6	9.2	8.6	1,595	855	384	356
North West								
Leicestershire	31.7	18.8	6.5	6.3	2,831	1,681	585	565
Oadby and Wigston	55.6	37.9	10.6	7.1	2,867	1,953	548	367
Lincolnshire								
Boston	36.2	19.8	9.6	6.8	2,132	1,166	566	401
East Lindsey	43.0	26.5	10.3	6.2	4,651	2,868	1,115	668
Lincoln	35.3	17.8	6.7	10.8	3,568	1,800	676	1,091
North Kesteven	35.9	25.3	4.9	5.8	3,399	2,391	460	548
South Holland	29.4	18.5	4.2	6.7	2,092	1,314	301	477
South Kesteven	34.6	19.3	7.0	8.4	5,150	2,866	1,039	1,245
West Lindsey	39.6	20.3	9.7	9.6	2,970	1,520	730	720
Northamptonshire								
Corby	17.9	5.7	4.9	7.4	694	221	188	285
Daventry	31.8	13.3	6.5	12.1	2,145	897	436	812
East Northamptonshire	24.3	12.7	3.9	7.7	1,757	917	281	559
Kettering	37.5	18.4	10.7	8.4	3,246	1,592	928	726
Northampton	32.7	17.1	8.5	7.1	6,140	3,218	1,595	1,327
South Northamptonshire	37.7	27.6	6.9	3.3	2,598	1,900	475	224
Wellingborough	28.9	12.9	8.0	8.1	2,399	1,068	659	671

(Continued)

Schedule 2 Households in intermediate housing markets (continued)

Region, county and local authority	Percentage of working households The intermediate housing market				Numbers of working households The intermediate housing market			
	Broad	Narrow	Working HB and not LD	LD not LQ	Broad	Narrow	Working HB and not LD	LD not LQ
Nottinghamshire								
Ashfield	20.5	8.8	6.5	5.2	2,217	953	699	565
Bassetlaw	21.1	6.0	5.7	9.4	2,270	644	618	1,008
Broxtowe	31.1	17.6	4.7	8.8	3,182	1,799	482	901
Gedling	35.3	18.9	8.3	8.2	3,658	1,955	857	846
Mansfield	25.8	11.1	6.8	7.9	2,304	989	612	704
Newark and Sherwood	28.8	16.5	6.3	6.1	3,327	1,901	725	701
Nottingham UA	31.2	10.4	10.6	10.2	9,821	3,276	3,337	3,209
Rushcliffe	37.9	23.5	3.4	11.0	3,352	2,079	302	971
East of England	47.2	28.6	10.2	8.4	267,448	161,887	57,872	47,689
Bedfordshire								
Bedford	42.9	25.0	8.6	9.2	6,657	3,887	1,339	1,430
Luton UA	48.2	28.6	12.6	7.1	10,452	6,195	2,726	1,531
Mid Bedfordshire	35.6	24.6	4.5	6.5	5,693	3,931	718	1,045
South Bedfordshire	41.6	24.2	8.6	8.8	5,839	3,399	1,207	1,233
Cambridgeshire								
Peterborough UA	32.2	17.0	8.0	7.1	5,538	2,932	1,384	1,223
Cambridge	56.1	33.0	14.9	8.2	7,035	4,140	1,867	1,028
East Cambridgeshire	48.5	30.8	9.3	8.4	4,069	2,583	783	704
Fenland	34.3	25.3	2.3	6.7	2,979	2,199	202	579
Huntingdonshire	34.2	21.8	6.0	6.5	6,588	4,195	1,150	1,244
South Cambridgeshire	46.3	28.6	10.0	7.7	6,944	4,299	1,496	1,149
Essex								
Basildon	44.7	22.9	14.4	7.4	6,709	3,434	2,159	1,116
Braintree	46.1	29.0	9.6	7.5	6,637	4,176	1,388	1,073
Brentwood	41.5	22.8	8.5	10.3	2,223	1,219	455	550
Castle Point	46.5	29.9	9.0	7.5	3,989	2,566	776	647
Chelmsford	45.5	30.8	8.2	6.6	7,540	5,096	1,357	1,087
Colchester	48.5	26.5	16.4	5.6	8,042	4,393	2,719	930
Epping Forest	57.3	37.8	11.3	8.3	6,539	4,307	1,290	942
Harlow	40.7	23.2	7.7	9.8	3,234	1,846	609	779
Maldon	44.8	28.3	11.4	5.1	3,032	1,916	769	348
Rochford	52.6	35.0	11.8	5.7	3,199	2,130	720	349
Southend-on-Sea UA	50.5	29.0	9.6	11.8	8,657	4,976	1,655	2,025
Tendring	47.2	25.4	10.3	11.6	4,665	2,504	1,019	1,142
Thurrock UA	44.4	25.4	10.2	8.8	7,315	4,185	1,684	1,446
Uttlesford	60.1	39.1	8.5	12.5	3,870	2,519	547	804

(Continued)

Affordability and the intermediate housing market

Schedule 2 Households in intermediate housing markets (continued)

Region, county and local authority	Percentage of working households The intermediate housing market				Numbers of working households The intermediate housing market			
	Broad	Narrow	Working	LD	Broad	Narrow	Working	LD
			HB and not LD	not LQ			HB and not LD	not LQ
Hertfordshire								
Broxbourne	62.6	38.3	16.1	8.3	4,858	2,969	1,249	640
Dacorum	57.2	37.5	8.1	11.6	9,107	5,972	1,291	1,844
East Hertfordshire	51.0	35.2	8.6	7.2	8,300	5,732	1,402	1,166
Hertsmere	50.6	33.8	7.2	9.6	6,228	4,160	884	1,184
North Hertfordshire	47.3	27.5	13.9	5.9	6,325	3,672	1,860	793
St Albans	55.6	34.0	10.5	11.1	8,512	5,209	1,604	1,698
Stevenage	49.7	31.0	12.1	6.5	5,423	3,384	1,325	714
Three Rivers	50.4	31.5	9.5	9.4	4,442	2,778	835	830
Watford	60.6	36.0	18.7	6.0	6,920	4,107	2,132	681
Welwyn Hatfield	56.0	35.9	14.7	5.4	4,286	2,746	1,123	417
Norfolk								
Breckland	41.8	25.6	7.4	8.8	5,481	3,357	970	1,153
Broadland	50.9	38.2	7.8	4.9	5,570	4,175	854	541
Great Yarmouth	38.6	19.5	12.4	6.7	3,309	1,675	1,060	575
Kings Lynn and West Norfolk	48.8	17.7	11.8	19.3	5,267	1,911	1,270	2,086
North Norfolk	57.6	32.3	15.3	10.0	3,959	2,221	1,050	689
Norwich	42.2	24.7	8.7	8.9	5,825	3,400	1,202	1,223
South Norfolk	49.6	32.2	7.6	9.8	5,344	3,469	821	1,054
Suffolk								
Babergh	56.3	31.5	16.0	8.8	4,102	2,296	1,166	640
Forest Heath	53.0	29.0	8.8	15.2	4,382	2,398	731	1,253
Ipswich	41.4	20.1	14.8	6.6	4,916	2,381	1,754	781
Mid Suffolk	46.2	31.4	8.0	6.7	3,877	2,637	675	565
St Edmundsbury	51.3	32.0	9.6	9.8	5,046	3,140	947	960
Suffolk Coastal	45.8	28.4	8.2	9.2	5,042	3,128	903	1,011
Waveney	39.3	21.9	8.4	8.9	3,486	1,947	748	791
London								
	59.6	35.0	12.1	12.5	495,032	290,524	100,503	104,006
Barking and Dagenham	63.1	35.9	13.6	13.6	10,910	6,205	2,350	2,356
Barnet	67.3	46.0	11.4	9.9	20,038	13,701	3,384	2,952
Bexley	48.5	34.4	4.6	9.5	9,147	6,481	868	1,798
Brent	73.2	37.9	19.2	16.1	15,821	8,184	4,147	3,489
Bromley	57.7	40.8	5.7	11.2	17,223	12,169	1,716	3,338
Camden	73.0	42.0	11.7	19.3	19,270	11,094	3,094	5,082
City of London	76.5	38.3	10.6	27.6	1,039	520	144	374
Croydon	57.0	38.0	10.9	8.1	21,841	14,542	4,189	3,111
Ealing	62.7	40.2	10.7	11.9	16,935	10,844	2,884	3,208
Enfield	64.0	39.0	14.6	10.5	17,946	10,924	4,080	2,941
Greenwich	47.2	18.8	15.0	13.4	11,247	4,470	3,581	3,197

(Continued)

Schedule 2 Households in intermediate housing markets (continued)

Region, county and local authority	Percentage of working households The intermediate housing market				Numbers of working households The intermediate housing market			
	Broad	Narrow	Working	LD	Broad	Narrow	Working	LD
			HB and not LD	not LQ			HB and not LD	not LQ
Hackney	52.2	20.8	17.6	13.9	13,870	5,514	4,675	3,682
Hammersmith and Fulham	72.3	42.3	12.2	17.7	17,008	9,966	2,867	4,176
Haringey	59.7	28.9	13.4	17.3	12,555	6,084	2,825	3,647
Harrow	67.8	48.8	13.9	5.0	13,850	9,979	2,838	1,032
Havering	46.0	30.5	6.9	8.7	8,961	5,932	1,336	1,694
Hillingdon	63.1	45.4	9.6	8.1	14,057	10,118	2,139	1,800
Hounslow	64.5	36.5	18.7	9.3	14,615	8,267	4,238	2,111
Islington	59.9	26.7	12.6	20.6	15,837	7,062	3,329	5,445
Kensington and Chelsea	69.6	48.8	8.5	12.3	14,372	10,088	1,751	2,533
Kingston upon Thames	63.0	45.6	8.9	8.4	11,887	8,610	1,686	1,591
Lambeth	50.2	24.2	12.4	13.6	19,722	9,524	4,875	5,323
Lewisham	56.3	25.2	19.2	11.9	18,276	8,178	6,245	3,852
Merton	54.6	35.6	10.6	8.4	12,535	8,179	2,437	1,919
Newham	59.7	30.9	15.1	13.7	16,564	8,583	4,193	3,788
Redbridge	59.6	40.5	8.3	10.7	14,769	10,054	2,060	2,654
Richmond upon Thames	56.5	41.8	5.8	8.9	12,323	9,118	1,265	1,940
Southwark	53.2	20.3	17.9	15.0	17,559	6,704	5,910	4,945
Sutton	55.8	39.1	6.1	10.6	11,711	8,218	1,274	2,219
Tower Hamlets	46.4	20.4	14.8	11.3	13,743	6,034	4,373	3,336
Waltham Forest	65.2	41.7	14.8	8.7	16,837	10,759	3,820	2,258
Wandsworth	59.6	31.6	6.4	21.6	25,593	13,574	2,736	9,283
Westminster	69.2	44.2	13.0	12.0	16,973	10,844	3,195	2,934
North East	27.1	6.9	9.0	11.2	62,926	15,971	20,925	26,031
Cleveland								
Hartlepool UA	18.7	0.3	7.8	10.6	1,400	23	582	795
Middlesborough UA	21.6	0.0	10.8	10.9	2,441	0	1,214	1,226
Redcar and Cleveland UA	33.9	6.9	14.3	12.7	4,409	896	1,863	1,650
Stockton on Tees UA	28.5	0.8	10.3	17.4	4,977	137	1,802	3,038
Durham								
Chester-le-Street	11.8	2.3	3.4	6.1	612	118	178	316
Darlington UA	34.5	11.7	10.0	12.8	3,175	1,075	918	1,182
Derwentside	14.0	0.8	5.7	7.4	1,212	74	496	642
Durham	25.8	6.0	5.1	14.8	1,945	449	382	1,114
Easington	10.4	2.8	2.2	5.4	710	191	150	368
Sedgefield	10.5	1.9	4.6	4.0	872	155	384	333
Teesdale	20.1	4.4	4.7	11.0	387	85	91	211
Wear Valley	19.6	0.2	7.8	11.7	1,227	11	486	730

