

Market Signals and Housing Affordability Profile – Part I

Information, Intelligence and Insight, Shropshire Council

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Market Signals and Housing Affordability

A key role for local authorities is to understand future housing need in their local housing market area(s) (LHMA) and to implement policies, plans and actions to enable the delivery of the required level of housing building to meet the need. Key to achieving this understanding of the LHMA is the analysis of market signals to provide insight into the private and social housing sectors and the affordability of housing costs for households.

This report aims to profile Shropshire's local housing market area as defined in the Council's most recent Full Objective Assessment of Housing Need (FOAHN)¹ published in July 2016. Table 1 lists the housing market signals considered in this report, as suggested in the National Planning Policy Guidance (NPPG) published by the Department for Communities and Local Government (DCLG)².

Table 1: Market Signals in Shropshire²

Market Signals	Summary
Land prices	Price paid for land.
House purchase prices	Price paid to purchase a residential property.
Private Market Rents	Price paid to rent a residential property.
Affordability	The affordability of residential properties (based on affordability ratios).
Over-occupation	The number of over-occupied households.
Concealed Households	The number of concealed households.
Temporary Accommodation	The number of people living within temporary accommodation.
Homelessness	The number of homeless people.
Repossessions	The number of properties repossessed.

Derived NPPG, DCLG

This report compares Shropshire with neighbouring local authorities who share linkages and commonalities with Shropshire, together with comparisons with national and regional trends. To better understand Shropshire at sub-County level, analysis is also included at Place Plan Area (PPAs)³ level. These areas were created as a policy tool to inform the Adopted Core Strategy⁴ and Shropshire Site Allocation and Management of Development (SAMDev) Plan (2006-2026)⁵. The PPAs cover Shropshire's key centres and market towns and their rural hinterlands.

Summary Analysis

The following Tables 2-5 include a summary of the findings of this analysis.

¹ Shropshire Council Full Objective Assessment of Housing Need (FOAHN), Shropshire Council July 2016.

<http://shropshire.gov.uk/media/2101729/Shropshire-Council-FOAHN-2016-.pdf>

² National Planning Policy Guidance (NPPG), Department for Communities and Local Government (DCLG). Paragraph: 019 Reference ID: 2a-019-20140306, Revision date: 06 03 2014.

<https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

³ Shropshire Place Plan Areas, Shropshire Council <http://shropshire.gov.uk/planning-policy/place-plans/>

⁴ Shropshire Local Plan Core Strategy (2006-2026), Shropshire Council.

<http://shropshire.gov.uk/planning-policy/local-plan/core-strategy-2006-2026/>

⁵ Shropshire Site Allocations and Management of Development (SAMDev) Plan (2006-2026), Shropshire Council.

<http://shropshire.gov.uk/planning-policy/local-plan/samdev-plan-2006-2026/>

Table 2: Data - Key Market Signals: Comparison of Shropshire to the National Average and Comparable Local Authorities

	House Purchase Price ⁶			House Rental Price ⁷			Median Private Sector Monthly Rent as a % of Gross Monthly Salary - 2015 ⁸		Affordability Ratio ⁹			
	Median (Q4 2016) (£)	Change (Q4 06 – Q4 16) %	Rank Median HP	Median (2011) (£)	Median (2017) (£)	Rank 2017			Lower Quartile (2008)	Lower Quartile (2016)	Change (08-16) %	Rank 2016
Cheshire West & Chester	187,000	19.1	6	550	600	Joint 3	28.27	12	7.39	7.12	-3.7	8
Cheshire East	204,850	24.2	3	550	600	Joint 3	27.27	13	7.06	7.01	-0.7	9
East Staffordshire	160,000	23.1	11	475	550	Joint 5	31.93	7	6.21	5.95	-4.2	14
Herefordshire	205,000	13.9	2	550	575	Joint 4	36.06	2	9.21	8.61	-6.5	2
Malvern Hills	247,998	16.6	1	575	650	1	39.67	1	11.09	10.69	-3.6	1
Newcastle-Under-Lyme	136,000	13.3	14	475	500	7	28.35	11	6.81	6.17	-9.4	11
Powys	167,000	5.7	9						8.50	6.60	-22.4	10
Shropshire	197,998	16.5	5	525	550	Joint 5	32.38	5	9.13	8.06	-11.7	4
South Staffordshire	199,000	15.2	4	550	625	2	30.82	8	7.63	8.32	9.0	3
Stafford	185,998	20.0	7	495	575	Joint 4	30.34	9	7.35	7.66	4.2	6
Telford & Wrekin	159,725	24.3	12	525	550	Joint 5	33.84	3	6.50	5.98	-8.0	13
Wolverhampton	134,000	11.7	15	485	520	6	29.57	10	6.11	5.44	-11.0	15
Worcester	180,000	15.9	8	542	600	Joint 3	32.03	6	8.13	7.77	-4.4	5
Wrexham	142,000	5.2	13						7.07	6.12	-13.4	12
Wyre Forest	165,000	13.2	10	500	550	Joint 5	33.27	4	7.49	7.29	-2.7	7
<i>Worcestershire</i>	<i>210,000</i>	<i>24.6</i>		<i>550</i>	<i>625</i>				<i>8.26</i>	<i>8.54</i>	<i>3.4</i>	
<i>Staffordshire</i>	<i>169,000</i>	<i>16.6</i>		<i>500</i>	<i>550</i>				<i>7.06</i>	<i>6.68</i>	<i>-5.4</i>	
<i>West Midlands</i>	<i>170,000</i>	<i>19.7</i>		<i>500</i>	<i>575</i>				<i>6.64</i>	<i>6.54</i>	<i>-1.5</i>	
<i>England & Wales</i>	<i>219,000</i>	<i>31.9</i>							<i>6.96</i>	<i>6.96</i>	<i>0.0</i>	
<i>England</i>	<i>224,000</i>	<i>33.3</i>		<i>570</i>	<i>675</i>				<i>6.91</i>	<i>7.16</i>	<i>3.6</i>	

