

11/02/2012

NOT FOR BROADCAST OR PUBLICATION BEFORE 00.01 HRS SATURDAY 11th FEBRUARY 2012

In this review of the **Value of Housing Stock**, Halifax tracks the value of private residential housing stock in the decade since 2001 at regional and national level. The review is based on data from the Communities and Local Government (CLG) for the stock of owner occupied and privately rented properties, as well as the average house price. **Value of housing for 2011 and all regions during the decade is based on estimates made by Halifax.**

VALUE OF UK HOUSING SOARS BY £1.8 TRILLION IN PAST DECADE

New research from Halifax shows that the value of the UK's private housing stock rose by £1.8 trillion (84%) in the decade to 2011. The value of the housing stock at the end of 2011 is estimated at £3.9 trillion, up from £2.1 trillion in 2001.

The increase of £1.8 trillion over the decade is equivalent to £68,500 per household – in the owner-occupied and private rented sectors - in the UK. The value of the UK private residential housing stock has grown at more than twice the rate of increase in overall consumer prices, with the retail price index up by 38% over the past ten years.

The picture changes when looking at the value of housing stock since 2007, however. Over the past five years the value of the UK's housing stock has declined by 5%, or £187 billion. This reflects the reduction in house prices since autumn 2007: a decline that is nonetheless more than compensated for by the significant increases in the half decade prior to 2007.

Housing equity rises by nearly £1.2 trillion over past decade

Whilst the value of housing stock has soared during the past decade, so has the total value of outstanding mortgage balances, which have more than doubled (111%). The £1.8 trillion increase in the value of housing assets, however, outstripped the £655 billion rise in mortgage debt between 2001 and 2011. As a result, housing equity - the value of housing assets less the total value of outstanding mortgage balances - has increased by £1.1 trillion from £1.5 trillion in 2001 to £2.6 trillion in 2011.

Over the decade North-South divide has narrowed

Overall, the value of housing assets in the North¹ has risen by more than in the South² since 2001, increasing by 90% and 79% respectively over the decade. As a result, the South's share of total UK private housing sector assets has fallen from 60% in 2001 to 58% in 2011.

However, the South's share of the UK's housing assets has increased in the past five years from 55% in 2006 to 58% in 2011.

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Strong rise in housing stock values across regions over the past decade

All 12 regions of the UK have seen a significant increase in the value of their private housing stock during the last ten years. The biggest increase was in Scotland where there was a 131% increase (from £113.5bn in 2001 to £262.6bn in 2011), followed by the North with a rise of 102% (from £50.5bn to £101.8bn). In Yorkshire and the Humber housing value has almost doubled to £236bn from £119bn in 2001 (98%). The smallest increases were in the South East (68%) and the West Midlands (71%).

The large rise in Scotland is a combination of a 111% growth in house prices and a 16% increase in private housing stock – the biggest increases across the UK in both key components of the value of the housing stock.

Martin Ellis, housing economist at Halifax, commented:

“The value of UK’s housing stock has soared in the decade to 2011 notwithstanding the decline in house prices seen since autumn 2007, rising by 84% to just under £4 trillion at the end of 2011. Whilst outstanding mortgage debt has more than doubled over the last ten years, the value of the housing stock has risen by more in monetary terms. As a result, the total value of housing equity has shown a healthy increase. For most homeowners housing is still very much the main store of private wealth.”