(Continued)

Affordability and the intermediate housing market

Schedule 2 Households in intermediate housing markets (continued)

Region, county and local authority	Percentage of working households The intermediate housing market				Numbers of working households The intermediate housing market			
	Broad	Narrow	Working	LD	Broad	Narrow	Working	LD
			HB and not LD	not LQ			HB and not LD	not LQ
Northumberland								
Alnwick	41.6	16.9	14.5	10.2	1,251	508	436	308
Berwick-upon-Tweed	28.0	5.6	12.4	10.0	538	107	238	192
Blyth Valley	28.9	8.2	6.1	14.6	2,411	682	510	1,219
Castle Morpeth	39.4	9.8	7.5	22.1	996	248	189	559
Tynedale	51.6	27.8	9.6	14.2	2,221	1,197	412	612
Wansbeck	12.2	0.5	5.0	6.7	699	28	287	384
Tyne and Wear								
Gateshead	29.7	9.9	7.2	12.7	5,520	1,834	1,333	2,354
Newcastle upon Tyne	33.4	8.6	16.2	8.6	8,672	2,226	4,204	2,243
North Tyneside	33.2	10.2	8.8	14.2	7,285	2,237	1,932	3,116
South Tyneside	19.2	7.5	4.5	7.1	2,344	914	556	874
Sunderland	30.8	11.2	9.2	10.4	7,626	2,780	2,282	2,564
North West	28.0	9.5	7.6	11.0	184,453	62,157	49,896	72,401
Cheshire								
Chester	41.0	16.5	9.5	15.1	4,134	1,661	955	1,518
Congleton	37.6	20.4	7.9	9.2	3,338	1,817	700	821
Crewe and Nantwich	34.1	14.3	7.9	11.9	3,916	1,643	907	1,367
Ellesmere Port and Neston	29.3	14.4	5.9	8.9	2,456	1,209	498	748
Halton UA	21.6	8.0	6.6	7.0	2,687	996	818	873
Macclesfield	43.4	25.6	5.8	12.1	6,243	3,675	830	1,737
Vale Royal	35.9	20.2	4.7	11.0	4,971	2,802	653	1,517
Warrington UA	33.8	16.6	6.0	11.2	5,508	2,713	973	1,822
Cumbria								
Allerdale	18.9	1.0	7.6	10.3	1,434	78	578	778
Barrow-in-Furness	18.6	2.4	8.1	8.0	1,577	205	691	681
Carlisle	31.7	5.5	13.9	12.3	3,432	598	1,500	1,334
Copeland	2.8	0.0	1.1	1.7	200	0	77	124
Eden	46.3	18.7	12.6	15.0	2,020	816	551	653
South Lakeland	54.2	19.9	12.6	21.7	5,061	1,861	1,175	2,026
Greater Manchester								
Bolton	22.1	1.8	7.5	12.8	6,505	536	2,202	3,767
Bury	22.2	9.6	5.9	6.7	3,903	1,683	1,032	1,188
Manchester	25.6	4.0	10.4	11.2	10,501	1,640	4,253	4,608
Oldham	22.6	3.4	8.1	11.1	5,341	815	1,908	2,619
Rochdale	18.1	3.3	6.2	8.6	3,594	651	1,235	1,708
Salford	17.7	2.1	6.0	9.6	3,957	471	1,338	2,148
Stockport	40.0	21.8	6.3	11.9	8,960	4,887	1,414	2,659
Tameside	20.5	7.3	2.4	10.9	4,634	1,641	536	2,458

(Continued)

Schedule 2 Households in intermediate housing markets (continued)

Region, county and local authority	Percentage of working households The intermediate housing market				Numbers of working households The intermediate housing market			
	Broad	Narrow	Working	LD	Broad	Narrow	Working	LD
			HB and not LD	not LQ			HB and not LD	not LQ
Trafford	44.0	21.7	6.2	16.1	9,710	4,786	1,365	3,558
Wigan	20.1	5.4	4.7	10.0	6,675	1,793	1,555	3,328
Lancashire								
Blackburn UA	15.6	2.8	6.5	6.3	2,030	360	849	821
Blackpool UA	40.5	20.4	12.6	7.5	6,168	3,103	1,917	1,148
Burnley	16.1	0.3	7.3	8.5	1,327	28	600	699
Lancashire County								
Chorley	30.4	15.4	5.0	10.0	2,731	1,380	450	901
Fylde	38.7	23.1	4.5	11.0	3,172	1,896	371	905
Hyndburn	20.4	1.1	7.4	11.8	1,902	106	693	1,103
Lancaster	39.1	19.9	12.5	6.7	5,427	2,755	1,738	934
Pendle	7.0	0.0	1.3	5.6	542	0	104	438
Preston	31.3	8.2	9.6	13.5	4,671	1,227	1,433	2,011
Ribble Valley	31.7	16.9	1.4	13.3	1,658	886	75	697
Rossendale	20.5	4.6	5.9	10.0	1,708	385	489	835
South Ribble	39.6	22.6	9.3	7.6	4,984	2,852	1,178	954
West Lancashire	27.6	1.7	11.7	14.2	2,476	151	1,046	1,279
Wyre	31.1	14.7	5.5	10.9	2,984	1,413	523	1,047
Merseyside								
Knowsley	22.4	3.0	8.9	10.5	2,680	362	1,059	1,258
Liverpool	24.1	2.9	10.2	11.1	8,842	1,055	3,723	4,065
Sefton	39.7	8.1	12.2	19.4	8,949	1,834	2,755	4,360
St Helens	28.5	8.7	8.1	11.7	3,551	1,083	1,009	1,459
Wirral	24.8	7.2	6.7	10.8	7,895	2,303	2,145	3,447
South East	52.9	33.8	10.9	8.2	432,100	276,449	88,743	66,907
Berkshire								
Bracknell Forest UA	43.8	26.2	12.6	5.0	4,909	2,936	1,409	564
Reading UA	47.0	28.5	14.0	4.6	10,501	6,364	3,119	1,019
Slough UA	57.7	34.3	15.3	8.1	8,079	4,799	2,143	1,137
West Berkshire UA	48.1	35.8	4.9	7.4	6,943	5,166	703	1,074
Windsor and Maidenhead UA	53.3	39.0	5.2	9.1	5,603	4,103	545	955
Wokingham UA	47.0	31.3	8.5	7.2	7,338	4,884	1,333	1,122
Buckinghamshire								
Aylesbury Vale	46.5	26.5	7.2	12.8	8,267	4,717	1,282	2,268
Chiltern	57.4	40.3	8.1	9.0	3,959	2,779	558	623
Milton Keynes UA	44.8	33.0	4.5	7.4	11,865	8,734	1,178	1,954
South Buckinghamshire	66.5	49.2	8.7	8.5	3,909	2,895	514	499
Wycombe	52.0	32.3	10.3	9.5	8,966	5,566	1,768	1,632

(Continued)

Affordability and the intermediate housing market

Schedule 2 Households in intermediate housing markets (continued)

Region, county and local authority	Percentage of working households The intermediate housing market				Numbers of working households The intermediate housing market			
	Broad	Narrow	Working	LD	Broad	Narrow	Working	LD
			HB and not LD	not LQ			HB and not LD	not LQ
East Sussex								
Brighton and Hove UA	64.4	47.3	8.4	8.6	20,696	15,217	2,708	2,771
Eastbourne	56.9	39.7	9.0	8.3	4,639	3,235	731	673
Hastings	48.8	31.2	4.7	12.9	4,072	2,604	389	1,079
Lewes	58.1	40.0	6.3	11.8	4,315	2,972	465	878
Rother	63.0	40.8	13.0	9.2	4,327	2,805	891	631
Wealden	56.7	38.7	9.7	8.3	5,611	3,831	956	825
Hampshire								
Basingstoke and Deane	40.5	27.4	5.6	7.5	7,482	5,059	1,040	1,383
East Hampshire	42.9	29.2	6.9	6.7	4,010	2,731	648	631
Eastleigh	58.9	38.3	14.1	6.5	8,320	5,408	1,995	917
Fareham	46.5	26.1	10.7	9.8	4,515	2,532	1,034	948
Gosport	44.1	24.6	15.6	3.9	4,042	2,253	1,428	361
Hart	54.6	30.7	18.8	5.1	5,468	3,075	1,884	509
Havant	54.4	25.9	20.5	8.0	5,597	2,662	2,110	825
New Forest	60.8	35.9	17.0	7.9	9,179	5,423	2,569	1,187
Portsmouth UA	54.6	28.2	18.3	8.1	12,283	6,348	4,106	1,829
Rushmoor	39.1	24.2	8.3	6.6	4,919	3,041	1,045	833
Southampton UA	52.9	24.1	19.1	9.7	15,976	7,277	5,769	2,931
Test Valley	58.1	33.6	16.1	8.4	7,301	4,227	2,020	1,054
Winchester	52.8	32.3	11.9	8.6	5,348	3,276	1,205	867
Isle of Wight UA	62.3	38.8	15.7	7.8	7,354	4,575	1,858	921
Kent								
Ashford	42.3	25.9	7.6	8.8	4,158	2,548	749	861
Canterbury	63.2	38.4	17.6	7.3	7,206	4,371	2,005	830
Dartford	44.9	26.7	9.5	8.7	4,414	2,624	933	857
Dover	45.3	24.9	9.5	10.8	5,158	2,840	1,088	1,230
Gravesham	50.2	33.0	9.8	7.5	4,304	2,826	837	640
Maidstone	44.7	32.7	1.7	10.3	6,971	5,096	269	1,607
Medway Towns UA	41.1	26.2	6.2	8.8	10,629	6,763	1,596	2,270
Sevenoaks	51.6	35.0	4.7	11.8	4,576	3,107	419	1,050
Shepway	49.0	29.8	8.3	10.9	4,178	2,543	707	928
Swale	38.2	21.9	9.6	6.6	5,369	3,078	1,356	935
Thanet	61.0	39.7	13.2	8.1	5,682	3,694	1,231	757
Tonbridge and Malling	48.2	31.3	9.5	7.4	5,156	3,352	1,015	789
Tunbridge Wells	55.0	36.9	11.1	7.0	6,453	4,334	1,302	816
Oxfordshire								
Cherwell	41.5	25.2	6.0	10.3	6,350	3,853	924	1,574
Oxford	67.4	38.5	17.3	11.5	9,124	5,218	2,345	1,560
South Oxfordshire	50.7	34.7	9.0	7.1	7,160	4,899	1,266	996