⁶ONS, House Price Statistics for Small Areas in England & Wales: Quarter 4 - 1995 to Quarter 4 – 2016 (Median price paid for administrative geographies - HPSSA Dataset 9) <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housepricestatisticsforsmallareas/yearendingdec1995toyearendingdec2016/relateddata?page=3>

⁷Valuation Office Agency, Private Rental Market Statistics - Table 2.7: Summary of monthly rents, <https://www.gov.uk/government/collections/private-rental-market-statistics>, Please note: House Rental Price data is not suitable for measuring change due to changing sample composition

⁸ONS, Table 6: Median monthly private sector rent as a % of median gross monthly salary by local authority district, England, 2015 – Summary Measures Data <https://www.ons.gov.uk/releases/housingsummarymeasuresanalysis2015> (published 07/10/2016)

⁹Ratio of house price to earnings (lower quartile and median) by local authority district, England and Wales, 1997 to 2016, <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingaffordabilityinenglandandwales/1997to2016/relateddata>

Table 3: Summary - Key Market Signals in Shropshire

Market Signals	Summary
Land prices¹³	<ul style="list-style-type: none"> Shropshire had a land value of £1,755,000, 19.7% below the England value (excluding London) of £2,100,000. Overall Shropshire ranks the fifth highest at December 2015, when compared with the other selected local authorities.
House Prices⁶	<ul style="list-style-type: none"> Median house price Q4 2016 is £197,998, compared to £224,000 nationally. Fifth highest median house price relative to comparator authorities. 18.2% growth in median house price Q4 2009 – Q4 2016, sixth relative to comparator authorities and substantially below national growth of 31.8%. Long-term growth (Q4 2006- Q4 16) of 16.5% in median house price, substantially less than the growth experienced nationally and seventh relative to comparator local authorities. <p>The experience nationally and in six of the listed local authorities has been higher levels of growth than Shropshire between 2009 and 2016. The absence of a high rate of growth in house prices reflects a period of house price stability in Shropshire, which has had a positive impact on affordability levels. However median house prices in 2015 and 2016 have exceeded the peak median house price experienced in 2007/2008 at the height of the house price boom. It is too early to know if the recent rise in house prices is the start of a continuing upward trend however close monitoring is needed to see if this will impact negatively on the ability of Shropshire's residents to own their own home.</p>
Rental Values⁷	<ul style="list-style-type: none"> Median rental value £550 per month – year ending March-2017. 18.5% below the national average of £675. Joint fifth relative to comparator local authorities, level with East Staffordshire, Telford and Wrekin and Wyre Forest. Median rent – remained the same since March 2015. Median rent has remained stable, varying between £525 and £550 since the survey started in June 2011. <p><i>Seven years of data is available however changes in sample composition mean it is not possible to determine if change is as a result of changing market conditions.</i></p> <p>Monthly costs associated with renting a median priced dwelling in Shropshire remained stable in the last three years. Comparison nationally and with identified comparator Authorities shows Shropshire to be relatively affordable in the private rented sector.</p>
Affordability⁹	<ul style="list-style-type: none"> Shropshire has the 4rd highest affordability ratio (AR) (8.06) of the comparator local authorities and is above the national average of 7.16. Rates of change in ARs have increased by 0.92 during 2000-2005 and then declined in Shropshire; 2005-2010 (-0.02), 2010-2016 (-0.01). Rate of change during 2000-2016 (0.87) relative to 0.86 nationally. <p>Shropshire's lower quartile based AR shows accessibility to affordable housing for low income households is challenging. This indicates a higher level of affordable housing need amongst lower income households compared with eleven comparator local authorities and nationally. Improvements in Shropshire's AR starting in 2008 suggest that becoming an owner-occupier has become slightly more affordable to low income households. The recent trends in ARs indicate that the availability of housing has not impacted negatively on levels of affordability in Shropshire.</p>

Source: see footnotes page 2.

Table 4: Data - Key Market Signals: Comparison of Shropshire to the National Average and Comparable Local Authorities

	Concealed Families ¹⁰			Over-occupation ¹¹ (Households)			Temporary Housing ¹²		Accepted as Homeless ¹²	
	% (2011)	Change (2001-11)	Rank 2011	% (2011)	Change (2001-11)	Rank 2011	April 2016-March 2017 (rate per 1,000 households)	Rank 2016-17	April 2016-March 2017 (rate per 1,000 households)	Rank 2016-17
Cheshire West & Chester	1.2	40.7	12	4.2	12.6	12	0.15	9	0.69	10
Cheshire East	1.1	60.2	15	3.6	19.5	9	0.27	7	0.61	11
East Staffordshire	1.7	90.6	3	5.1	44.9	1	0.47	6	2.80	4
Herefordshire	1.5	87.0	5	5.3	34.0	4	0.50	5	0.35	12
Malvern Hills	1.2	38.6	11	3.4	11.4	14	n/a	n/a	1.16	7
Newcastle-Under-Lyme	1.1	39.4	14	4.2	12.2	13	n/a	n/a	0.28	13
Powys	1.3	52.7	8	3.6	21.4	7				
Shropshire	1.3	67.7	10	4.0	28.4	5	0.66	2	1.92	5
South Staffordshire	1.5	69.0	6	3.3	4.1	15	n/a	n/a	0.79	9
Stafford	1.2	77.9	13	3.8	41.9	2	n/a	n/a	1.32	6
Telford & Wrekin	1.7	100.2	2	5.2	21.0	8	0.53	4	1.02	8
Wolverhampton	3.2	45.6	1	8.1	26.0	6	0.57	3	3.91	1
Worcester	1.5	40.1	4	6.9	37.3	3	0.80	1	3.50	3
Wrexham	1.4	88.4	7	4.8	14.8	11				
Wyre Forest	1.3	33.7	9	4.5	15.4	10	0.23	8	3.85	2
<i>Worcestershire</i>	1.4	51.7		4.8	25.6					
<i>Staffordshire</i>	1.3	65.5		4.0	22.1					
<i>West Midlands</i>	2.2	60.8		6.8	29.1					
<i>England & Wales</i>	1.8	70.4		8.5	32.1					
<i>England</i>	1.9	71.1		8.7	32.3		3.33		2.54	

