

End the housing crisis within a generation

The housing crisis across the Core Cities has been decades in the making. There is no 'one size fits all' approach to fix it, but the crisis can be solved if the political will is there.

Our biggest cities have a vital role to play in resolving the national housing crisis. They have the political will to accommodate growth; can provide highly sustainable residential locations that will minimise the need for travel; and they have the infrastructure, jobs and vibrancy that are integral to creating strong communities where people want to live, work and play. Without tackling the need for more and better homes, and for regeneration and neighbourhood renewal, the Core Cities will not achieve their full potential for improving national wealth.

Housing associations already provide almost 215,000 homes across the eight English Core Cities, and invest in a vast range of neighbourhood projects that support and create strong vibrant communities. They own and manage a range of low cost homes for ownership and affordable rent, as well as delivering specialist services. But they can do so much more through working with the Core Cities to drive change.

The Core Cities, working in partnership with housing associations, have the vision, local knowledge and ambition to make a major contribution to ending the housing crisis. To fulfil this potential they need greater local control and supportive policies and programmes from central government, as well as greater freedoms and flexibilities to implement them.

Population growth and demographic changes, as well as economic restructuring and austerity, have all contributed to the crisis we face today. However, it has primarily been created by the failure of successive governments to tackle the country's major housing challenges of supply and regeneration. To end the housing crisis once and for all, political parties need to be bold and look beyond the lifetime of the next parliament.

In the run-up to the General Election, we are calling on all political parties to commit to end the housing crisis within a generation. We want the next government to publish a long-term plan within a year of taking office that sets out how it will achieve this.

The Core Cities Group promotes the role of the cities at the heart of the UK's largest urban areas outside London: Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield. Working in partnership, the Core Cities aim to help each city grow their economies and jobs, improve people's lives, and make their cities better places to live, work, visit and do business. The Core Cities Group has a track record of 20 years, and is led by a Cabinet of the political leaders of the ten cities.

The National Housing Federation is the voice of affordable housing in England. We believe that everyone should have the home they need at a price they can afford. That's why we represent the work of housing associations and campaign for better housing.

Our members provide two and a half million homes for more than five million people. And each year they invest in a diverse range of neighbourhood projects that help create strong, vibrant communities. Housing associations are dynamic social enterprises that generate and reinvest profit to meet social purposes. Building and managing homes across all tenures, for all income groups, housing associations also deliver a range of health, education and employment services.

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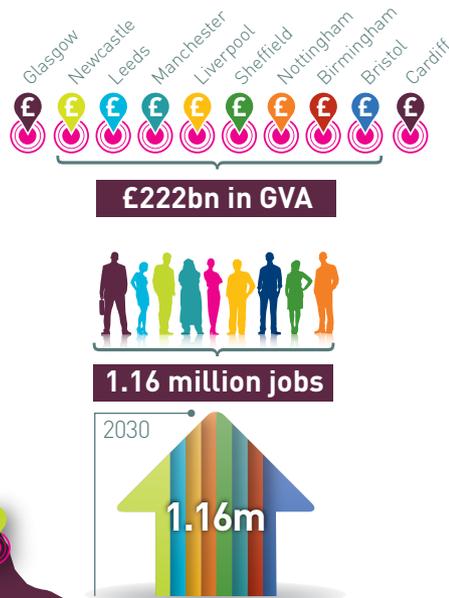
Housing Monitor

CORE CITIES HOME TRUTHS

Let's end the housing crisis within a generation



If the eight English Core City urban areas performed at the national average, they would generate an extra **£222bn** in GVA and **1.16 million** jobs by 2030⁵. With the addition of Cardiff and Glasgow, the impact would be even greater.



The ten UK Core Cities and their metropolitan areas deliver 25% of Great Britain's wealth¹. Due to the availability of data this report focuses on the eight English Core Cities, although Cardiff and Glasgow face many of the same issues. England's Core Cities are the eight largest city economies outside London. Together, they produce 11% of England's Gross Value Added (GVA)², are home to 153,000 businesses³ and provide 2.4 million jobs⁴.