(Continued)

Schedule 2 Households in intermediate housing markets (continued)

Region, county and local authority	Percentage of working households The intermediate housing market				Numbers of working households The intermediate housing market			
	Broad	Narrow	Working	LD	Broad	Narrow	Working	LD
			HB and not LD	not LQ			HB and not LD	not LQ
Vale of White Horse	44.9	36.8	1.7	6.4	5,050	4,144	191	715
West Oxfordshire	53.0	37.7	9.7	5.6	4,141	2,948	757	436
Surrey								
Elmbridge	52.5	39.3	5.8	7.4	5,004	3,747	552	705
Epsom and Ewell	64.1	46.2	9.7	8.2	4,093	2,949	620	524
Guildford	63.3	43.3	9.2	10.8	8,689	5,937	1,265	1,487
Mole Valley	67.2	47.7	12.5	7.0	4,059	2,879	757	423
Reigate and Banstead	61.1	41.0	12.8	7.4	7,786	5,217	1,633	936
Runnymede	68.0	42.7	18.7	6.6	3,363	2,113	924	326
Spelthorne	53.2	40.7	2.8	9.7	4,659	3,559	249	852
Surrey Heath	52.0	37.7	8.7	5.5	3,484	2,529	583	372
Tandridge	56.4	39.9	9.8	6.7	3,181	2,251	555	376
Waverley	61.1	40.9	8.9	11.3	6,465	4,326	944	1,196
Woking	60.5	41.2	14.7	4.6	5,715	3,889	1,388	438
West Sussex								
Adur	74.3	43.5	25.7	5.2	3,941	2,305	1,360	276
Arun	57.4	32.3	14.8	10.3	6,113	3,442	1,577	1,093
Chichester	68.8	47.1	16.8	4.9	5,638	3,860	1,378	400
Crawley	47.3	30.4	8.3	8.6	5,741	3,692	1,011	1,038
Horsham	59.9	36.9	14.2	8.9	7,689	4,730	1,817	1,141
Mid Sussex	61.4	39.0	17.3	5.2	7,962	5,055	2,238	669
Worthing	57.0	36.3	12.9	7.8	6,652	4,241	1,503	907
South West	51.5	31.4	10.6	9.5	247,694	151,093	50,819	45,781
Avon								
Bath and North East Somerset UA	53.5	33.0	11.8	8.6	9,681	5,979	2,139	1,563
Bristol UA	42.9	20.7	10.4	11.7	20,388	9,846	4,961	5,582
North Somerset UA	41.5	23.0	8.9	9.6	8,456	4,690	1,805	1,962
South Gloucestershire UA	45.2	24.6	10.4	10.2	12,457	6,785	2,873	2,800
Cornwall								
Caradon	46.2	29.8	7.7	8.7	2,698	1,739	449	509
Carrick	63.4	49.0	8.3	6.1	4,973	3,844	654	475
Kerrier	63.4	38.3	8.7	16.5	3,444	2,079	471	894
North Cornwall	63.8	39.4	12.2	12.2	3,541	2,186	680	675
Penwith	72.0	47.0	13.0	12.1	4,334	2,826	783	726
Restormel	67.4	48.7	12.3	6.3	5,810	4,206	1,057	548

(Continued)

Affordability and the intermediate housing market

Schedule 2 Households in intermediate housing markets (continued)

Region, county and local authority	Percentage of working households The intermediate housing market				Numbers of working households The intermediate housing market			
	Broad	Narrow	Working	LD	Broad	Narrow	Working	LD
			HB and not LD	not LQ			HB and not LD	not LQ
Devon								
East Devon	55.7	40.5	9.2	6.1	4,866	3,538	799	529
Exeter	60.2	41.4	12.7	6.2	8,060	5,536	1,698	827
Mid Devon	54.7	29.7	5.9	19.1	2,708	1,469	293	946
North Devon	64.9	37.5	14.0	13.4	4,457	2,576	964	918
Plymouth UA	37.4	23.7	4.3	9.4	10,932	6,925	1,254	2,753
South Hams	64.4	47.7	6.7	10.0	3,467	2,568	363	536
Teignbridge	59.6	38.9	12.5	8.2	5,644	3,681	1,187	776
Torbay UA	55.4	29.6	14.6	11.1	6,535	3,497	1,725	1,313
Torridge	55.9	30.3	9.0	16.6	2,717	1,474	439	804
West Devon	49.9	31.9	8.7	9.4	1,654	1,056	287	311
Dorset								
Bournemouth UA	72.6	51.6	14.2	6.8	15,068	10,707	2,952	1,408
Christchurch	67.6	44.6	11.9	11.1	1,335	881	236	218
East Dorset	59.6	38.4	12.9	8.3	3,358	2,163	726	470
North Dorset	65.7	35.7	12.4	17.6	3,919	2,130	740	1,050
Poole UA	59.2	40.6	11.4	7.2	7,203	4,938	1,383	882
Purbeck	60.8	38.3	13.7	8.9	1,792	1,127	403	261
West Dorset	58.2	36.3	14.5	7.5	3,348	2,087	833	429
Weymouth and Portland	65.5	54.6	1.0	9.9	3,691	3,080	55	556
Gloucestershire								
Cheltenham	46.4	28.6	5.8	12.0	6,301	3,879	794	1,628
Cotswold	56.1	36.1	8.1	11.8	4,653	2,998	676	980
Forest of Dean	47.8	29.8	8.0	10.0	3,853	2,403	641	809
Gloucester	36.9	21.3	6.7	9.0	4,597	2,651	830	1,117
Stroud	50.2	24.7	12.5	13.0	5,231	2,572	1,301	1,358
Tewkesbury	50.9	32.5	10.9	7.5	3,177	2,027	682	469
Somerset								
Mendip	54.9	34.2	13.2	7.5	5,180	3,231	1,242	707
Sedgemoor	47.7	28.3	12.5	6.8	3,605	2,142	949	514
South Somerset	53.2	29.9	15.3	8.0	7,524	4,230	2,157	1,136
Taunton Deane	53.4	30.9	11.9	10.6	5,558	3,218	1,238	1,102
West Somerset	61.1	28.6	14.7	17.8	1,135	531	273	331
Wiltshire								
Kennet	51.0	31.0	14.4	5.6	4,236	2,573	1,196	467
North Wiltshire	38.0	26.0	3.5	8.5	4,712	3,230	428	1,055
Salisbury	65.5	43.7	11.7	10.1	7,489	4,996	1,340	1,154
Swindon UA	38.8	19.0	13.3	6.5	8,896	4,356	3,054	1,486
West Wiltshire	43.7	21.4	15.8	6.5	5,009	2,448	1,812	749

(Continued)

Schedule 2 Households in intermediate housing markets (continued)

Region, county and local authority	Percentage of working households The intermediate housing market				Numbers of working households The intermediate housing market			
	Broad	Narrow	Working	LD	Broad	Narrow	Working	LD
			HB and not LD	not LQ			HB and not LD	not LQ
West Midlands	37.5	17.9	9.2	10.4	186,199	88,932	45,713	51,557
Hereford and Worcs								
Bromsgrove	36.4	24.7	5.5	6.1	2,834	1,926	430	479
Herefordshire UA	59.1	33.4	13.5	12.2	8,637	4,886	1,972	1,780
Malvern Hills	48.6	28.9	9.5	10.2	2,396	1,426	467	502
Redditch	44.5	20.1	9.2	15.2	2,967	1,339	612	1,016
Worcester	48.3	30.8	5.6	12.0	5,937	3,781	686	1,470
Wychavon	51.4	26.3	9.8	15.4	5,579	2,853	1,058	1,668
Wyre Forest	38.9	25.7	3.5	9.8	3,533	2,329	317	888
Shropshire								
Bridgnorth	42.9	22.3	7.7	12.9	1,780	926	318	536
North Shropshire	52.4	31.1	12.6	8.7	2,972	1,766	712	494
Oswestry	45.5	23.4	10.1	12.0	1,735	891	385	458
Shrewsbury and Atcham	50.3	32.1	6.1	12.1	6,269	4,003	763	1,503
South Shropshire	52.4	29.8	9.9	12.7	2,033	1,155	384	494
Telford and the Wrekin UA	34.4	18.1	6.8	9.5	6,665	3,500	1,327	1,838
Staffordshire								
Cannock Chase	40.0	21.0	11.3	7.7	4,659	2,449	1,315	895
East Staffordshire	30.7	13.8	7.7	9.2	3,491	1,570	873	1,048
Lichfield	41.3	21.2	9.2	10.8	3,276	1,683	732	861
Newcastle-under-Lyme	29.0	9.4	6.2	13.4	3,137	1,012	673	1,453
South Staffordshire	38.0	21.0	7.9	9.0	3,168	1,754	661	752
Stafford	39.1	21.4	4.3	13.4	5,042	2,757	558	1,728
Staffordshire Moorlands	31.9	17.8	6.8	7.3	2,314	1,290	495	529
Stoke-on-Trent UA	19.2	3.0	7.8	8.4	4,699	741	1,903	2,056
Tamworth	36.0	23.3	7.2	5.4	3,005	1,948	603	455
Warwickshire								
North Warwickshire	36.1	20.3	6.9	8.9	1,656	933	316	407
Nuneaton and Bedworth	31.9	13.5	9.6	8.9	3,486	1,469	1,050	967
Rugby	29.4	15.0	5.4	9.0	2,568	1,313	472	784
Stratford-on-Avon	46.6	28.9	9.2	8.5	3,457	2,142	681	634
Warwick	52.3	26.9	16.2	9.2	7,958	4,096	2,458	1,403
West Midlands								
Birmingham	38.8	17.4	11.2	10.3	32,771	14,678	9,432	8,661
Coventry	35.1	18.4	8.9	7.8	9,667	5,060	2,453	2,153
Dudley	34.8	14.4	9.7	10.7	9,731	4,024	2,705	3,002
Sandwell	31.1	12.0	10.0	9.1	8,908	3,444	2,864	2,601
Solihull	48.9	18.7	9.1	21.1	8,195	3,131	1,524	3,540

(Continued)

Affordability and the intermediate housing market

Schedule 2 Households in intermediate housing markets (continued)

