



Devon's  
**Housing  
Evidence**

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# Key Facts

## *Affordability Ratios are High*

- Lowest Quartile Incomes: In 2004 the lower quartile house prices in the County of Devon were 8.6 times the lower quartile earnings. In South Hams this increases to 12 times and in Torridge 10.4 times.

This is based on lower quartile average salary of £14,003 and the average of Flats & Terraced House price in Devon of £121,165.<sup>1</sup>

- Average Incomes: In 2004 the lower quartile house prices in the County of Devon were 7.2 times the average full time earnings.<sup>2</sup>  
*(Note: The lower quartile house price has been used as an equivalent proxy for first time buyers)*

## *House Prices are High*

- Assuming a mortgage on 3.5 times salary and a 5% deposit, in 2004 the average salary needed for an average house in Devon was £55,610. This compared with £49,205 in England.<sup>2</sup>
- Average house prices in Devon have increased by 131% between 1999 and 2004 compared to 84% in England.<sup>2</sup>

## *Salaries are Low*

- Average full time (mean) earnings per week are roughly 20% below the national average.<sup>3</sup>

## *Demand is Increasing*

- Demand for affordable housing has increased with Local Authority Housing Registers increasing by 48.7% in the 5 years from 1999 to 2004 (11,687 to 17,384 respectively).<sup>4</sup>
- The demand for all housing is increasing with a net, average growth in population of 4,400 every year.<sup>5</sup>
- The current county Forward Planning target is for 4,300 new dwellings of all tenure types each year.<sup>6</sup>
- The county Forward Planning target is likely to increase to 5,668 each year, (an increase on 32% on current planning targets) as part of the review process for the new Regional Spatial Strategy as at 19 December 2005.

## Supply Is Not Keeping Up With Demand

### Losses

- 16,894 Right to Buy sales have taken place in Devon between 1 April 1979 and 31 March 2004.<sup>4</sup>
- 11,108 of all dwellings in Devon are second residences or holiday homes.<sup>8</sup>

### Gains

- 19,819 new dwellings (of all tenure types) have been completed between 2001 and 2005.<sup>7</sup>
- 1,195 social rented and shared ownership dwellings were allocated funding by The Housing Corporation for new affordable homes in the two years between 2004 and 2006. (This excludes dwellings delivered without grant through the planning system).<sup>9</sup>

### Sources

1. Devon County Council based on ASHE and Land Registry data for 2004. This has been subject to additional analysis to obtain comparisons with lower quartile earnings and to obtain a Devon wide ratio, including Plymouth and Torbay.
2. National Housing Federation based on ASHE and Land Registry data for 2004. This has been subject to additional analysis to obtain comparisons with lower quartile earnings and to obtain a Devon wide ratio, including Plymouth and Torbay.
3. Annual Survey of Hours and Earnings (ASHE) 2004.
4. ODPM Statistics
5. Office for National Statistics
6. Devon County Structure Plan/RPG10.
7. Devon County Council Housing Statistics
8. Census 2001.
9. Housing Corporation South West: Allocation Statement 2004/05 and 2005/06<sup>1</sup>.

## Overview of Devon

- Devon is the third largest county in England in terms of hectares.
- The 2004 population was 1,101,600.
- The administration of Devon is a two tier authority with Devon County Council, 8 Districts or Boroughs and 2 Unitary authorities in Torbay and Plymouth

# How Affordable is Devon's housing?

The data in this section has been based on the Annual Survey of Hours and Earnings (ASHE) and Land Registry data for 2004. The data used by the National Housing Federation in their publication South West Housing Crisis 2004 has been subject to some further analysis in order to obtain a Devon wide ratio, including Plymouth and Torbay. The term Devon in this section refers to the Devon County Council administration area unless it is clearly indicated that further analysis has been carried out to produce a figure for the whole geographical County including Plymouth and Torbay.

Further analysis was carried out by Devon County Council to obtain comparisons with lower quartile earnings rather than average earnings. This is because lower quartile housing is a more useful proxy for first time buyers housing. In the analysis for lower quartile earnings, land registry data for each house was obtained by postcode and average house price data was based on the number of sales in 2003/04. The average lower quartile earnings figure for Devon including Plymouth and Torbay is calculated from ASHE 2004. There is some variation in the resulting data between the NHF evidence and this report resulting from changes in the Land Registry data as it has been updated over time.