These are strong, confident cities that share the long-term objective of outperforming the national economy and becoming financially self-sustaining. If the eight Core City urban areas performed at the national average, they would generate an extra £222bn in GVA and 1.16 million jobs by 2030⁵. With the addition of Cardiff and Glasgow, the impact would be even greater.

Each Core City aims to offer the range, choice and quality of housing needed to attract and retain a skilled workforce to support and stimulate a growing city-region economy. However, there are significant differences between and within the housing markets in the Core Cities, which also set them apart from other parts of the country.

Long-term failure to build enough homes across the country, and to invest in areas needing regeneration, means access to good quality housing is a growing issue for the Core Cities. Some Core Cities require a greater range of housing type and choice. Higher end properties are needed just as much as investment in lower demand areas. Similarly, many Core Cities have highly desirable residential locations as well as areas requiring significant remodelling and regeneration. Therefore localised solutions are needed, rather than a simplistic one-size fits all approach.

¹ Office for National Statistics (ONS), Gross Value Added (GVA), 2014.

² GVA for 2013. ONS, GVA, 2014.

³ Business Units 2014. ONS, UK Business Activity, Size and Location, 2014

⁴ Employee Jobs 2013. ONS, Business Register and Employment Survey (BRES), 2014.

⁵ Oxford Economics for Core Cities 2012, cited in Competitive Cities, Prosperous People: A Core Cities Prospectus for Growth, 2012.

What's the problem with housing in the English Core Cities?

The Core Cities are home to 8% of England's population, while their wider urban areas account for around 29%. They have seen steep population increases in recent years, growing by 11% or 430,900 between 2001 and 2013, above the England average of 9%⁷.



Housing affordability is a problem for all of the Core Cities. Proportionally they have fewer home owners (52%) compared to the national average (63%), and growth in home ownership has stalled over the past decade⁸. In Bristol, the average house price is almost nine times the average local income, and in Birmingham, Leeds, Manchester, Newcastle and Sheffield it is around seven times. In Nottingham and Liverpool, the problem is less acute, with house prices at around five and half times local salaries.

Across the Core Cities, the average local wage is just £23,508 – significantly lower than the England average of £26,520. As home ownership moves further out of reach, families are often restricted to short-term tenancies of varied quality that offer little stability. On average, 20.4% of households in Core Cities are living in the private rented sector, significantly higher than the England average of 16.8%.

Housing associations continue to diversify their businesses, by increasing the range of low cost homes for rent and purchase, enabling more people to access a home that they can afford. Major investment by housing associations has also dramatically improved housing standards over the past few decades. But housing quality within the private rented sector continues to be a concern in many cities.

Throughout England and Wales there has been a dramatic increase in private renting (up 82% between 2001 and 2011), while the proportion of households owning their own property or renting from a social landlord has remained static⁹. Private renters in some areas are paying a high percentage of their wages for a roof over their heads. An increasing proportion of workers are forced to claim benefits to meet their housing costs, with 18% of housing benefit claimants in the Core Cities in employment. Without access to affordable homes, people are increasingly falling into a poverty trap.

Nearly a third of neighbourhoods in the Core Cities fall into the most deprived 10% of neighbourhoods in England¹⁰ – a stark contrast to their revitalised city centres, large economies and thriving universities. Such concentrations of poverty create complex needs and mean additional costs for housing associations and local authorities. Many of these neighbourhoods are characterised by ageing and poor quality housing stock, often in desperate need of regeneration. Economic viability is a major barrier to addressing these issues. There are also severe challenges to new development, particularly the additional costs associated with using brownfield sites for housing, compared to greenfield development.

Contrasting housing markets within the cities mean that balanced and often complex local solutions are needed to ensure housing needs are met, while also supporting ongoing economic success.

⁶ ONS, mid-year population estimates for 2013.

⁷ ONS, mid-year population estimates for 2013.

⁸ ONS, 2011 Census.

⁹ ONS, 2011 Census.

¹⁰ Indices of Multiple Deprivation, 2010. Measured as the percentage of lower super output areas in each local authority that are within the 10% most deprived in England and Wales.