Region, county and local authority	Percentage of working households The intermediate housing market				Numbers of working households The intermediate housing market			
	Broad	Narrow	Working	LD	Broad	Narrow	Working	LD
			HB and not LD	not LQ			HB and not LD	not LQ
Walsall	27.2	8.5	8.5	10.1	6,401	2,008	2,008	2,386
Wolverhampton	24.0	3.0	11.4	9.6	5,274	650	2,509	2,115
Yorkshire and Humber	30.1	10.8	8.5	10.8	152,529	54,577	43,075	54,876
Humber								
East Riding of Yorkshire UA	36.2	12.8	14.6	8.8	9,701	3,438	3,900	2,363
Kingston upon Hull UA	21.4	0.7	11.8	8.9	5,919	191	3,268	2,460
North East Lincolnshire UA	22.1	3.0	11.3	7.8	3,408	466	1,736	1,206
North Lincolnshire UA	24.9	7.7	10.0	7.1	4,013	1,241	1,620	1,152
North Yorkshire								
Craven	33.8	20.0	6.3	7.5	1,406	831	264	311
Hambleton	54.9	30.0	14.1	10.8	4,411	2,409	1,134	867
Harrogate	54.2	34.9	9.6	9.7	8,742	5,622	1,553	1,567
Richmondshire	51.8	26.0	16.3	9.6	2,616	1,311	821	485
Ryedale	68.1	40.6	9.8	17.8	2,769	1,650	397	722
Scarborough	45.0	22.8	12.0	10.2	3,073	1,559	822	693
Selby	32.8	16.7	6.6	9.5	2,384	1,215	477	691
York UA	52.7	33.2	10.1	9.5	10,079	6,340	1,932	1,807
South Yorkshire								
Barnsley	20.3	5.6	7.8	6.9	4,557	1,267	1,740	1,551
Doncaster	18.4	2.5	5.7	10.2	5,958	808	1,844	3,306
Rotherham	20.4	2.9	5.5	12.0	5,135	734	1,379	3,021
Sheffield	26.4	8.6	7.2	10.6	13,753	4,483	3,752	5,517
West Yorkshire								
Bradford	25.9	5.6	9.6	10.6	11,662	2,541	4,343	4,778
Calderdale	25.9	6.9	7.3	11.6	4,742	1,274	1,347	2,122
Kirklees	33.4	10.8	7.2	15.4	13,967	4,511	3,029	6,427
Leeds	32.2	11.9	5.8	14.6	25,600	9,420	4,610	11,570
Wakefield	25.4	9.6	9.1	6.6	8,634	3,266	3,108	2,260
England	43.3	23.5	9.8	10.1	2,167,345	1,174,659	489,484	503,204
Scotland								
Aberdeen City	26.7	9.4	4.3	13.0	7,488	2,637	1,216	3,634
Aberdeenshire	27.1	11.3	7.5	8.3	5,947	2,481	1,637	1,828
Angus	17.2	5.5	6.4	5.3	1,692	540	633	520
Argyll and Bute	26.1	6.9	10.8	8.3	1,736	460	722	555

(Continued)

Schedule 2 Households in intermediate housing markets (continued)

Region, county and local authority	Percentage of working households The intermediate housing market				Numbers of working households The intermediate housing market			
	Broad	Narrow	Working	LD	Broad	Narrow	Working	LD
			HB and not LD	not LQ			HB and not LD	not LQ
Clackmannanshire	30.7	11.8	11.1	7.8	1,848	712	665	471
Dumfries and Galloway	31.7	11.2	8.4	12.2	3,446	1,214	909	1,323
Dundee City	23.1	3.9	7.8	11.4	3,182	537	1,074	1,571
East Ayrshire	16.8	3.0	5.2	8.5	2,127	385	661	1,080
East Dunbartonshire	34.9	16.1	7.7	11.1	2,951	1,363	652	936
East Lothian	44.1	28.2	8.5	7.3	3,829	2,455	738	637
East Renfrewshire	28.4	13.9	1.5	13.1	2,177	1,061	114	1,002
Edinburgh, City of	48.2	23.9	9.6	14.7	29,014	14,397	5,774	8,843
Falkirk	18.4	7.4	3.9	7.2	3,168	1,273	664	1,231
Fife	17.7	6.2	4.5	7.0	6,543	2,283	1,670	2,590
Glasgow City	33.1	9.6	11.0	12.5	19,733	5,740	6,563	7,430
Highland	27.6	12.1	5.9	9.7	4,349	1,897	926	1,526
Inverclyde	21.7	5.4	8.9	7.4	1,651	414	674	563
Midlothian	31.4	20.0	4.2	7.2	2,420	1,541	322	557
Moray	25.1	10.9	6.8	7.4	2,587	1,125	703	759
North Ayrshire	21.0	8.3	8.7	4.1	2,489	983	1,027	479
North Lanarkshire	12.6	3.0	3.2	6.4	4,215	989	1,087	2,139
Orkney Islands	28.4	13.1	8.5	6.8	671	311	200	160
Perth and Kinross	23.4	9.5	4.5	9.5	2,767	1,122	526	1,119
Renfrewshire	23.1	6.3	6.4	10.4	3,892	1,067	1,083	1,743
Scottish Borders, The	25.5	12.0	5.0	8.4	2,580	1,218	510	852
Shetland Islands	15.0	0.5	6.6	7.9	268	9	117	142
South Ayrshire	28.4	10.9	9.6	7.8	2,788	1,074	945	770
South Lanarkshire	18.2	4.7	4.3	9.2	5,794	1,496	1,379	2,919
Stirling	27.6	10.7	6.5	10.4	2,401	928	564	908
West Dunbartonshire	22.8	6.9	5.7	10.2	1,973	600	491	882
West Lothian	21.4	11.6	4.2	5.7	4,245	2,293	826	1,125
Western Isles	26.1	6.5	14.1	5.5	210	52	113	44
Wales	36.7	14.8	8.7	13.2	99,810	40,230	23,777	35,803
Blaenau Gwent	14.2	0.5	7.4	6.3	1,111	40	580	491
Bridgend	31.6	12.7	6.6	12.3	4,524	1,820	944	1,760
Caerphilly	26.1	6.9	7.2	12.0	4,562	1,199	1,260	2,103
Cardiff	54.6	26.6	8.8	19.1	19,115	9,327	3,097	6,690
Carmarthenshire	30.7	9.3	8.4	12.9	4,592	1,395	1,259	1,937
Ceredigion	57.8	34.3	8.8	14.7	3,451	2,047	528	876
Conwy	38.8	21.2	6.9	10.7	2,174	1,184	388	602
Denbighshire	39.6	15.9	7.3	16.4	3,050	1,223	565	1,261
Flintshire	41.0	16.7	9.1	15.2	5,995	2,437	1,332	2,226
Gwynedd	47.9	15.2	20.1	12.6	4,121	1,309	1,728	1,085
Isle of Anglesey	32.2	7.5	6.6	18.2	1,459	338	297	824
Merthyr Tydfil	13.7	1.4	5.7	6.7	761	77	313	371

(Continued)

Affordability and the intermediate housing market

Schedule 2 Households in intermediate housing markets (continued)

Region, county and local authority	Percentage of working households The intermediate housing market				Numbers of working households The intermediate housing market			
	Broad	Narrow	Working	LD	Broad	Narrow	Working	LD
			HB and not LD	not LQ			HB and not LD	not LQ
Monmouthshire	51.2	34.3	8.1	8.8	4,920	3,295	779	846
Neath Port Talbot	20.6	0.7	8.8	11.1	2,481	85	1,059	1,337
Newport	40.8	16.5	10.6	13.7	5,799	2,340	1,509	1,950
Pembrokeshire	53.8	19.4	16.3	18.2	5,224	1,885	1,578	1,761
Powys	42.1	18.8	8.3	15.0	4,823	2,151	953	1,720
Rhondda, Cynon, Taff	16.2	2.2	6.3	7.7	3,855	534	1,495	1,827
Swansea	36.6	13.5	11.2	11.9	7,527	2,784	2,303	2,440
Torfaen	20.4	6.5	2.3	11.6	1,529	486	174	870
Vale of Glamorgan, The	47.6	27.4	5.9	14.3	5,326	3,065	661	1,600
Wrexham	35.8	12.7	10.3	12.9	3,415	1,209	979	1,228
Great Britain	41.5	21.9	9.5	10.2	2,407,332	1,269,544	548,444	589,346

Note : For definitions of the Intermediate Housing Market, and its sub-sectors, see page 11.

Schedule 3 Local house prices and incomes that single- and multiple-earner households require to purchase

Region, county and local authority	2004 house prices (£)				Annual income required to purchase (£)			
	Average for two- and three-bedroom dwellings				Lowest decile prices		Lower quartile prices	
	Sample	Mean	Lower quartile	Lowest decile	Single earner	Multiple earner	Single earner	Multiple earner
East Midlands								
Derbyshire								
Amber Valley	462	115,762	85,238	70,340	15,381	17,747	18,639	21,506
Bolsover	298	84,942	62,500	49,600	10,846	12,514	13,667	15,769
Chesterfield	373	102,147	78,500	66,275	14,492	16,722	17,165	19,806
Derby UA	897	111,193	86,000	71,718	15,682	18,095	18,805	21,698
Derbyshire Dales	200	187,693	132,726	107,578	23,524	27,143	29,023	33,488
Erewash	467	112,157	88,063	72,795	15,918	18,367	19,256	22,219
High Peak	306	132,929	98,856	84,000	18,368	21,194	21,617	24,942
North East Derbyshire	333	117,527	85,000	67,800	14,826	17,106	18,587	21,446
South Derbyshire	368	120,524	97,750	80,500	17,603	20,311	21,375	24,663
Leicestershire								
Leicester UA	1,003	113,072	88,277	74,500	16,291	18,797	19,303	22,273
Rutland UA	134	161,170	123,000	108,400	23,703	27,350	26,896	31,034
Blaby	454	135,472	114,000	101,900	22,282	25,710	24,928	28,763
Charnwood	671	134,829	112,500	95,500	20,883	24,095	24,600	28,385
Harborough	305	147,991	124,357	104,950	22,949	£26,480	27,193	31,376
Hinckley and Bosworth	461	125,671	102,500	88,500	19,352	22,329	22,413	25,862
Melton	166	142,384	105,669	88,348	19,319	22,291	23,106	26,661
North West Leicestershire	391	123,038	95,422	79,775	17,444	20,128	20,866	24,076
Oadby and Wigston	203	132,878	108,988	99,178	21,687	25,023	23,832	27,499
Lincolnshire								
Boston	219	105,570	81,500	72,700	15,897	18,343	17,821	20,563
East Lindsey	370	122,681	94,313	82,500	18,040	20,815	20,623	23,796
Lincoln	358	109,992	86,750	72,200	15,788	18,217	18,969	21,888
North Kesteven	350	121,856	100,498	87,600	19,155	22,102	21,976	25,356
South Holland	350	120,784	100,994	87,675	19,172	22,121	22,084	25,482
South Kesteven	512	127,332	97,500	80,200	17,537	20,235	21,320	24,600
West Lindsey	282	116,028	85,375	69,950	15,296	17,649	18,669	21,541
Northamptonshire								
Corby	266	83,408	64,749	52,900	11,567	13,347	14,158	16,337
Daventry	191	144,015	111,744	81,200	17,756	20,487	24,435	28,194
East Northamptonshire	389	129,149	101,594	84,033	18,375	21,202	22,215	25,633
Kettering	487	120,279	97,500	86,050	18,816	21,711	21,320	24,600
Northampton	926	124,352	101,375	86,200	18,849	21,749	22,167	25,578
South Northamptonshire	300	168,505	138,313	129,350	28,285	32,636	30,244	34,897
Wellingborough	315	114,506	91,313	75,390	16,485	19,021	19,967	23,039
Nottinghamshire								
Ashfield	413	93,360	69,000	55,935	12,231	14,113	15,088	17,409
Bassetlaw	468	99,827	71,813	55,500	12,136	14,003	15,703	18,119

(Continued)

Affordability and the intermediate housing market

Schedule 3 Local house prices and incomes that single- and multiple-earner households require to purchase (continued)