¹⁰ONS, 2011 Census Table LC1110EW – Concealed Family Status and 2001 Census CAS Table CSO11 – Family Status, www.nomisweb.co.uk/

¹¹ONS, 2011 Census Table KS403EW - Rooms, bedrooms and central heating and 2001 Census Table UV059 Occupancy, www.nomisweb.co.uk/

¹²CLG, Table 784: Local Authority Summary, www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness

Table 5: Summary – Other Market Signals in Shropshire

Market Signals	Summary
Occupancy¹¹	<ul style="list-style-type: none"> • 4.0% of households in Shropshire live in a home with an occupancy rating of -1 or less, over 50% less than nationally (8.7%). • This represents a 28.4% rise in Shropshire between the 2001 and 2011 Censuses. • Fifth highest rise when measured against selected comparator local authorities and below the regional and national average. • Conversely, 83.6% of households in Shropshire live in a home with an occupancy rating of +1 or more, significantly higher than nationally (72.6%). • This is a 10% rise in Shropshire between 2001 and 2011 Censuses. • This level of change is the second highest relative to the selected comparator local authorities. <p>The occupancy ratio is used as an indicator of overcrowded accommodation. An occupancy rating of -1 or less indicates households living in over-occupied accommodation, whilst an occupancy rating of +1 or more indicates households living in under-occupied accommodation.</p> <p>Levels of over-occupation in Shropshire in 2011 were significantly below regional and national averages and since 2001 increases in Shropshire have been below national and regional levels. There is no evidence of specific local factors influencing change in over-occupation. Change is more likely to relate to national factors such as changes in living arrangements / family structures and changes to peoples aspirations. The other potential factor is increased numbers of concealed households. This is considered below.</p> <p>It is worth noting that levels of under-occupation in Shropshire are significantly higher than the regional and national averages. A significant proportion of under-occupied accommodation in Shropshire is home to ageing households (often a single person) with responsibilities for maintaining housing condition.</p>
Concealed Households¹⁰	<ul style="list-style-type: none"> • 1.3% of families in Shropshire have concealed household status (tenth highest out of the comparator local authorities.) • This is a rise of 67.7% between the 2001 and 2011 Censuses (Shropshire is the seventh highest out of comparator local authorities.) • 2001-2011 Censuses - a significant rise (67.7%) in the number of concealed families in Shropshire but below the level of change experienced nationally and in Telford and Wrekin and Herefordshire. <p>The evidence of increasing concealment suggests the number of concealed households (data is for families) may be increasing. However, the rate of increase in Shropshire is below the national trend and the percentage of concealed households remains below both the national and regional averages.</p> <p>There are a number of potential causes of the increase to the number of concealed households. These include changes to living arrangements / family structures; multiple households living together as a single household out of choice or to provide care / support; changes to individuals' aspirations; or an inability to access appropriate / affordable housing.</p> <p>It should be noted though that the infrequency of available data makes it difficult to identify when the most significant rise occurred or what has changed since the last 2011 Census.</p>

Table 5: Summary – Other Market Signals in Shropshire (cont'd)

Market Signals	Summary
Homelessness¹²	<ul style="list-style-type: none"> • 1.92 households per thousand were accepted as homeless between April 2016 and March 2017 in Shropshire relative to 2.54 nationally. • Shropshire ranks fifth highest of the comparator local authorities. • There are 287 households per year on average accepted as homeless. <p>The evidence doesn't show worsening homelessness in Shropshire beyond reasonable fluctuations in actual numbers. In relative terms, rates of homelessness have improved in Shropshire during 2009-2017 and Shropshire remains below national levels. The absence of a worsening trend suggests that current trends in the affordability of housing have not led to increased levels of homelessness. However there remains a fairly consistent number of homeless households in Shropshire who need access to 'affordable, decent and secure housing.'</p>
Temporary Accommodation¹²	<ul style="list-style-type: none"> • 0.66 households per thousand were placed in temporary accommodation between April 2016 and March 2017. • This means Shropshire ranks second highest out of nine comparator local authorities but is well below the levels in England, and Worcester. • There are 75 households per year on average in temporary accommodation. • Average annual percentage change (2009-2016) – 3.9 (6.2 nationally). <p>The average number of households (75) occupying temporary accommodation in Shropshire per year gives some indication of consistent need for affordable and suitable housing. In real terms numbers have been increasing since 2012-2013 with numbers in 2015-2016 and 2016-2017 significantly exceeding previously available data.</p> <p>Since 2009-2010 numbers have fluctuated reaching low points in 2011-2012 and 2012-2013. So when data is available for 2017-2018 a better assessment can be made of whether this is a worrying trend or just a fluctuation. Comparison of rates per 1,000 households with England, Herefordshire and Telford and Wrekin shows Shropshire has significantly lower rates during 2009-2016 than these comparators.</p>
Repossessions²⁴	<ul style="list-style-type: none"> • In 2016 repossessions represented 0.99 per thousand dwellings in Shropshire representing less than half the national figure of 1.83 and placing Shropshire eighth relative to comparison local authorities. <p>The long-term trend (2003-2016) in repossession actions is a 43.3% increase in Shropshire. However in more recent years (2010-2016) there has been a reduction of -6.1%. These trends mirror trends in the affordability ratios, increasing during the period of house price inflation and more recently reducing. These repossession trends are also consistent with national trends and endorse the conclusion that housing has become more affordable in Shropshire since the house boom concluded in 2008-2009.</p>

Source: see footnotes page 4.

