



# Housing supply and lack of affordability

PETER BILL, CO-AUTHOR, BROKEN HOMES; FAULTS, FACTOIDS AND FIXES

y-first century is proposed.



PETER  
BILL &  
JACKIE  
SADEK

BROKEN  
HOMES





# New supply: private sector

## **Completions: England, March 2013–19**

COMPLETIONS	13	14	15	16	17	18	19
Barratt	13,663	14,838	16,047	17,319	17,395	17,856	17,579
Persimmon	9,903	11,528	13,509	14,572	15,171	16,043	16,449
Taylor Wimpey	10,886	11,665	12,458	13,470	14,112	14,688	15,275
Bellway	5,652	6,851	7,752	8,721	9,644	10,307	10,892
Redrow	2,827	3,597	4,022	4,716	5,416	5,718	6,443
Countryside	1,560	2,034	2,364	2,657	3,389	4,295	5,733
TOP SIX	44,491	50,513	56,152	61,455	65,127	68,907	72,371
OTHERS	64, 194	69,526	84,333	80,230	82,120	92,273	101,289
TOTAL	108,685	120,039	140,485	141,685	147,247	161,180	173,660

*Source: company accounts and ONS data*

# No more supply from private sector

## Land banks, land supply, outlets, sales per outlet per week (SPOW)

	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2018/19
	Plots		Land supply, years		Outlets		SPOW
Barratt	79,432	80,022	4.8	4.7	380	379	0.7
Persimmon	98,445	99,098	6.1	6	375	360	0.75
Taylor Wimpey	74,849	76,000	5.4	5.1	288	256	0.8
Bellway	41,077	42,721	2.4	2.4	247	268	1.2
Redrow	27,630	31,500	4.8	4.9	124	129	0.96
Countryside	19,778	24,304	4.6	4.2	53	56	0.84
Totals	341,211	353,645			1,467	1,448	

*Source: company accounts*

# New supply: public sector

## **Affordable homes: by tenure, England**

Type	2011	2012	2013	2014	2015	2016	2017	2018	2019
Social Rent	39,562	37,677	17,580	10,924	9,331	6,798	5,895	6,679	6,287
Affordable Rent	..	1,146	7,180	19,948	40,860	16,549	24,373	27,084	30,137
Intermediate Rent	4,523	2,055	1,340	1,294	1,105	1,697	941	811	1,401
Shared Ownership					11,128	4,084	9,021	11,084	17,024
Affordable Owner	17,004	17,465	16,975	10,912	3,535	3,486	1,968	1,466	2,636
ALL	61,089	58,343	43,075	43,078	65,959	32,614	42,198	47,124	57,485

*Source: ONS*



# New supply: top housing associations

## Housing association size by completions 2018/19

	Completions	Social	Afford- able	<del>Low-cost</del> <del>data</del>	Low-cost ownership	For sale	Private rent
Top ten							
L&Q	2,862	255	641	29	657	757	523
Places for People	1,876	212	401	34	204	696	329
Notting Hill Genesis	1,856	183	241	0	617	95	720
Home Group	1,660	4	731	0	554	371	0
Platform Housing							
Group	1,598	458	681	0	459	0	0
Sovereign	1,420	241	639	0	530	70	0
Orbit	1,266	189	544	0	343	190	0
Clarion	1,243	13	641	0	454	135	0
Bromford	1,236	240	501	30	431	34	0
Aster	1,156	156	444	0	453	103	0
	16233	1951	5464	93	4702	2451	1572
% of each tenure		12%	33%	1%	29%	15%	10%

# Affordability

## Who can afford what?

Quntile (20% bands) by earnings	Bottom	1st	2nd	3rd	Top
Number of individuals in the population - millions	13.4	13.4	13.2	13.0	12.9
Number of households - millions	6.2	6.0	5.6	5.3	5.4
Disposable income 2020/21	£13,804	£22,194	£30,148	£40,779	£62,399
Afford 33% on mortgage	£4,601	£7,398	£10,049	£13,593	£20,800
Monthly mortgage cost	£383	£617	£837	£1,133	£1,733

## How much can they borrow?

Mortgage	Drop dead	£75,000	£135,000	£193,000	£296,000
deposit	Forget it	£5,000	£5,000	£10,000	£10,000
<b>Afford to buy</b>	<b>Drop dead</b>	<b>£80,000</b>	<b>£140,000</b>	<b>£203,000</b>	<b>£306,000</b>



# Affordability: public sector

- ▶ **Clarion Housing**

- ▶ Clapham 1-bed flat – FROM **£1,140 month** to rent
- ▶ Manchester - 35% share of flat in Media City **FROM £53,900.**
- ▶ Weatherby 35% share of flat **FROM £89,250**
- ▶ York - Cocoa Works STUDIO flat for sale - **£174,000**

- ▶ **Network Homes**

- ▶ 1-bed Colindale - rent **FROM £911 month**

- ▶ **Notting Hill 'Folio' collection**

- ▶ 'Brand new luxury living' at Barking – **2-bed flat £1,550 pm**
- ▶ 2-bed flats in Peckham – **FROM £1,550 pm.**
- ▶ 3-bed Homerton - rent **£1,800 per month**
- ▶ 1 bed Canary Wharf – **£1,105 per month**





# Affordability: marketing pitch

*“Residents get to enjoy a range of exclusive services and amenities making work, life and play seamless. Co-working spaces in the building feature both long tables and meeting pods. This means that there is space both for those needing more private areas and those who want to mingle while working. There is no need to leave home for your barista coffee. Through our Club you can sign in to the Top Brewer app. With their countertop services, freshly ground beans will deliver the perfect cappuccino to you directly.”*