Region, county and local authority	2004 house prices (£)				Annual income required to purchase (£)			
	Average for two- and three-bedroom dwellings				Lowest decile prices		Lower quartile prices	
	Sample	Mean	Lower quartile	Lowest decile	Single earner	Multiple earner	Single earner	Multiple earner
Broxtowe	446	122,872	100,125	80,850	17,679	20,399	21,894	25,262
Gedling	550	120,142	95,500	80,300	17,559	20,260	20,883	24,095
Mansfield	329	91,372	65,063	55,096	12,048	13,901	14,227	16,416
Newark and Sherwood	444	116,688	85,000	71,925	15,728	18,147	18,587	21,446
Nottingham UA	1,084	105,437	73,313	58,875	12,874	14,855	16,031	18,497
Rushcliffe	403	159,286	132,500	109,725	23,993	27,684	28,973	33,431
East of England								
Bedfordshire								
Bedford	608	144,789	118,000	103,350	22,599	26,076	25,803	29,772
Luton UA	800	138,919	121,000	107,800	23,572	27,199	26,459	30,529
Mid Bedfordshire	614	163,427	138,875	120,950	26,448	30,517	30,367	35,039
South Bedfordshire	588	160,783	134,998	117,500	25,693	29,646	29,520	34,061
Cambridgeshire								
Peterborough UA	951	114,137	91,500	79,975	17,488	20,178	20,008	23,086
Cambridge	335	196,027	157,250	138,550	30,296	34,957	34,385	39,675
East Cambridgeshire	312	156,428	129,106	113,475	24,813	28,631	28,231	32,574
Fenland	424	118,454	99,650	86,050	18,816	21,711	21,790	25,142
Huntingdonshire	655	144,233	120,000	105,500	23,069	26,618	26,240	30,277
South Cambridgeshire	405	177,720	149,000	134,100	29,323	33,834	32,581	37,594
Essex								
Basildon	769	161,093	130,938	114,650	25,070	28,927	28,632	33,037
Braintree	640	160,528	133,250	119,799	26,196	30,226	29,137	33,620
Brentwood	297	219,349	173,219	149,750	32,745	37,783	37,877	43,704
Castle Point	318	173,315	150,000	132,199	28,908	33,355	32,800	37,846
Chelmsford	708	181,742	151,498	136,500	29,848	34,440	33,128	38,224
Colchester	705	155,635	127,438	111,700	24,425	28,183	27,866	32,154
Epping Forest	606	228,720	181,000	157,650	34,473	39,776	39,579	45,668
Harlow	388	156,401	134,500	118,325	25,874	29,854	29,411	33,935
Maldon	221	178,548	143,125	130,000	28,427	32,800	31,297	36,112
Rochford	356	184,253	162,563	139,650	30,537	35,235	35,547	41,016
Southend-on-Sea UA	721	167,684	133,374	115,800	25,322	29,217	29,164	33,651
Tendring	515	148,986	119,375	100,675	22,014	25,401	26,103	30,119
Thurrock UA	774	159,194	132,500	115,000	25,147	29,015	28,973	33,431
Uttlesford	252	204,155	168,000	140,075	30,630	35,342	36,736	42,388
Hertfordshire								
Broxbourne	397	196,624	169,125	153,475	33,560	38,723	36,982	42,672
Dacorum	637	207,825	159,375	136,925	29,941	34,547	34,850	40,212
East Hertfordshire	545	215,685	180,000	160,000	34,987	40,369	39,360	45,415
Hertsmere	364	229,140	192,500	169,850	37,141	42,854	42,093	48,569

(Continued)

Schedule 3 Local house prices and incomes that single- and multiple-earner households require to purchase (continued)

Region, county and local authority	2004 house prices (£)				Annual income required to purchase (£)			
	Average for two- and three-bedroom dwellings				Lowest decile prices		Lower quartile prices	
	Sample	Mean	Lower quartile	Lowest decile	Single earner	Multiple earner	Single earner	Multiple earner
North Hertfordshire	510	181,851	147,907	131,025	28,651	33,059	32,342	37,318
St Albans	611	252,043	206,625	171,000	37,392	43,145	45,182	52,133
Stevenage	374	153,475	133,688	122,850	26,863	30,996	29,233	33,731
Three Rivers	317	231,380	184,625	157,475	34,435	39,732	40,371	46,582
Watford	383	200,625	169,500	156,880	34,304	39,582	37,064	42,766
Welwyn Hatfield	425	204,647	164,000	152,309	33,305	38,429	35,861	41,378
Norfolk								
Breckland	493	130,901	106,500	91,500	20,008	23,086	23,288	26,871
Broadland	472	145,761	125,000	115,500	25,256	29,142	27,333	31,538
Great Yarmouth	357	113,892	87,500	72,018	15,748	18,171	19,133	22,077
Kings Lynn and West Norfolk	506	126,694	98,750	73,220	16,011	18,474	21,593	24,915
North Norfolk	320	143,913	109,125	92,475	20,221	23,332	23,862	27,533
Norwich	589	126,565	103,300	89,325	19,532	22,537	22,588	26,063
South Norfolk	396	146,929	122,500	106,425	23,272	26,852	26,787	30,908
Suffolk								
Babergh	276	158,431	122,000	105,175	22,998	26,536	26,677	30,782
Forest Heath	210	137,176	114,750	96,495	21,100	24,346	25,092	28,952
Ipswich	606	125,479	102,500	90,675	19,828	22,878	22,413	25,862
Mid Suffolk	339	143,987	117,063	106,500	23,288	26,871	25,598	29,536
St Edmundsbury	460	146,556	119,488	103,399	22,610	26,088	26,128	30,148
Suffolk Coastal	412	157,189	125,500	109,000	23,835	27,502	27,443	31,665
Waveney	432	121,645	94,750	82,000	17,931	20,689	20,719	23,906
London								
Barking and Dagenham	610	162,664	148,000	127,500	27,880	32,169	32,363	37,342
Barnet	873	271,361	218,688	190,250	41,601	48,002	47,820	55,177
Bexley	1,085	181,100	156,500	139,000	30,395	35,071	34,221	39,486
Brent	560	247,453	207,500	163,500	35,752	41,252	45,373	52,354
Bromley	1,339	227,757	186,500	160,000	34,987	40,369	40,781	47,055
Camden	488	395,495	265,500	192,500	42,093	48,569	58,056	66,988
City of London	32	393,759	337,750	200,650	43,875	50,626	73,855	85,217
Croydon	1,314	200,875	170,000	150,750	32,964	38,035	37,173	42,892
Ealing	920	250,005	202,375	168,650	36,878	42,552	44,253	51,061
Enfield	1,001	214,705	175,000	147,932	32,348	37,324	38,267	44,154
Greenwich	997	198,231	154,499	122,050	26,688	30,794	33,784	38,981
Hackney	636	215,645	146,375	119,950	26,229	30,264	32,007	36,932
Hammersmith and Fulham	634	354,249	272,750	200,000	43,733	50,462	59,641	68,817
Haringey	652	235,248	178,313	137,500	30,067	34,692	38,991	44,990
Harrow	627	242,689	207,500	189,500	41,437	47,812	45,373	52,354

(Continued)

Affordability and the intermediate housing market

Schedule 3 Local house prices and incomes that single- and multiple-earner households require to purchase (continued)

Region, county and local authority	2004 house prices (£)				Annual income required to purchase (£)			
	Average for two- and three-bedroom dwellings				Lowest decile prices		Lower quartile prices	
	Sample	Mean	Lower quartile	Lowest decile	Single earner	Multiple earner	Single earner	Multiple earner
Havering	1,018	189,727	159,603	139,500	30,504	35,197	34,900	40,269
Hillingdon	939	221,893	191,938	171,050	37,403	43,157	41,970	48,427
Hounslow	884	239,733	189,000	165,000	36,080	41,631	41,328	47,686
Islington	521	313,669	212,753	154,200	33,718	38,906	46,522	53,679
Kensington and Chelsea	412	646,856	436,250	304,500	66,584	76,828	95,393	110,069
Kingston upon Thames	650	253,280	210,000	185,000	40,453	46,677	45,920	52,985
Lambeth	1,169	222,852	159,125	130,000	28,427	32,800	34,795	40,148
Lewisham	1,110	199,453	164,688	134,500	29,411	33,935	36,012	41,552
Merton	789	242,999	184,188	159,175	34,806	40,161	40,276	46,472
Newham	685	181,505	153,000	125,000	27,333	31,538	33,456	38,603
Redbridge	844	217,148	183,563	157,350	34,407	39,701	40,139	46,314
Richmond upon Thames	754	312,916	237,500	206,050	45,056	51,988	51,933	59,923
Southwark	1,065	230,276	157,438	123,950	27,104	31,274	34,426	39,723
Sutton	931	202,224	173,500	152,500	33,347	38,477	37,939	43,775
Tower Hamlets	908	242,208	157,250	121,000	26,459	30,529	34,385	39,675
Waltham Forest	782	197,539	175,000	156,300	34,178	39,436	38,267	44,154
Wandsworth	1,379	302,102	230,000	170,000	37,173	42,892	50,293	58,031
Westminster	479	476,560	323,750	243,050	53,147	61,323	70,793	81,685
North East								
Cleveland								
Hartlepool UA	310	87,143	54,975	37,795	8,265	9,536	12,021	13,871
Middlesborough UA	497	80,592	45,000	31,000	6,779	7,822	9,840	11,354
Redcar and Cleveland UA	427	94,419	68,000	50,200	10,977	12,666	14,869	17,157
Stockton on Tees UA	555	98,000	68,938	42,650	9,326	10,761	15,074	17,394
Durham								
Chester-le-Street	229	97,167	63,607	48,825	10,676	12,319	13,909	16,049
Darlington UA	432	99,334	70,932	54,950	12,016	13,864	15,510	17,897
Derwentside	349	83,596	52,875	36,313	7,940	9,162	11,562	13,341
Durham	229	112,950	75,250	55,000	12,027	13,877	16,455	18,986
Easington	303	83,781	53,688	38,434	8,404	9,697	11,740	13,546
Sedgefield	314	76,981	50,875	41,250	9,020	10,408	11,125	12,836
Teesdale	71	113,074	76,500	54,250	11,863	13,688	16,728	19,302
Wear Valley	209	88,645	54,500	34,875	7,626	8,799	11,917	13,751
Northumberland								
Alnwick	66	137,458	73,750	59,463	13,003	15,003	16,127	18,608
Berwick-upon-Tweed	67	109,588	63,594	49,375	10,797	12,458	13,906	16,045
Blyth Valley	306	94,194	65,500	48,300	10,562	12,186	14,323	16,526
Castle Morpeth	115	170,753	100,188	58,825	12,863	14,842	21,908	25,278
Tynedale	186	138,712	97,994	75,675	16,548	19,093	21,428	24,725
Wansbeck	210	80,751	52,250	38,337	8,383	9,673	11,425	13,183

(Continued)

Schedule 3 Local house prices and incomes that single- and multiple-earner households require to purchase (continued)