Land Prices

The Department for Communities and Local Government (DCLG) have produced two reports on Land Value Estimates for Policy Appraisal (February / December 2015). These reports contain figures on post-permission residential land values (per hectare). The valuations have been produced using a truncated residual valuation model that involves valuing the proposed development and deducting the development costs.

DCLG emphasise that the residential land values shown in Table 6 should not be interpreted as an estimate of market values. They are produced for the purpose of appraising land projects from a social perspective and assume nil affordable housing provision. Nevertheless they are useful for comparison purposes.

Table 6: Comparison of Post Permission Residential Land Value Estimates¹³

	Feb-15	Dec-15	Compared with Shropshire Dec-15	Rank Dec-15	Change	% Change
Cheshire East	£2,120,000	£1,990,000	13.4	4	-130,000	-6.1%
Cheshire West and Chester	£2,284,000	£2,600,000	48.1	1	316,000	13.8%
East Staffordshire	£1,035,000	£840,000	-52.1	12	-195,000	-18.8%
Herefordshire	£1,545,000	£1,500,000	-14.5	6	-45,000	-2.9%
Malvern Hills	£1,380,000	£1,385,000	-21.1	7	5,000	0.4%
Newcastle-under-Lyme	£805,000	£660,000	-62.4	13	-145,000	-18.0%
Shropshire	£2,055,000	£1,755,000	0.0	5	-300,000	-14.6%
South Staffordshire	£2,310,000	£2,280,000	29.9	3	-30,000	-1.3%
Stafford	£1,150,000	£995,000	-43.3	11	-155,000	-13.5%
Telford & Wrekin	£1,245,000	£1,075,000	-38.7	10	-170,000	-13.7%
Wolverhampton	£1,500,000	£1,190,000	-32.2	9	-310,000	-20.7%
Worcester	£2,455,000	£2,290,000	30.5	2	-165,000	-6.7%
Wyre Forest	£1,685,000	£1,325,000	-24.5	8	-360,000	-21.4%
England excluding London	£1,958,000	£2,100,000	19.7		142,000	7.3%
England including London	£6,017,000	£6,900,000	293.2		883,000	14.7%

Source: DCLG.

Based on post permission residential land values reported in December 2015, Shropshire had a land value of £1,755,000, 19.7% below the England value (excluding London) of £2,100,000. When compared with the value estimated in February 2015, the value for Shropshire fell by -14.6% from £2,055,000. Overall Shropshire ranks the fifth highest at December 2015, when compared with the other selected local authorities. The absence of more trend data makes it difficult to draw firm conclusions about declining land values in Shropshire, however this market signal does not present any evidence of a worsening trend.

¹³ Land Value Estimates for Policy, Communities and Local Government (CLG) - <https://www.gov.uk/government/publications/land-value-estimates-for-policy-appraisal-2015>
<https://www.gov.uk/government/publications/land-value-estimates-for-policy-appraisal>

House Prices

House prices are an important market signal that can provide valuable insight into the balance between the demand and supply of housing in a housing market area like Shropshire. If house prices in an area are rising at a faster rate than elsewhere it may indicate that an increased supply of affordable housing is needed. The following house price analysis includes consideration of the Office for National Statistics (ONS) median house price data, the Land Registry monthly average (geometric mean) house price data, the UK House Price Index and Land Registry House Sales data.

The 2011 Census¹⁴ showed that 86.5% of households in Shropshire lived in privately owned accommodation, compared to only 82.3% nationally. DCLG estimate that 86.7%¹⁵ (Year 2016) of housing stock in Shropshire is owned within the private sector. This compares with 86.5% in Herefordshire and 79.0% within Telford and Wrekin. Together this data gives some idea of the importance of the private housing market and its role in meeting housing needs in Shropshire.

Median House Price

Median house prices are less influenced by extreme sale prices than mean house prices and given the use of a 100% sample are the most appropriate measure of average house price change. Currently this data is available during the period Q4 1995 to Q1 2017 but for this analysis only full calendar years have been considered.

Table 7: Median House Price Data – 2001-2016¹⁶

	Median House Price			Rank 2016	% Change				
	2001	2008	2016		2001-04	2004-08	2008-12	2012-16	2001-16
Cheshire East	89,500	165,000	204,850	3	67.6	10.0	3.0	20.5	128.9
Cheshire West & Chester	85,000	161,995	187,000	6	67.7	13.7	-1.2	16.9	120.0
East Staffordshire	67,950	132,950	160,000	11	76.6	10.8	1.5	18.5	135.5
Herefordshire	92,500	185,000	205,000	2	76.2	13.5	-1.4	12.3	121.6
Malvern Hills	118,000	210,000	247,998	1	59.5	11.6	-4.8	24.0	110.2
Newcastle-under-Lyme	55,000	125,000	136,000	14	81.7	25.1	0.0	8.8	147.3
Powys	69,950	155,000	167,000	9	99.4	11.1	0.0	7.7	138.7
Shropshire	86,000	180,000	197,998	5	74.4	20.0	-6.1	17.2	130.2
South Staffordshire	92,000	175,500	199,000	4	68.4	13.3	0.7	12.6	116.3
Stafford	78,000	162,000	185,998	7	79.4	15.8	-3.1	18.5	138.5
Telford and Wrekin	65,950	135,000	159,725	12	78.9	14.4	3.7	14.1	142.2
Wolverhampton	58,000	120,000	134,000	15	72.4	20.0	-2.5	14.5	131.0
Worcester	83,950	160,000	180,000	8	66.9	14.2	1.7	10.6	114.4
Wrexham	62,000	140,000	142,000	13	90.3	18.6	-2.5	4.0	129.0
Wyre Forest	80,000	149,475	165,000	10	71.6	8.9	-1.9	12.6	106.3
<i>West Midlands</i>	75,950	142,000	170,000		68.5	10.9	2.1	17.2	123.8
<i>England</i>	92,000	173,500	224,000		64.1	12.6	5.5	22.4	143.5

Source: ONS.