## **Average house prices have increased significantly and at a greater rate than the average for England**

Land Registry data indicates that average house prices in Devon have risen by almost 143% between 1999 and 2004 compared to an increase of 95% in England and Wales. In Devon average house prices increased from £96,793 in 2000 to £199,060 in 2004.

	1999	2004
Devon	£86,682	£204,878
Plymouth	£57,498	£133,294
Torbay	£75,923	£166,123

*(Source: Land Registry as expressed in the NHF South West Housing Crisis: the Evidence 2005)*

## **Average Incomes are low**

The rough average (mean) earnings per week for full time employees in Devon are £422.90 which is nearly 20% below the National Average of £528.60 in England.

This is based on an average of £431.90 per week for the area administered by Devon County Council, £386.20 in Torbay and £417.70 in Plymouth and the number of jobs in the survey.

However, earnings levels vary both within the local authorities in Devon and between men and women. For example, the average full time earnings for Torridge are £301.90 compared to South Hams £503.20.

*(Source: ASHE 2005)*

 **Lower Quartile house prices (often the first time buyers market) have increased the most**

Land Registry data indicates that lower quartile houses prices in Devon have risen by almost 155% between 1999 and 2004 compared to a national increase of 110%. In Devon lower quartile house prices increased from £53,000 in 1999 to £134,950 in 2004.

In Devon the highest increases are seen in Exeter where this increase has been 159% and in Torrridge where it has increased 173%

*(Source: Land Registry as expressed in the NHF South West Housing Crisis: the evidence 2005)*

 **The Salary Needed for a Lower Quartile house in Devon and the Ratio of Lower Quartile House Price to Lower Quartile Earnings are High.**

In 2004 the salary needed for a lower quartile house in Devon was £32,888. This compares with lower quartile earnings for the whole of Devon of £14,066. This results in a need for 8.6 times the lower quartile (See Table 1 below).

The lower quartile salary needed varies within the local authorities in Devon. In South Hams the salary needed in 2004 was £44,456, a need for 12 times the lower quartile earnings of £13,821 and in East Devon the salary needed was £39,209, a need of 9.9 times lower quartile earnings of £13,821.

*(Source: Devon County Council based on ASHE and Land Registry data for 2004).*

**Table 1.**

	Lower quartile house price	Earnings	Ratio	5% deposit	Salary needed for Mortgage
East Devon	£ 144,454	£ 14,341	9.9	£7,223	£39,209
Exeter	£ 143,117	£ 14,981	9.6	£7,156	£38,846
Mid Devon	£ 115,702	£ 13,535	8.5	£5,785	£31,405
North Devon	£ 124,961	£ 13,821	9.0	£6,248	£33,918
South Hams	£ 163,786	£ 13,650	12.0	£8,189	£44,456
Teignbridge	£ 125,290	£ 13,457	9.3	£6,265	£34,007
Torrridge	£ 117,285	£ 11,232	10.4	£5,864	£31,835
West Devon	£ 126,615	£ 13,561	9.3	£6,331	£34,367
Plymouth UA	£ 97,504	£ 14,846	6.6	£4,875	£26,465
Torbay UA	£ 114,922	£ 12,287	9.4	£5,746	£31,193
Devon	£ 121,165	£ 14,066	8.6	£6,058	£32,888
Devon CC	£ 135,381	£ 14,003	9.7	£6,769	£36,746



## *The Ratio of Lower Quartile House Price to Average Earnings is also High.*

(Ratio of Lowest Quartile House Price to Average Earnings and Salary Needed for Mortgage 2004)

This table shows that even when using average salaries rather than lower quartile salaries the affordability ration in Devon is significantly higher in most parts of Devon compared with affordability ratios in England and the South West.