Region, county and local authority	2004 house prices (£)				Annual income required to purchase (£)			
	Average for two- and three-bedroom dwellings				Lowest decile prices		Lower quartile prices	
	Sample	Mean	Lower quartile	Lowest decile	Single earner	Multiple earner	Single earner	Multiple earner
Tyne and Wear								
Gateshead	748	103,910	72,607	53,890	11,784	13,597	15,877	18,319
Newcastle upon Tyne	538	99,578	70,000	54,700	11,961	13,801	15,307	17,662
North Tyneside	832	109,252	78,500	56,700	12,398	14,306	17,165	19,806
South Tyneside	543	97,749	64,000	52,500	11,480	13,246	13,995	16,148
Sunderland	882	97,539	67,563	55,000	12,027	13,877	14,774	17,047
North West								
Cheshire								
Chester	510	147,315	115,000	85,250	18,641	21,509	25,147	29,015
Congleton	392	132,959	107,500	88,700	19,396	22,380	23,507	27,123
Crewe and Nantwich	570	113,790	82,875	65,125	14,241	16,432	18,122	20,910
Ellesmere Port and Neston	385	115,188	79,500	63,999	13,994	16,147	17,384	20,058
Halton UA	571	94,751	70,544	55,900	12,223	14,104	15,426	17,799
Macclesfield	616	177,412	123,500	98,375	21,511	24,821	27,005	31,160
Vale Royal	523	130,823	97,975	76,450	16,717	19,289	21,424	24,720
Warrington UA	903	126,632	94,125	74,738	16,343	18,857	20,582	23,748
Cumbria								
Allerdale	299	98,015	57,219	42,750	9,348	10,786	12,512	14,437
Barrow-in-Furness	263	74,283	49,875	39,250	8,583	9,903	10,906	12,584
Carlisle	500	95,040	67,232	47,688	10,428	12,032	14,701	16,963
Copeland	247	74,971	44,625	36,905	8,070	9,311	9,758	11,259
Eden	134	147,519	105,500	85,000	18,587	21,446	23,069	26,618
South Lakeland	232	161,966	117,625	88,100	19,265	22,228	25,721	29,678
Greater Manchester								
Bolton	1,139	95,456	66,000	46,000	10,059	11,606	14,432	16,652
Bury	811	109,175	81,500	67,100	14,673	16,930	17,821	20,563
Manchester	1,916	108,541	67,363	44,000	9,621	11,102	14,730	16,996
Oldham	958	92,815	63,500	43,500	9,512	10,975	13,885	16,022
Rochdale	810	92,787	61,750	44,500	9,731	11,228	13,503	15,580
Salford	935	95,741	65,000	47,150	10,310	11,896	14,213	16,400
Stockport	1,291	133,261	103,250	82,295	17,995	20,764	22,577	26,051
Tameside	871	94,829	70,625	55,000	12,027	13,877	15,443	17,819
Trafford	966	149,119	115,000	86,025	18,811	21,705	25,147	29,015
Wigan	1,328	92,300	67,875	51,335	11,225	12,952	14,842	17,125
Lancashire								
Blackburn UA	591	82,773	54,025	42,380	9,267	10,693	11,813	13,631
Blackpool UA	694	96,430	75,500	64,400	14,082	16,249	16,509	19,049
Burnley	392	70,898	44,375	33,400	7,303	8,427	9,703	11,196

(Continued)

Affordability and the intermediate housing market

Schedule 3 Local house prices and incomes that single- and multiple-earner households require to purchase (continued)

Region, county and local authority	2004 house prices (£)				Annual income required to purchase (£)			
	Average for two- and three-bedroom dwellings				Lowest decile prices		Lower quartile prices	
	Sample	Mean	Lower quartile	Lowest decile	Single earner	Multiple earner	Single earner	Multiple earner
Chorley	557	118,633	87,500	66,850	14,618	16,867	19,133	22,077
Fylde	303	138,323	103,000	85,700	18,740	21,623	22,523	25,988
Hyndburn	360	82,119	57,357	39,600	8,659	9,991	12,542	14,472
Lancaster	526	117,644	87,225	73,500	16,072	18,545	19,073	22,008
Pendle	385	77,726	43,982	30,993	6,777	7,820	9,617	11,097
Preston	585	106,817	73,988	53,688	11,740	13,546	16,179	18,668
Ribble Valley	193	143,985	106,813	81,747	17,875	20,625	23,356	26,950
Rossendale	339	93,920	65,582	47,500	10,387	11,985	14,341	16,547
South Ribble	488	119,127	93,869	80,813	17,671	20,390	20,526	23,684
West Lancashire	556	120,837	78,000	49,900	10,911	12,590	17,056	19,680
Wyre	436	128,343	91,182	73,650	16,105	18,582	19,938	23,006
Merseyside								
Knowsley	660	91,210	65,000	47,850	10,463	12,073	14,213	16,400
Liverpool	1,901	102,593	62,988	44,586	9,749	11,249	13,773	15,892
Sefton	1,172	119,833	82,720	53,600	11,721	13,524	18,088	20,871
St Helens	861	100,843	74,475	56,111	12,270	14,157	16,285	18,791
Wirral	1,300	110,094	76,938	55,300	12,092	13,953	16,824	19,412
South East								
Berkshire								
Bracknell Forest UA	556	182,365	153,500	140,000	30,613	35,323	33,565	38,729
Reading UA	766	179,080	148,000	136,250	29,793	34,377	32,363	37,342
Slough UA	543	178,152	152,500	137,350	30,034	34,654	33,347	38,477
West Berkshire UA	493	193,877	164,863	149,970	32,793	37,839	36,050	41,596
Windsor and Maidenhead UA	488	251,859	199,688	175,000	38,267	44,154	43,665	50,383
Wokingham UA	595	213,720	180,000	161,200	35,249	40,672	39,360	45,415
Buckinghamshire								
Aylesbury Vale	734	178,261	145,500	123,650	27,038	31,198	31,816	36,711
Chiltern	274	256,450	202,000	164,830	36,043	41,588	44,171	50,966
Milton Keynes UA	1,011	149,869	132,625	120,000	26,240	30,277	29,001	33,462
South Buckinghamshire	176	258,573	192,250	168,750	36,900	42,577	42,039	48,506
Wycombe	568	217,726	166,232	144,032	31,495	36,340	36,349	41,942
East Sussex								
Brighton and Hove UA	1,027	216,998	173,500	151,050	33,030	38,111	37,939	43,775
Eastbourne	363	159,993	131,250	117,100	25,606	29,545	28,700	33,115
Hastings	330	137,087	113,125	99,725	21,807	25,161	24,737	28,542
Lewes	278	192,975	154,057	131,550	28,766	33,191	33,687	38,870
Rother	273	175,644	133,250	116,398	25,452	29,368	29,137	33,620
Wealden	512	199,636	152,488	132,450	28,962	33,418	33,344	38,474

(Continued)

Schedule 3 Local house prices and incomes that single- and multiple-earner households require to purchase (continued)

Region, county and local authority	2004 house prices (£)				Annual income required to purchase (£)			
	Average for two- and three-bedroom dwellings				Lowest decile prices		Lower quartile prices	
	Sample	Mean	Lower quartile	Lowest decile	Single earner	Multiple earner	Single earner	Multiple earner
Hampshire								
Basingstoke and Deane	698	182,653	148,475	130,500	28,536	32,926	32,467	37,461
East Hampshire	352	205,846	161,307	145,350	31,783	36,673	35,272	40,699
Eastleigh	496	174,148	150,413	135,713	29,676	34,241	32,890	37,950
Fareham	457	174,695	149,932	128,325	28,060	32,377	32,785	37,829
Gosport	454	137,035	112,750	103,500	22,632	26,114	24,655	28,448
Hart	377	210,078	175,000	157,600	34,462	39,764	38,267	44,154
Havant	415	157,602	125,938	108,600	23,747	27,401	27,538	31,775
New Forest	552	200,850	155,250	136,000	29,739	34,314	33,948	39,171
Portsmouth UA	868	148,546	122,998	106,075	23,195	26,764	26,896	31,033
Rushmoor	380	172,699	150,550	135,000	29,520	34,062	32,920	37,985
Southampton UA	1,027	153,650	127,500	109,850	24,021	27,716	27,880	32,169
Test Valley	433	180,955	146,250	127,113	27,795	32,072	31,980	36,900
Winchester	352	223,035	174,375	152,600	33,369	38,502	38,130	43,996
Isle of Wight UA	501	157,468	122,750	103,500	22,632	26,114	26,841	30,971
Kent								
Ashford	540	157,189	132,000	114,325	24,999	28,845	28,864	33,305
Canterbury	570	173,820	144,500	126,875	27,743	32,012	31,597	36,458
Dartford	522	173,128	142,750	128,350	28,066	32,384	31,215	36,017
Dover	407	149,579	113,982	94,050	20,566	23,730	24,924	28,759
Gravesham	428	165,413	138,750	125,200	27,377	31,589	30,340	35,008
Maidstone	697	172,969	146,063	125,550	27,454	31,677	31,939	36,853
Medway Towns UA	1,288	141,858	117,938	103,223	22,571	26,044	25,789	29,757
Sevenoaks	434	221,885	166,813	143,000	31,269	36,080	36,476	42,088
Shepway	376	150,734	120,750	101,300	22,151	25,559	26,404	30,466
Swale	579	143,914	115,875	102,500	22,413	25,862	25,338	29,236
Thanet	446	143,164	117,500	104,998	22,960	26,492	25,693	29,646
Tonbridge and Malling	512	190,973	154,500	137,900	30,154	34,793	33,784	38,982
Tunbridge Wells	403	208,894	167,500	148,500	32,472	37,468	36,627	42,262
Oxfordshire								
Cherwell	526	167,053	138,563	122,350	26,754	30,870	30,299	34,961
Oxford	322	219,557	171,125	146,600	32,057	36,988	37,419	43,176
South Oxfordshire	418	208,132	164,063	145,850	31,893	36,799	35,875	41,394
Vale of White Horse	350	188,942	156,563	141,850	31,018	35,790	34,235	39,502
West Oxfordshire	305	194,655	158,875	146,200	31,969	36,887	34,741	40,085
Surrey								
Elmbridge	562	271,153	209,250	183,750	40,180	46,362	45,756	52,795
Epsom and Ewell	273	244,067	208,375	186,700	40,825	47,106	45,565	52,575
Guildford	502	239,229	193,438	169,000	36,955	42,640	42,298	48,806
Mole Valley	281	256,217	211,932	184,277	40,295	46,495	46,342	53,472

(Continued)

Affordability and the intermediate housing market

Schedule 3 Local house prices and incomes that single- and multiple-earner households require to purchase (continued)