¹⁴ 2011 Census, Table KS402EW – Tenure, ONS. <https://www.nomisweb.co.uk/customerrors/nodatASET.asp>

¹⁵ Table 100 Dwelling stock: Number of Dwellings by Tenure and district: England; 2016, DCLG - <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

¹⁶ Median house price for national and subnational geographies – HPSSA Dataset 9 Table 1a and 2a, ONS. <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/medianhousepriceforationalandsubnationalgeographiesquarterlyrollingyearhpssadataset09>

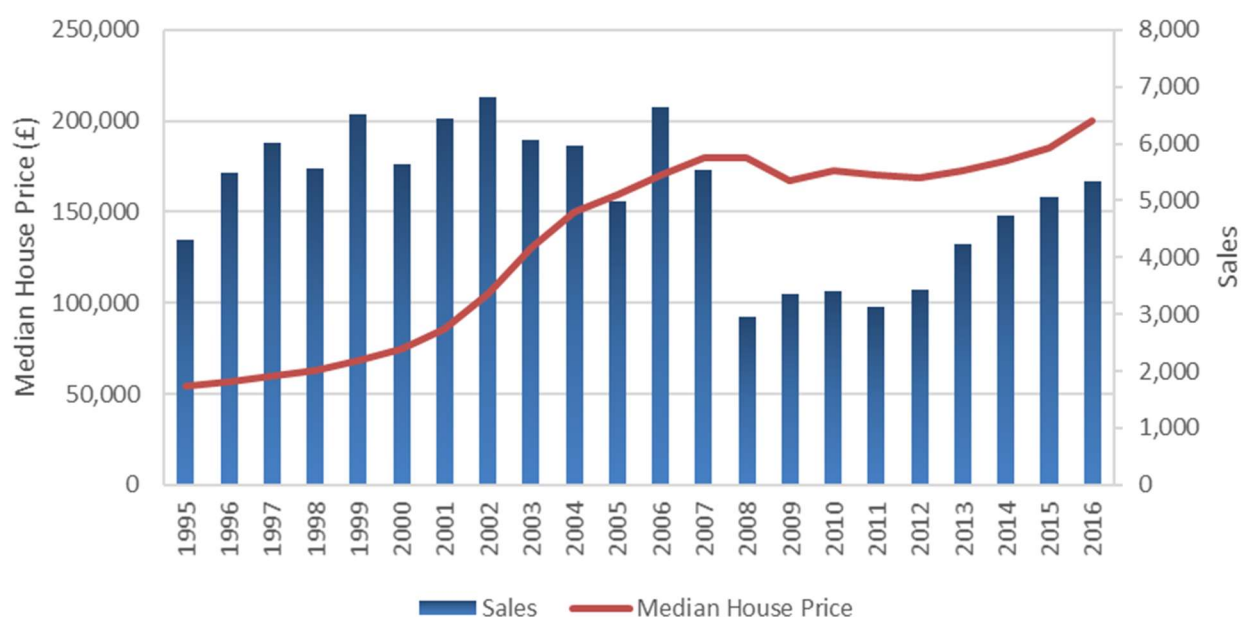
In 2016, the median house price in Shropshire reached £197,998, ranking it fifth in comparison to the selected local authorities. Shropshire’s median house price in 2016 was 11.6% below the national average of £224,000.

The cost of purchasing a home in Shropshire has risen during 2001-2016 by 130.2%¹⁶ compared to 143.5% nationally and 123.8% regionally. This ranks Shropshire seventh compared to the local authorities in Table 7 in terms of growth during 2001-2016. Breaking this growth down further, Shropshire experienced a period of high inflation during 2001-2004 (74.4%) followed by slower inflation during 2004-2008 of 20.0%. This pattern of growth is repeated nationally and in all comparator local authorities.

The impact of the recession is evident during 2008-2012 with Shropshire experiencing the highest level of decline in house prices (-6.1%) compared to comparator local authorities. Since 2012 after a period of stability, house prices have increased by 17.2% in Shropshire. House price inflation during 2012-2016 has not yet exceeded the growth levels of 2004-2008 in Shropshire and six local authorities. However Cheshire East and Malvern Hill have experienced over double the level of growth in 2012-2016.

The median house price in Shropshire at Q1 2017 is £205,000, showing that Shropshire has now joined the select club of local authorities (Cheshire East, Herefordshire and Malvern Hills) where median house prices have reached over £200,000. This is likely to reflect Shropshire’s attractiveness as a place to live, work and retire to.

Figure 1: Comparison Median House Prices¹⁷ and Volume of Sales in Shropshire – 1995-2016¹⁸



Source: ONS Housing Statistics

Figure 1 indicates the trend in real terms of median house prices compared with volume of sales in Shropshire. This illustrates very clearly that sales fell very significantly during 2007-2008 at the onset of the recession and have not yet returned to the levels experienced prior to 2007. Only in 2013 to 2016 is there evidence of a rising trend in sales and this parallels a rise in median house prices.

¹⁷ONS, Median house price for national and subnational geographies – HPSSA Dataset 9 Table 2A

¹⁸ONS, Number of residential property sales for administrative geographies - HPSSA Dataset 6 (20/07/2017) – Table 2A -