**Table 2.**

	Lower quartile house price	Earnings	Ratio	Salary needed for Mortgage
East Devon	£ 144,000	£ 18,666	7.7	£ 39,086
Exeter	£ 129,250	£ 16,771	7.7	£ 35,082
Mid Devon	£ 128,000	£ 19,569	6.5	£ 34,743
North Devon	£ 132,000	£ 16,828	7.8	£ 35,829
South Hams	£ 150,000	£ 19,687	7.6	£ 40,714
Teignbridge	£ 130,000	£ 17,250	7.5	£ 35,286
Torridge	£ 128,831	£ 16,924	7.6	£ 34,968
West Devon	£ 135,000	n/a		£ 36,643
Plymouth UA	£ 89,950	£ 17,605	5.1	£ 24,415
Torbay UA	£ 117,500	£ 15,661	7.5	£ 31,893
ENGLAND	£ 105,000	£ 22,893	4.6	£ 28,500
SOUTH WEST	£ 125,950	£ 20,132	6.3	£ 34,186

(Source: ASHE 2004 and Land Registry as expressed in the NHF South West Housing Crisis: the evidence 2005)

# Housing Demand Is Increasing



## ***The Population Is Growing***

Devon's population has grown on average by around 4,400 each year over the last ten years and is expected to continue at this rate over the next 15 years and beyond. Every year in Devon the number of deaths exceeds the number of births; population growth in Devon is therefore due entirely to a net inward movement of people into the county.

*(Source: Office for National Statistics/Corporate Information Services – Figures for DCC + Plymouth & Torbay)*



## ***The Fastest Growth Is In The Elderly***

Devon has proportionately more older people than England and Wales as a whole, 10.1% of Devon's population are aged over 75 years of age compared with 7.7% in England and Wales. Within this figure 2.7% (over 29,800 people) are over 85 years of age, compared to 1.9% nationally.

*(Source: ONS – Mid Year Estimates 2004 - Figures for DCC+ Plymouth & Torbay)*



## ***The Demand For Affordable And Social Rented Housing Has Increased***

The demand for affordable and social rented housing has increased (from 1999 to 2004 the numbers of LA registers have increased from 11,687 to 17,384)

*(Source: NHF evidence - LA HIP returns, CORE data)*



## ***More People Are Moving To Devon***

Devon is one of the fastest growing counties in the country. Devon's population has grown on average by around 4,400 each year over the last ten years and is expected to continue at this rate over the next 15 years and beyond. Every year in Devon the number of deaths exceeds the number of births; population growth in Devon is therefore due entirely to a net inward movement of people into the county.

*(Source: Office for National Statistics/Corporate Information Services – Figures for Devon + Plymouth & Torbay)*



### ***More Homes Are Needed As More People Are Living Alone***

In 1971 a population of 100,000 needed 36,600 homes. In 2001 the same population required 43,700 homes. This trend is set to continue.

*(Source: 1971 & 2001 Census data)*



### ***The Current Housing Stock Is Increasingly Used For Leisure And Investment***

The number of household spaces recorded as second residence/holiday accommodation accounts for 3.5% of all household spaces (11,108 spaces). There are significant variations within the county, 57% of household spaces in the parish of East Portlemouth are second residence/holiday accommodation.

*(Source: 2001 Census)*

# Housing Supply is not keeping up with demand

## *New Lettings Of Affordable Housing Have Remained At A Similar Level*

New lettings for affordable housing (housing association and local authority) increased from 3676 to 3781 between 1999 and 2004)

(Source: ODPM Housing statistics)

## *Housing Corporation Allocation of Funding for Dwellings between 2004 to 2006.*

The total number of dwellings allocated for social rent and shared ownership was 1195 dwellings and a further 625 dwellings to be provided without grant through the planning system.

**Table 3. Housing Corporation Allocations by Local Authority for 2004/05 and 2005/06.**

(Numbers of Units, excluding Intermediate Rent, Temporary Social Housing, Homebuy, Voluntary Purchase Grant and Works to RSL stock)

Local Authority	Rent	Shared Ownership	Total
East Devon	24	15	39
Exeter	175	41	216
Mid Devon	40	10	50
North Devon	24	23	47
South Hams	77	73	150
Teignbridge	41	71	112
Torridge	22	12	34
West Devon	34	-	34
Plymouth	230	144	374
Torbay	96	43	139
Devon Total	763	432	1195

Source: Housing Corporation South West: Allocation Statement 2004/05 and 2005/06



## *Other Public Subsidy levels Invested in Affordable Housing in Devon*

This includes capital from Second Homes Council Tax and Local Authorities own subsidy.