Region, county and local authority	2004 house prices (£)				Annual income required to purchase (£)			
	Average for two- and three-bedroom dwellings				Lowest decile prices		Lower quartile prices	
	Sample	Mean	Lower quartile	Lowest decile	Single earner	Multiple earner	Single earner	Multiple earner
Reigate and Banstead	550	225,169	180,750	160,000	34,987	40,369	39,524	45,605
Runnymede	315	231,482	195,125	173,300	37,895	43,725	42,667	49,232
Spelthorne	452	224,792	189,250	168,950	36,944	42,627	41,383	47,749
Surrey Heath	313	215,326	176,419	159,900	34,965	40,344	38,577	44,512
Tandridge	305	227,380	182,500	158,475	34,653	39,984	39,907	46,046
Waverley	396	245,080	190,313	163,025	35,648	41,132	41,615	48,017
Woking	428	218,512	179,938	164,000	35,861	41,378	39,346	45,400
West Sussex								
Adur	229	179,698	153,288	137,425	30,050	34,673	33,519	38,676
Arun	576	176,145	141,688	125,100	27,355	31,564	30,982	35,749
Chichester	331	226,241	172,469	156,875	34,303	39,581	37,713	43,515
Crawley	372	170,349	148,938	131,125	28,673	33,084	32,568	37,578
Horsham	489	215,557	173,811	154,975	33,888	39,101	38,007	43,854
Mid Sussex	509	208,503	174,250	157,675	34,478	39,783	38,103	43,965
Worthing	522	173,212	143,313	131,500	28,755	33,178	31,338	36,159
South West								
Avon								
Bath and North								
East Somerset UA	484	191,327	140,000	120,998	26,458	30,529	30,613	35,323
Bristol UA	1,521	155,912	120,000	101,550	22,206	25,622	26,240	30,277
North Somerset UA	697	152,830	122,500	105,850	23,146	26,707	26,787	30,908
South Gloucestershire UA	1,022	150,754	126,000	110,125	24,081	27,785	27,552	31,791
Cornwall								
Caradon	281	143,972	109,625	94,978	20,769	23,964	23,971	27,659
Carrick	266	183,314	143,875	129,450	28,306	32,661	31,461	36,301
Kerrier	275	156,884	125,000	105,000	22,960	26,492	27,333	31,538
North Cornwall	224	162,371	121,500	102,180	22,343	25,781	26,568	30,655
Penwith	215	177,602	137,750	117,500	25,693	29,646	30,121	34,755
Restormel	287	153,098	125,332	109,450	23,933	27,615	27,406	31,622
Devon								
East Devon	403	175,459	135,938	122,150	26,710	30,819	29,725	34,298
Exeter	432	157,021	129,988	117,295	25,649	29,594	28,424	32,797
Mid Devon	241	155,515	127,250	105,100	22,982	26,518	27,825	32,106
North Devon	261	163,393	129,125	108,700	23,769	27,426	28,235	32,579
Plymouth UA	932	121,892	99,500	82,238	17,983	20,749	21,757	25,105
South Hams	280	200,012	142,125	120,900	26,437	30,504	31,078	35,859
Teignbridge	458	165,705	130,375	109,150	23,867	27,539	28,509	32,895
Torbay UA	542	154,340	119,975	102,050	22,315	25,748	26,235	30,271

(Continued)

Schedule 3 Local house prices and incomes that single- and multiple-earner households require to purchase (continued)

Region, county and local authority	2004 house prices (£) Average for two- and three-bedroom dwellings				Annual income required to purchase (£)			
	Sample	Mean	Lower quartile	Lowest decile	Lowest decile prices		Lower quartile prices	
					Single earner	Multiple earner	Single earner	Multiple earner
Torrridge	165	149,707	116,313	96,730	21,152	24,406	25,434	29,347
West Devon	192	179,694	125,000	108,750	23,780	27,438	27,333	31,538
Dorset								
Bournemouth UA	677	189,511	158,688	140,500	30,723	35,449	34,700	40,038
Christchurch	182	211,228	165,125	147,390	32,229	37,188	36,107	41,662
East Dorset	311	203,540	167,250	146,800	32,100	37,039	36,572	42,198
North Dorset	205	163,720	135,563	109,783	24,006	27,699	29,643	34,204
Poole UA	559	186,793	148,688	134,900	29,498	34,036	32,513	37,515
Purbeck	137	202,637	155,438	134,853	29,488	34,024	33,989	39,218
West Dorset	301	175,424	143,563	127,850	27,957	32,258	31,392	36,222
Weymouth and Portland	250	157,258	132,500	114,900	25,125	28,990	28,973	33,431
Gloucestershire								
Cheltenham	430	164,298	129,000	107,900	23,594	27,224	28,208	32,548
Cotswold	200	209,445	157,125	132,450	28,962	33,418	34,358	39,644
Forest of Dean	249	144,442	109,994	92,650	20,259	23,376	24,052	27,752
Gloucester	449	127,932	110,000	94,750	20,719	23,906	24,053	27,754
Stroud	311	171,676	133,475	110,378	24,136	27,849	29,187	33,677
Tewkesbury	260	159,365	129,250	116,400	25,453	29,369	28,263	32,611
Somerset								
Mendip	359	153,892	125,869	112,500	24,600	28,385	27,523	31,758
Sedgemoor	306	136,538	107,250	92,250	20,172	23,275	23,452	27,060
South Somerset	506	145,068	115,000	102,475	22,408	25,855	25,147	29,015
Taunton Deane	415	153,415	128,313	112,500	24,600	28,385	28,058	32,374
West Somerset	90	173,881	128,500	99,195	21,691	25,028	28,099	32,422
Wiltshire								
Kennet	246	170,657	134,982	120,853	26,427	30,492	29,516	34,057
North Wiltshire	421	164,159	130,500	112,200	24,534	28,309	28,536	32,926
Salisbury	308	182,781	147,500	131,575	28,771	33,197	32,253	37,215
Swindon UA	841	136,960	119,000	105,925	23,162	26,726	26,021	30,025
West Wiltshire	456	147,008	122,500	108,000	23,616	27,249	26,787	30,908
West Midlands								
Hereford and Worcs								
Bromsgrove	304	165,756	128,000	112,000	24,491	28,258	27,989	32,295
Herefordshire UA	472	154,550	117,500	98,050	21,440	24,739	25,693	29,646
Malvern Hills	198	163,926	130,500	111,321	24,342	28,087	28,536	32,926
Redditch	282	123,558	98,963	76,888	16,813	19,399	21,640	24,969
Worcester	424	136,948	116,625	100,000	21,867	25,231	25,502	29,425
Wychavon	343	159,212	125,500	97,575	21,336	24,619	27,443	31,665
Wyre Forest	361	129,711	105,600	91,750	20,063	23,149	23,091	26,644

(Continued)

Affordability and the intermediate housing market

Schedule 3 Local house prices and incomes that single- and multiple-earner households require to purchase (continued)

Region, county and local authority	2004 house prices (£)				Annual income required to purchase (£)			
	Average for two- and three-bedroom dwellings				Lowest decile prices		Lower quartile prices	
	Sample	Mean	Lower quartile	Lowest decile	Single earner	Multiple earner	Single earner	Multiple earner
Shropshire								
Bridgnorth	130	153,673	120,250	90,000	19,680	22,708	26,295	30,340
North Shropshire	166	143,979	107,494	92,500	20,227	23,338	23,505	27,122
Oswestry	135	122,038	93,563	76,354	16,696	19,265	20,459	23,607
Shrewsbury and Atcham	342	143,596	119,607	100,550	21,987	25,370	26,154	30,178
South Shropshire	93	173,691	120,363	98,700	21,582	24,903	26,319	30,369
Telford and the Wrekin UA	575	111,130	87,119	72,000	15,744	18,166	19,050	21,981
Staffordshire								
Cannock Chase	199	110,441	90,063	77,240	16,890	19,488	19,694	22,724
East Staffordshire	415	114,875	84,813	66,243	14,485	16,714	18,546	21,399
Lichfield	379	148,302	107,250	84,900	18,565	21,421	23,452	27,060
Newcastle-under-Lyme	846	120,232	76,250	52,025	11,376	13,126	16,673	19,238
South Staffordshire	515	132,175	100,875	82,988	18,147	20,939	22,058	25,452
Stafford	497	129,603	105,225	82,750	18,095	20,878	23,009	26,549
Staffordshire Moorlands	513	119,254	88,475	72,800	15,919	18,368	19,347	22,323
Stoke-on-Trent UA	1,240	82,235	57,500	42,500	9,293	10,723	12,573	14,508
Tamworth	228	123,469	98,988	86,860	18,993	21,915	21,645	24,975
Warwickshire								
North Warwickshire	251	134,606	109,244	90,750	19,844	22,897	23,888	27,563
Nuneaton and Bedworth	428	110,109	84,627	69,999	15,306	17,661	18,505	21,352
Rugby	335	134,199	106,688	87,700	19,177	22,127	23,329	26,918
Stratford-on-Avon	413	185,828	135,250	116,738	25,527	29,454	29,575	34,125
Warwick	455	175,590	146,000	124,700	27,268	31,463	31,925	36,837
West Midlands								
Birmingham	3,046	124,139	90,563	74,275	16,241	18,740	19,803	22,850
Coventry	976	111,949	88,500	75,725	16,559	19,106	19,352	22,329
Dudley	1,027	113,611	89,363	70,150	15,339	17,699	19,541	22,547
Sandwell	961	99,863	78,563	64,000	13,995	16,148	17,179	19,822
Solihull	643	163,672	129,994	87,475	19,128	22,071	28,425	32,798
Walsall	848	102,794	74,488	58,285	12,745	14,706	16,288	18,794
Wolverhampton	781	93,919	65,500	46,488	10,165	11,729	14,323	16,526
Yorkshire and Humber								
Humberside								
East Riding of								
Yorkshire UA	1,144	117,807	92,500	73,900	16,159	18,646	20,227	23,338
Kingston upon Hull UA	820	71,900	49,500	36,975	8,085	9,329	10,824	12,489
North East Lincolnshire								
UA	557	85,246	56,500	42,200	9,228	10,647	12,355	14,255

(Continued)

Schedule 3 Local house prices and incomes that single- and multiple-earner households require to purchase (continued)