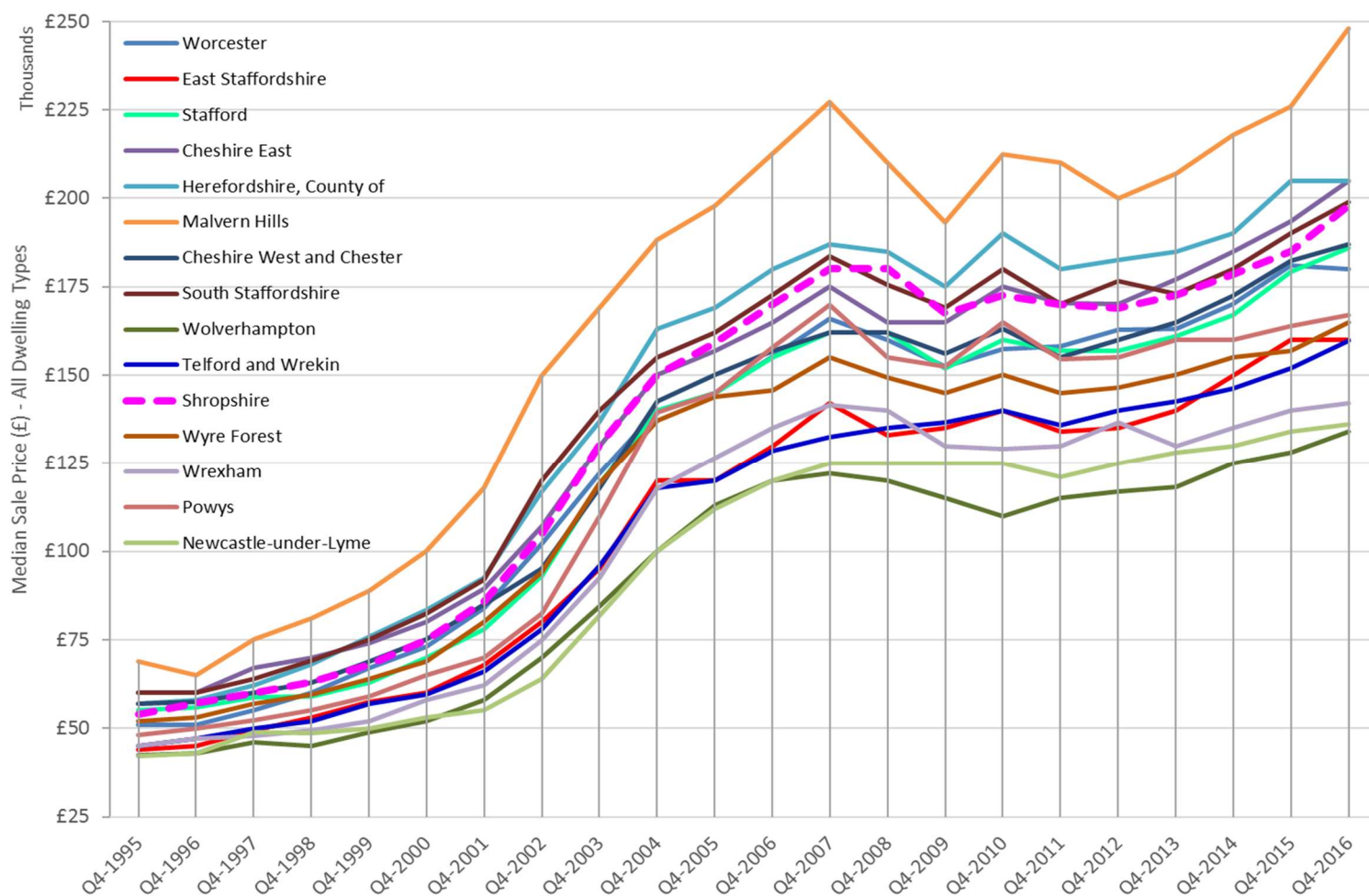
<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/numberofresidentialpropertysalesforationalandsubnationalgeographiesquarterlyrollingyearhpssadataset06>

Long-term trends in median house prices show that Shropshire experienced sustained house price growth during 1995-2007, but since then prices have stabilised and since 2013 started to rise to 2016. This recent stabilisation of house prices has contributed to housing costs becoming more affordable in Shropshire and has given households more opportunity to become home owners. This may have contributed to the recent rise in sales.

Figure 2 shows that Shropshire median house prices have followed a similar trend of long-term house price inflation between 1995 and 2007 compared to all comparator local authorities. This is particularly evident in Malvern Hills which has consistently seen higher house prices, in contrast to Wolverhampton and Newcastle-Under-Lyme which traditionally have lower housing costs. Since 1995 the gap between the local authorities with the highest and lowest housing costs has widened substantially. Shropshire’s median house prices have remained just below Herefordshire’s and very similar to South Staffordshire and Cheshire East. Shropshire shares similar rural characteristics with these authorities and in common with South Staffordshire, borders the urban West Midlands conurbation making it attractive to commuters.

The impact of the recession is evident within all local authorities during 2007-2010, with declining housing costs and then a period of house price stability. Overall there has been a gradual rise in prices in the last few years overtaking the peak prices in 2007. Of note is the higher rate of growth during 2015-2016 in Shropshire, Malvern Hills, Cheshire East and South Staffordshire. Only time will tell if this is the beginning of a more severe upward trend in median house prices.

Figure 2: Long-term Trend in Median Sales Prices by Comparator Local Authorities¹⁹