**Table 4.**

<b>Local Authority</b>	<b>Capital invested in addition to Social Housing Grant 2000-2006 (LA SHG and OPS)</b>
East Devon	2,950,000
Exeter	10,185,551
Mid Devon	4,240,054
North Devon	4,588,000 (319,000 shct tba)
Plymouth	4,000,000 (approximately)
South Hams	12,084,000
Teignbridge	2,413,000
Torbay	4,734,000
Torrige	1,265,000
West Devon	4,193,029
Total	50,652,634

 **Number of Affordable Housing (Rented and Shared Ownership) Dwellings Completed (Local Authorities' Own Records)**

**Table 5.**

	2000/ 01	2001/ 02	2002/ 03	2003/ 04	2004/ 05	2005/06 (predicated)	2006/07 (predicated)
East Devon	20	20	15	33	47	52	70
Exeter	151	128	215	116	128	268	250
Mid Devon	40	17	34	57	20	82	154
North Devon	10	32	33	8	77	104	150
South Hams	28	86	67	17	59	167	118
Teignbridge	43	104	34	42	60	147	176
Torrige	45	6	12	6	36	80	90
West Devon	42	12	42	47	37	41	208
Torbay	64	91	31	91	48	130	145
Plymouth	169	109	165	81	163	205	369
Total	612	605	648	498	628	1276	1730

*(Source: Local Authorities' own Records)*

 **Private Sector Supply**

The current structure plan identifies a forward planning target of 65,500 new dwellings. Between 2001 and 2016 this means a target of 4,300 each year. Between 2001 and 2005 a total of 19,819 new dwellings (of all tenure types) have been completed. Under the current structure this means that a further 45,681 are needed.

The current forward planning target of 4,300 each year is under review as part of the Regional Spatial Strategy process. As at 19 December 2005 the target is likely to increase by 32% on current PPG10 rates. A large proportion of this increase will be as a result of increased input into Plymouth.

 **The Social Rented Housing Stock Is Reducing Through Right To Buy Sales**

Between 1.4.79 and 31.3.04 16,894 Right to Buy sales have taken place in Devon

*(Source: ODPM Housing Statistics)*

# Homelessness in Devon



*The use of temporary accommodation has risen since 2002/03.*

The number of households in temporary accommodation on the 31st March across all the Devon Local Authorities has risen in the year 2004/05.

**Table 6.**

<b>Local Authority</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>
East Devon DC	16	13	22
Exeter CC	211	276	282
Mid Devon DC	271	186	186
North Devon DC	32	31	62
Plymouth CC	135	117	160
South Hams DC	83	97	99
Teignbridge DC	316	89	133
Torbay BC	268	438	377
Torrige DC	15	18	15
West Devon DC	16	13	16
Devon	1363	1238	1374

*Source: P1E Statistics. Numbers as at 31st March 2005.*



## *The Number Of Households Being Accepted As Statutorily Homeless Are Starting To Decrease:*

Across Devon Local Authorities the total number of homelessness acceptances has decreased from 3,281 on 2002/03 to 2,110 in 2004/05.

**Table 7**

<b>Local Authority</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>
East Devon DC	276	228	151
Exeter CC	378	296	229
Mid Devon DC	170	165	165
North Devon DC	130	193	165
Plymouth CC	1,391	737	647
South Hams DC	188	172	95
Teignbridge DC	246	219	224
Torbay BC	347	361	271
Torrige DC	39	81	54
West Devon DC	116	118	109
Devon Total	3281	2570	1910

*Source: PIE Statistics*

### **Note:**

The Government has set challenging targets for Local Authorities to reduce homelessness acceptances by 25% by 2010, and more recently to reduce the use of temporary accommodation by 50% by 2010. The Office of the Deputy Prime Minister (ODPM) is encouraging Local Authorities to meet these targets by preventing homelessness.

Locally Devon County Council has signed up to a Local Public Service Agreement, which sets the target for reducing youth homelessness by 50%.

# Rural Housing



## *Devon Is A Very Rural County*

Devon has 426 civil parishes and 871 settlements defined as being under 3000 for investment purposes.

88% of the housing stock is in rural areas.



## *The South West Regional Housing Strategy Has Set Rural Housing Targets for the whole of the South West of 3,000 affordable homes a year in rural settlements of less than 3000 population.*

### NOTES

#### 1. Sustainable Communities

Lack of affordable housing is a key issue for rural areas and one that most rural communities recognise as a priority for the continued growth and the vibrancy of the community. Lack of affordable housing affects the social and economic wellbeing of rural communities as those on low incomes, particularly young people and families, are forced away from their home villages because they cannot afford to buy or to rent. This in turn has a negative effect on services such as the schools and shops.