Region, county and local authority	2004 house prices (£)				Annual income required to purchase (£)			
	Average for two- and three-bedroom dwellings				Lowest decile prices		Lower quartile prices	
	Sample	Mean	Lower quartile	Lowest decile	Single earner	Multiple earner	Single earner	Multiple earner
North Lincolnshire UA	522	93,999	70,000	55,000	12,027	13,877	15,307	17,662
North Yorkshire								
Craven	163	141,562	102,169	87,378	19,107	22,046	22,341	25,778
Hambleton	260	172,005	124,250	101,200	22,129	25,534	27,169	31,349
Harrogate	608	168,240	128,500	110,500	24,163	27,880	28,099	32,422
Richmondshire	131	147,051	102,875	88,500	19,352	22,329	22,495	25,956
Ryedale	118	166,555	122,938	99,750	21,812	25,168	26,882	31,018
Scarborough	325	130,120	96,438	81,143	17,743	20,473	21,088	24,332
Selby	247	125,934	96,613	78,999	17,274	19,932	21,126	24,376
York UA	738	152,725	127,625	110,000	24,053	27,754	27,907	32,201
South Yorkshire								
Barnsley	949	86,519	59,000	46,238	10,111	11,666	12,901	14,886
Doncaster	1,134	91,250	62,857	45,000	9,840	11,354	13,745	15,859
Rotherham	1,052	86,001	60,994	42,075	9,200	10,616	13,337	15,389
Sheffield	1,811	103,760	70,000	51,725	11,311	13,051	15,307	17,662
West Yorkshire								
Bradford	1,728	96,835	63,500	42,998	9,402	10,849	13,885	16,022
Calderdale	715	107,511	72,500	51,850	11,338	13,082	15,853	18,292
Kirklees	1,312	104,223	77,750	55,000	12,027	13,877	17,001	19,617
Leeds	2,566	122,110	89,566	65,000	14,213	16,400	19,585	22,598
Wakefield	1,204	96,775	71,498	56,500	12,355	14,255	15,634	18,039
Scotland								
Aberdeen City	718	105,048	73,375	57,500	12,573	14,508	16,045	18,513
Aberdeenshire	567	86,719	63,625	47,900	10,474	12,086	13,913	16,053
Angus	370	78,393	50,500	41,500	9,075	10,471	11,043	12,742
Argyll and Bute	230	92,240	55,000	44,275	9,681	11,171	12,027	13,877
Clackmannanshire	172	79,609	57,250	45,300	9,906	11,430	12,519	14,445
Dumfries and Galloway	431	88,714	65,000	49,050	10,726	12,376	14,213	16,400
Dundee City	446	78,515	53,750	40,000	8,747	10,092	11,753	13,562
East Ayrshire	435	74,432	50,000	39,275	8,588	9,909	10,933	12,615
East Dunbartonshire	405	125,491	90,125	69,950	15,296	17,649	19,707	22,739
East Lothian	308	122,212	90,375	79,550	17,395	20,071	19,762	22,802
East Renfrewshire	356	134,486	92,500	71,700	15,678	18,090	20,227	23,338
Edinburgh, City of	1,969	165,804	111,538	85,775	18,756	21,642	24,390	28,142
Falkirk	627	78,047	56,000	45,000	9,840	11,354	12,245	14,129
Fife	1,198	84,204	56,500	46,000	10,059	11,606	12,355	14,255
Glasgow City	1,928	113,914	72,500	54,050	11,819	13,637	15,853	18,292
Highland	635	86,769	62,787	48,500	10,605	12,237	13,729	15,842
Inverclyde	238	87,974	55,688	45,075	9,856	11,373	12,177	14,051

(Continued)

Affordability and the intermediate housing market

Schedule 3 Local house prices and incomes that single- and multiple-earner households require to purchase (continued)

Region, county and local authority	2004 house prices (£)				Annual income required to purchase (£)			
	Average for two- and three-bedroom dwellings				Lowest decile prices		Lower quartile prices	
	Sample	Mean	Lower quartile	Lowest decile	Single earner	Multiple earner	Single earner	Multiple earner
Midlothian	294	112,179	83,500	71,600	15,657	18,065	18,259	21,068
Moray	299	74,284	56,250	45,500	9,949	11,480	12,300	14,192
North Ayrshire	502	73,890	48,500	40,000	8,747	10,092	10,605	12,237
North Lanarkshire	1,177	74,004	52,873	41,500	9,075	10,471	11,562	13,340
Orkney Islands	36	78,705	59,000	49,700	10,868	12,540	12,901	14,886
Perth and Kinross	519	96,183	65,000	50,250	10,988	12,678	14,213	16,400
Renfrewshire	625	92,477	65,375	46,675	10,206	11,776	14,295	16,495
Scottish Borders, The	277	92,142	59,375	47,125	10,305	11,890	12,983	14,981
Shetland Islands	54	64,363	48,875	36,400	7,959	9,184	10,687	12,332
South Ayrshire	422	100,158	68,000	52,000	11,371	13,120	14,869	17,157
South Lanarkshire	1,284	87,702	62,500	47,425	10,370	11,966	13,667	15,769
Stirling	312	109,315	72,500	57,950	12,672	14,621	15,853	18,292
West Dunbartonshire	360	85,465	59,000	43,150	9,435	10,887	12,901	14,886
West Lothian	706	89,048	67,000	55,450	12,125	13,990	14,651	16,905
Western Isles	48	60,868	47,125	41,000	8,965	10,345	10,305	11,890
Wales								
Blaenau Gwent	272	66,939	47,500	37,500	8,200	9,462	10,387	11,985
Bridgend	612	98,708	76,100	58,000	12,683	14,634	16,641	19,201
Caerphilly	788	90,508	68,488	53,500	11,699	13,498	14,976	17,280
Cardiff	1,288	142,773	112,500	87,475	19,128	22,071	24,600	28,385
Carmarthenshire	631	95,079	70,000	53,000	11,589	13,372	15,307	17,662
Ceredigion	167	128,175	94,000	76,700	16,772	19,352	20,555	23,717
Conwy	421	126,314	92,500	73,200	16,006	18,469	20,227	23,338
Denbighshire	356	108,821	82,000	58,785	12,854	14,832	17,931	20,689
Flintshire	734	111,865	84,982	65,000	14,213	16,400	18,583	21,442
Gwynedd	427	111,536	72,813	55,250	12,081	13,940	15,922	18,371
Isle of Anglesey	237	102,394	67,375	45,750	10,004	11,543	14,733	16,999
Merthyr Tydfil	249	65,251	48,563	38,125	8,337	9,619	10,619	12,253
Monmouthshire	252	147,084	112,500	101,000	22,085	25,483	24,600	28,385
Neath Port Talbot	532	77,168	54,500	39,075	8,544	9,859	11,917	13,751
Newport	474	110,588	85,000	64,509	14,106	16,276	18,587	21,446
Pembrokeshire	346	120,524	83,000	61,745	13,502	15,579	18,149	20,942
Powys	400	115,200	79,000	60,500	13,229	15,265	17,275	19,932
Rhondda, Cynon, Taff	928	78,354	51,813	38,488	8,416	9,711	11,330	13,073
Swansea	826	104,073	75,975	58,700	12,836	14,810	16,613	19,169
Torfaen	276	92,435	67,500	52,500	11,480	13,246	14,760	17,031
Vale of Glamorgan, The	465	138,019	105,125	85,000	18,587	21,446	22,987	26,524
Wrexham	612	104,474	75,000	55,600	12,158	14,028	16,400	18,923

Source : house prices from Survey of Mortgage Lenders.

Appendix 3

Can work; can't buy

This earlier study of housing market affordability in 2002 followed broadly the same methodology as the current study, and provided local analyses for every local authority area in England, showing both average house price to income ratios and the proportions of working households unable to purchase at lower quartile prices for dwellings with four/five habitable rooms. Like the current study, the focus was on younger households, aged 20 to 39.

The 2002 study relied on Halifax house price data, as, at that time, the sample size of the Survey of Mortgage Lenders was insufficient to provide robust data at local authority level. However the Halifax data was not itself ideal, as it was necessary to use local 1998 house price data uprated by regional indexes to 2002 levels, as Halifax was no longer able to provide local authority (rather than post town) data.

The 2002 study used earnings data based on local residence from the New Earnings Survey, and a combination of 1991 Census and more recent Labour Force Survey data on the numbers of working households with one or more earners in each area. As with the current study, regional household income data from the Expenditure and Food Survey provided a control for the computations of local household incomes.

The 2002 study also included a specific analysis of the ability of specified 'key workers' to purchase in each local authority area, based on typical earnings levels for each profession, taking into account levels of 'London weighting' and similar high housing cost supplements to national pay scales. The four key worker groups analysed were nurses, police officers, social workers and teachers.

The study found the following.

- House price to household income ratios for working households exceeded five to one in 33 areas. The highest ratios were in

Westminster, Camden, Islington, Kensington and Chelsea, Hackney and Purbeck in Dorset.

- Less than one in five working households could afford to buy at lower quartile prices in 19 areas. The least affordable areas were Westminster, Purbeck, Camden, Portsmouth, Hammersmith and Fulham and Islington.
- Access to home ownership was most problematic in London, with house price to household income ratios lower than four to one in only three areas: City of London, Barking and Dagenham and Merton. Only in six areas could more than 30 per cent of all working households afford to buy at lower quartile house prices.
- Outside London, access to home ownership was more problematic in the South West than in the South East. House price to household income ratios exceeded five to one in 12 areas in the South West, one area in the South East and four areas in the East region. Less than one in five working households could afford to buy at lower quartile house prices in nine areas of the South West, compared to only three areas in the South East and East regions.
- Affordability issues for key workers, however, were most acute in London and the South East. This is because their earnings were based on national pay scales, and London and other related salary supplements were insufficient to offset the higher housing costs in those areas. In 46 areas even a dual-earner key worker couple could not afford to buy at lower quartile house prices.

Affordability and the intermediate housing market

Table A3.1 House prices and affordability, quarter 4, 2002

Region	House prices		Working household incomes (£pa)	House price to average income ratio	Households unable to purchase at lower quartile house prices	
	Lower quartile (£)	Average (£)			No.	%
London	169,350	221,537	46,288	4.79	644,476	76.0
South East	124,596	152,555	38,478	3.96	564,389	63.9
South West	100,979	124,508	29,626	4.20	350,543	67.9
Eastern	102,717	125,154	33,819	3.70	361,299	59.2
West Midlands	74,793	94,402	31,857	2.96	183,908	35.8
East Midlands	71,257	88,724	29,350	3.02	188,679	41.9
North East	46,344	62,089	27,405	2.27	56,196	22.7
North West	53,081	69,372	28,625	2.42	173,243	24.6
Yorkshire and Humber	52,489	66,958	27,832	2.41	126,571	23.8
England	91,925	115,181	34,197	3.37	2,649,304	49.9

Table A3.2 Key worker incomes relative to income needed to purchase

Authority	Region	2004 price, quarter 4 (£)	Income required to purchase (£)	Income of key workers as a percentage of income required to purchase				
				Teacher (%)	Police officer (%)	Social worker (%)	Nurse (%)	Average case (%)
<i>Top ten</i>								
Kensington and Chelsea	London	425,475	134,734	20.0	21.6	16.7	17.0	18.8
Camden	London	314,740	99,668	27.0	29.3	22.6	23.0	25.5
Westminster	London	310,482	98,319	27.4	29.7	22.9	23.3	25.8
Hammersmith and Fulham	London	283,235	89,691	30.0	32.5	25.1	25.6	28.3
City of London	London	239,616	75,879	35.5	38.4	28.0	30.3	33.0
Islington	London	239,616	75,878	35.5	38.4	29.7	30.3	33.5
Richmond upon Thames	London	220,438	69,805	37.1	41.8	30.4	31.9	35.3
Wandsworth	London	213,467	67,598	39.9	43.1	33.3	34.0	37.6
Mole Valley	South East	179,903	56,969	43.2	43.9	35.5	34.1	39.2
Windsor and Maidenhead UA	South East	179,229	56,756	43.4	44.0	35.7	35.5	39.6

Note: based on lower quartile house prices for dwellings with four/ five habitable rooms and a three to one house price to income multiple

Table A3.1 sets out the main regional affordability results from the 2002 study, while Table A3.2 shows the ten local authority areas where key workers faced the greatest difficulties in accessing home ownership.

An interim follow-up study for the Joseph Rowntree Foundation in 2003 made the first use of local house price data from the Survey of Mortgage Lenders to show house price to income ratios for every local authority area in England. A related paper showed the same results for each local

authority area in Wales. Because of restrictions applied at that time on the use of New Earnings Survey data local earnings data was derived instead from the Inland Revenue. As with the earlier study, the focus was on younger working households and the analyses were based on household incomes rather than on individual earnings.

Both the 2002 and 2003 reports can be found on the Joseph Rowntree Foundation's website.