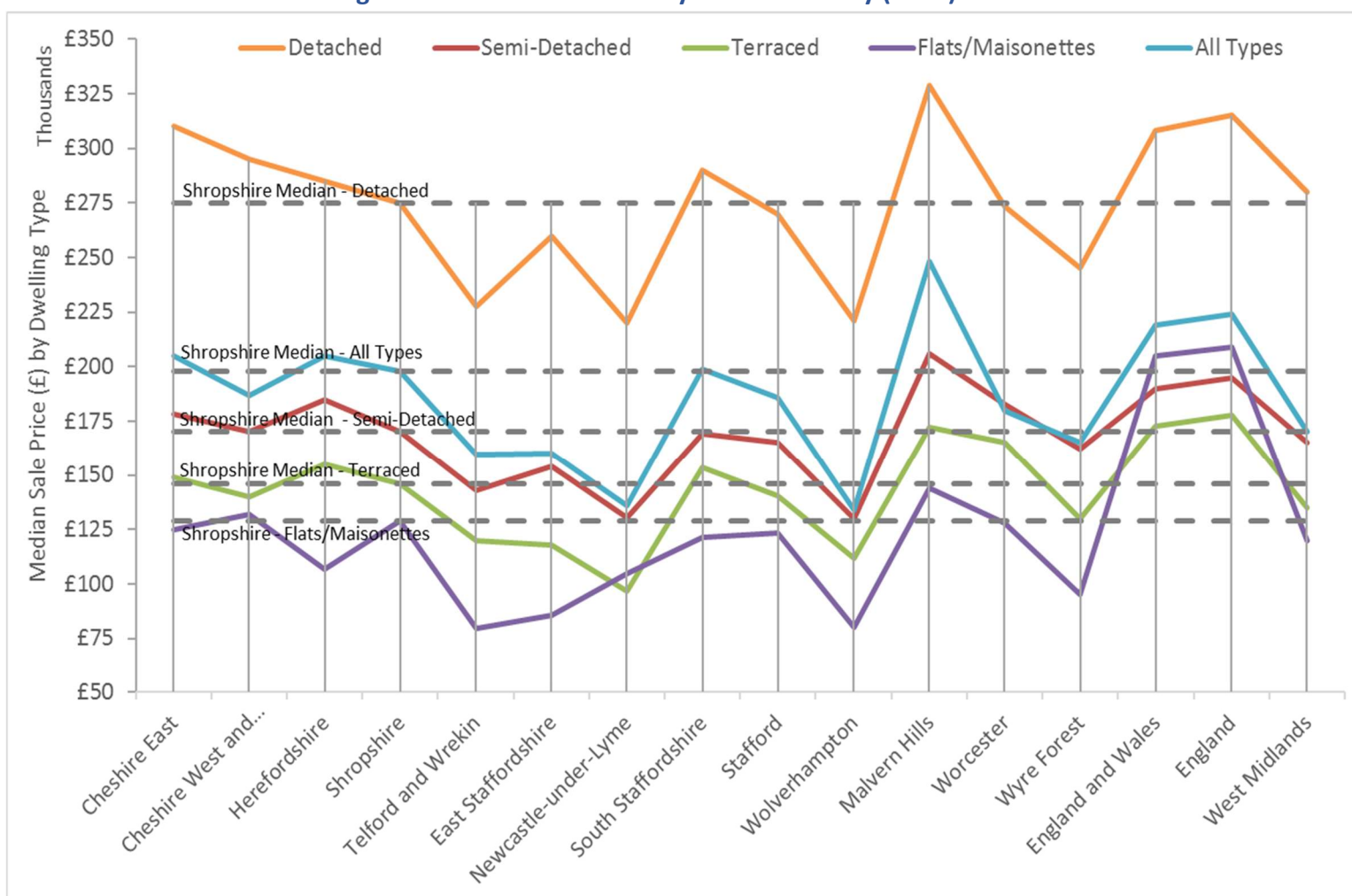


¹⁹ ONS, Median house price for national and subnational geographies – HPSSA Dataset 9 Table 2A

Figure 3 shows a comparison of median house price at local authority level in 2016, by dwelling type. This highlights the substantial variations in median sale price between Shropshire’s neighbouring local authorities and nationally in respect of detached, semi-detached, terraced and flat / maisonette dwelling types. In terms of detached dwellings Shropshire seems to reflect a middle road with five local authorities experiencing higher sales prices and six local authorities experiencing lower prices. Of note is that nationally and regionally the median house price for a detached dwelling is higher relative to Shropshire.

In general, costs of owning a detached and semi-detached property are higher than for terraced and flats / maisonettes when comparing neighbouring local authorities. However nationally the median price for a flat / maisonette exceeds the median price of semi-detached and terraced housing, reflecting higher density city living where flats / maisonettes represent a higher proportion of housing stock and are more in demand. Only Cheshire West and Chester and Malvern Hills experienced a higher median house price for flats / maisonettes than Shropshire in 2016.

Figure 3: Median Sale Price by Local Authority (2016)²⁰



Source: ONS Housing Statistics.

²⁰ONS, Median house price for national and subnational geographies – HPSSA Dataset 9 Table 2A.

Average House Price

Analysis is included of the Land Registry reported monthly average (geometric mean) house price information as it is a more up-to-date data source than the ONS HPSSA data set and is part of the UK House Price Index (UKHPI) dataset. The most recently published average house price (September 2017) is for the month ending July 2016. It should be noted that the last two months data is always subject to revision due to time lags in registrations data.

Shropshire had an average house price of £204,115 in July 2017²¹. In comparison, this is significantly higher than Telford and Wrekin (£156,411) and considerably lower than for England (£243,220). When ranked against all comparison local authorities Shropshire is fifth out of fifteen local authorities with Malvern Hills, Herefordshire, Cheshire East and South Staffordshire having higher average house prices (in that order).

Table 8: Land Registry Average House Price Data – July 2017²¹

	Average price (All Property Types) (£)						
	July 2006	July 2011	July 2017	Rank July 2017	% Change		
					July 2006-11	July 2011-17	July 2006-17
Cheshire East	181,921	177,041	214,444	4	-2.7	21.1	17.9
Cheshire West and Chester	174,158	166,927	197,530	7	-4.2	18.3	13.4
East Staffordshire	152,428	137,722	180,993	9	-9.6	31.4	18.7
Herefordshire	191,832	188,417	221,114	2	-1.8	17.4	15.3
Malvern Hills	218,679	209,824	262,052	1	-4.0	24.9	19.8
Newcastle-under-Lyme	127,655	122,980	144,610	14	-3.7	17.6	13.3
Powys	164,527	157,222	175,275	11	-4.4	11.5	6.5
Shropshire	182,850	174,085	204,115	5	-4.8	17.3	11.6
South Staffordshire	186,746	180,609	219,013	3	-3.3	21.3	17.3
Stafford	168,007	166,617	196,134	8	-0.8	17.7	16.7
Telford and Wrekin	140,150	133,309	156,411	12	-4.9	17.3	11.6
Wolverhampton	130,648	116,179	138,710	15	-11.1	19.4	6.2
Worcester	168,323	163,295	200,402	6	-3.0	22.7	19.1
Wrexham	145,317	133,289	148,727	13	-8.3	11.6	2.3
Wyre Forest	160,842	147,938	177,840	10	-8.0	20.2	10.6
West Midlands Region	153,551	146,184	189,077		-4.8	29.3	23.1
England	176,164	177,164	243,220		0.6	37.3	38.1

Source: Land Registry

Comparison of average house prices in July 2006 with July 2017 shows an increase of 11.6% in Shropshire, relative to 38.1% nationally and 23.1% regionally. In terms of long-term change Shropshire ranked eleventh relative to the identified comparator local authorities.