Table 1: Value of Privately Owned Housing Stock in the UK 2001-2011³

Region	Year End 2001 - £ billion	Year End 2011 ⁴ - £ billion	Total % change over the decade	Average annual compound growth rate
North East	50	102	102%	7.3%
North West	180	322	79%	6.0%
Yorkshire and the Humber	119	236	98%	7.1%
East Midlands	120	224	87%	6.4%
West Midlands	157	270	71%	5.5%
East	228	413	81%	6.1%
London	395	744	88%	6.5%
South East	431	723	68%	5.3%
South West	205	378	85%	6.3%
Scotland	114	263	131%	8.7%
Wales	77	142	85%	6.3%
Northern Ireland	41	75	83%	6.2%
UK	2,116	3,891	84%	6.3%

Source: Communities and Local Government (CLG) for regional house prices and privately owned residential properties

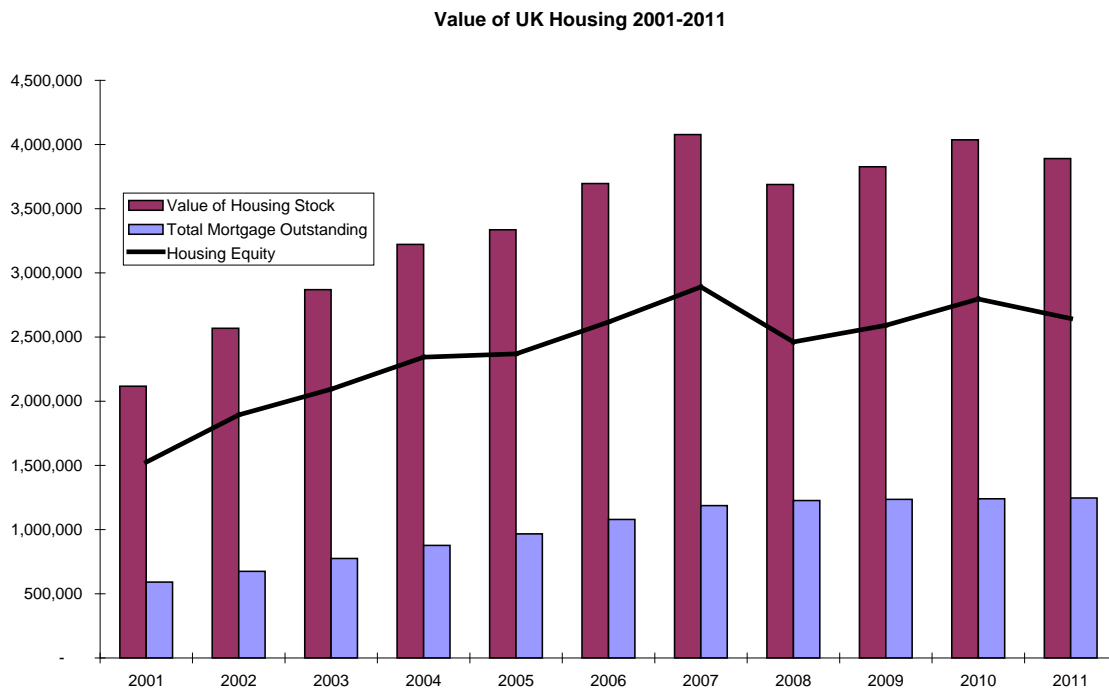
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Chart 1



Source: ONS Blue Book, CLG and Halifax

Editors' Notes:

¹Yorkshire & the Humber, North, North West, Scotland, Wales, Northern Ireland, East Midlands and West Midlands

²London, South East, South West and the East

³Before deducting for mortgage outstanding balances

⁴2011 estimate based on Halifax calculation

The data in this release has been sourced from the Communities and Local Government (CLG) department for UK house prices, private dwelling completions and stock of private properties.

Value of residential buildings for 2001-2010 the UK as a whole is from the ONS (series code CGRI), 2011 is a Halifax estimate. The 2011 estimate of housing wealth is derived from the Communities and Local Government house prices index for 2011 and the estimated number of privately owned residential buildings in the UK. This methodology varies from that used by the ONS, which takes the numbers of dwellings in each council tax band (by region) from the CLG, which are valued using council tax valuations in a base period updated to current year prices using the CLG house price index.

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Press Release



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Housing value at the regional level is estimated by the Halifax using estimates of owner occupation and privately rented dwelling and the CLG regional house price index.

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