#### 2. The Devon Rural Housing Partnership (DRHP)

The DRHP was set up in 2002. The aim of the partnership is to foster and encourage joint working across Devon and between the different organisations to improve and increase the delivery of rural housing. All partners meet regularly, share information and disseminate good practice. They instigated the post of the Rural Housing Enabler whose work is overseen by a small steering group.

Members include all the New Devon Local Authorities except North Devon District Council (who are in a partnership for Exmoor), all the main registered social landlords operating in Devon, Dartmoor National Park, the Housing Corporation, the Community Council of Devon and Government Office for the South West/ Defra.

# Devon Strategic Housing Group

## *What is Devon Strategic Housing Group (DSHG)?*

DSHG is a strategic partnership working to improve the delivery of housing in Devon. DSHG comprises representatives of all the Devon Housing Authorities including the Unitary, District and County Councils, Registered Social Landlords, the Housing Corporation, and the Government Office for the South West.

## *The Vision*

Working together more effectively to address the housing needs of Devon's communities.

## *The Four Challenges*

<b>Challenge 1:</b>	Securing an effective voice for Devon
<b>Challenge 2:</b>	Innovation and Good Practice In Delivery
<b>Challenge 3:</b>	Developing streamlined and consistent strategic and operational processes
<b>Challenge 4:</b>	Maintain a consistent, housing, evidence base

## *Contact*

The Devon Affordable Housing Coordinator

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*Working for Affordable Homes in Devon*

# Acknowledgements

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- National Housing Federation South West Housing Crisis Campaign
- Chartered Institute of Housing: Housing Manifesto Team

All the facts used in this leaflet use published official government statistical sources. In some areas DSHG has carried out additional analysis of the government figures to draw our own county social and economic implications. The commentary is our own.

Some data is Crown Copyright.

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# Index of References

There are many potential sources of information that can be considered alongside this document. These include:

Audit Commission – Area Profiles website	<a href="http://www.auditcommission.gov.uk">www.auditcommission.gov.uk</a>
The Chartered Institute of Housing	<a href="http://www.cioh.org">www.cioh.org</a>
The Housing Corporation	<a href="http://www.housingcorp.gov.uk">www.housingcorp.gov.uk</a>
Land Registry	<a href="http://www.landreg.gov.uk">www.landreg.gov.uk</a>
National Housing Federation	<a href="http://www.housing.org.uk">www.housing.org.uk</a>
Nomis – Official Labour Market Statistics	<a href="http://www.nomisweb.co.uk">www.nomisweb.co.uk</a>
Office for National Statistics	<a href="http://www.statistics.gov.uk">www.statistics.gov.uk</a>
Office of the Deputy Prime Minister	<a href="http://www.odpm.gov.uk">www.odpm.gov.uk</a>
South West Intelligence Database	<a href="http://www.southwestid.org.uk">www.southwestid.org.uk</a>
South West Regional Observatory	<a href="http://www.swo.org.uk">www.swo.org.uk</a>

## Devon Strategic Housing Group Local Authority Partners

Devon County Council	<a href="http://www.devon.gov.uk">www.devon.gov.uk</a>
East Devon District Council	<a href="http://www.eastdevon.gov.uk">www.eastdevon.gov.uk</a>
Exeter City Council	<a href="http://www.exeter.gov.uk">www.exeter.gov.uk</a>
Mid Devon District Council	<a href="http://www.middevon.gov.uk">www.middevon.gov.uk</a>
North Devon District Council	<a href="http://www.northdevon.gov.uk">www.northdevon.gov.uk</a>
Plymouth City Council	<a href="http://www.plymouth.gov.uk">www.plymouth.gov.uk</a>
South Hams District Council	<a href="http://www.southhams.gov.uk">www.southhams.gov.uk</a>
Teignbridge District Council	<a href="http://www.teignbridge.gov.uk">www.teignbridge.gov.uk</a>
Torbay Borough Council	<a href="http://www.torbay.gov.uk">www.torbay.gov.uk</a>
Torridge District Council	<a href="http://www.torridge.gov.uk">www.torridge.gov.uk</a>
West Devon Borough Council	<a href="http://www.westdevon.gov.uk">www.westdevon.gov.uk</a>