Core Cities Housing Monitor

Area	Population (mid year estimate) 2013	Population change 2001-2013 (%)	Total number of homes, 2013	Total housing association rented homes in 2013	Total local authority or ALMO rented homes in 2013	% of households living in owner occupation or shared ownership	% of households living in social rented homes	% of households living in private rented homes	% of households living rent free	Mean house prices in 2013 (£)	Mean annual resident earnings in 2013 (£)	Ratio of house prices to incomes in 2013	Mean monthly private sector rents in 2013/2014 (£)	Percentage of area within national 10% most deprived in 2010	% of housing benefit claimants in employment in May 2014	% of second homes of total number of properties in 2013	Long-term vacant homes in 2013
Birmingham	1,092,300	107,700 (10.9%)	426,190	40,503	27,854	55.2%	24.2%	17.9%	1.7%	160,546	23,733	6.8	592	39.2%	19.6%	1.0%	3,665
Bristol	437,500	47,400 (12.2%)	191,060	11,655	63,891	54.0%	20.3%	23.5%	1.4%	218,638	24,622	8.9	814	12.7%	20.5%	0.7%	1,283
Leeds	761,500	45,900 (6.4%)	335,310	16,014	57,662	58.2%	22.0%	17.9%	1.5%	172,411	24,627	7.0	819	19.4%	18.7%	0.6%	3,292
Liverpool	470,800	28,900 (6.5%)	215,990	58,434	0*	46.9%	27.8%	23.4%	1.3%	126,864	23,582	5.4	424	50.8%	13.3%	0.1%	3,575
Manchester	514,400	91,500 (21.6%)	216,630	52,017	16,711	37.8%	31.6%	28.4%	1.6%	150,588	21,663	7.0	575	45.5%	19.1%	2.7%	2,661
Newcastle	286,800	20,600 (7.7%)	122,220	9,419	26,628	49.5%	29.7%	19.1%	1.3%	169,887	24,773	6.9	478	24.8%	16.9%	3.4%	978
Nottingham	310,800	41,900 (15.6%)	132,420	9,730	27,636	45.1%	29.7%	23.1%	1.5%	119,511	21,091	5.7	503	25.6%	16.6%	0.4%	1,238
Sheffield	560,100	47,000 (9.2%)	238,010	17,188	41,059	58.3%	24.8%	15.6%	1.0%	154,876	22,422	6.9	522	22.5%	15.2%	0.6%	2,409
English Core Cities	4,434,200	430,900 (10.8%)	1,877,830	214,960	261,441	52.0%	25.5%	20.4%	1.5%	164,249	23,508	7.0	619	30.1%	17.8%	1.1%	19,101
ENGLAND	53,865,800	4,416,100 (8.9%)	23,236,000	2,392,124	1,682,000	63.3%	17.7%	16.8%	1.3%	251,879	26,520	9.5	720	10.0%	22.5%	1.1%	216,050
Source note	1	1	2	3	4	5	5	5	5	6	7	8	9	10	11	12	13

Sources

- 1 Office for National Statistics, (mid year estimate) 2013
- 2 Department for Communities and Local Government (DCLG) Live Table 100
- 3 Homes and Communities Agency, Statistical Data Return, 2013
- 4 DCLG, Live table 116 (apart from Liverpool figure, sourced from Liverpool Council) Areas in National Deprivation Percentiles
- 5 ONS, Census 2011 via NOMIS
- 6 Land Registry, Sales data 2013
- 7 ONS, Annual Survey of Hours and Earnings (ASHE) 2013
- 8 Land Registry Sales data 2013 and ONS Annual Survey of Hours and Earnings (ASHE) 2013
- 9 Valuation Office Agency (VOA), Private Rental Market Statistics, year to March 2014
- 10 DCLG, Overall Indices of Multiple Deprivation 2010, percentage of Lower Super Output Areas in National Deprivation Percentiles
- 11 Department for Work and Pensions (DWP) Housing Benefit statistics (Stat-Xplore)
- 12 DCLG, Council Taxbase Local Authority level data 2013
- 13 DCLG, Live Table 615