When the trend is broken down into shorter time periods (2006-2011 and 2011-2017) it is more revealing, showing that average house prices declined by -4.8% in period one and grew by 17.3% in period two. During period one Shropshire experienced average house price decline that was significantly worse than Stafford (-0.8) and better than Wolverhampton (11.1%). Average house price change during period two showed that eleven comparison authorities recovered at a higher rate than Shropshire.

²¹Land Registry, © Crown Copyright 2016. <http://landregistry.data.gov.uk/app/hpi> (this table uses the *geometric mean* average house price which provides different results to the median house price).

House Price Index

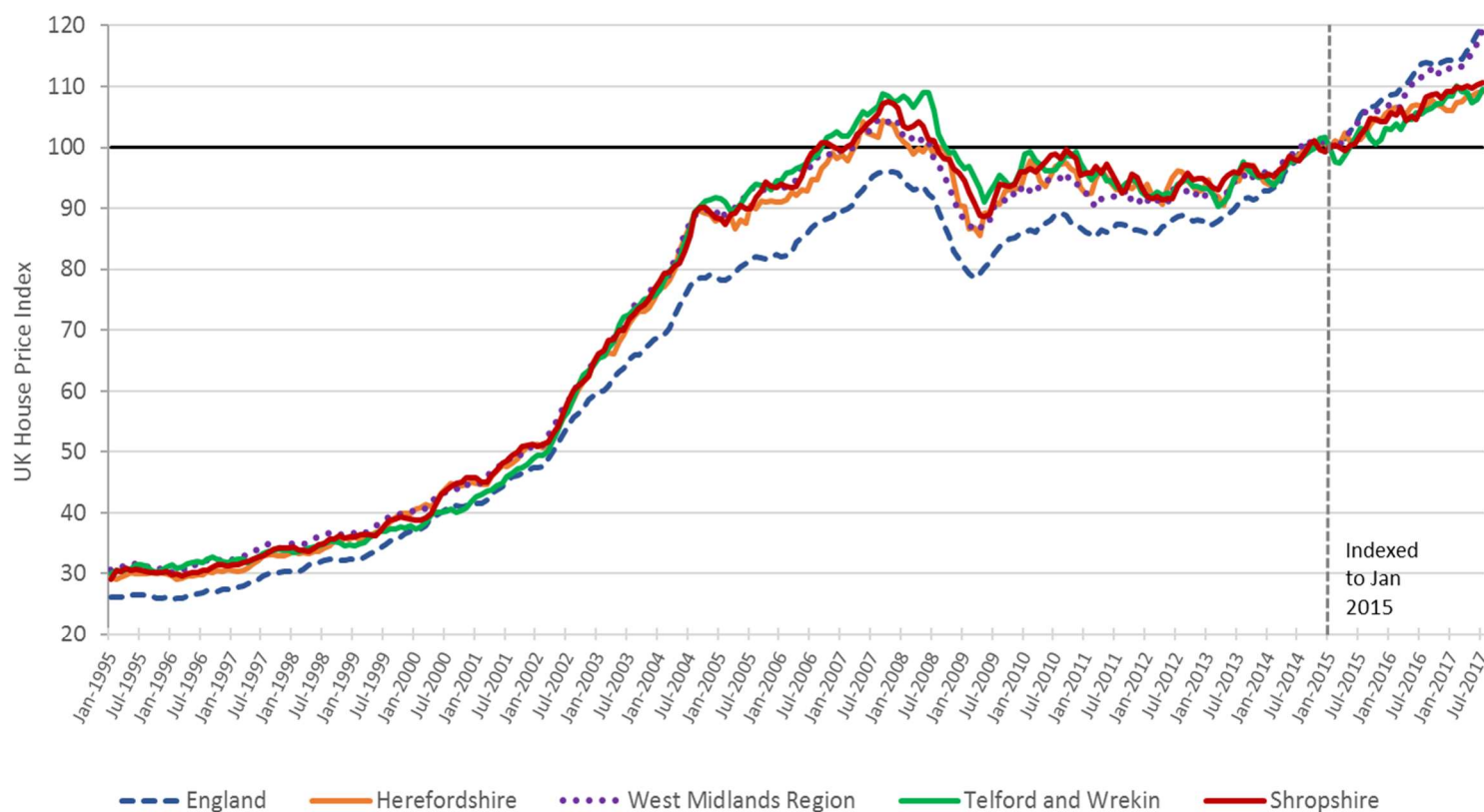
The new UK House Price Index (UK HPI) was launched on the 14th June 2016 and is up-dated monthly. At this time the historic trend was rebased to January 2015. The long-term trend in the UK HPI (January 1995 - July 2017) is displayed in Figure 4 for Shropshire, Herefordshire, Telford and Wrekin (these two local authorities have the greatest synergy with Shropshire), the West Midlands and England. This is followed by Figure 5 which shows monthly data since January 2015, when the UK HPI was rebased.

The long-term trend in Figure 4 shows house prices nationally have remained below January 2015 (base month) levels during 1995-2014 but have risen relatively sharply since January 2015. This contrasts with Shropshire and comparator areas who have experienced higher than national house price growth during 1995-2014 and lower levels of house price growth since January 2015.

In year 2006-2008 Shropshire, Herefordshire and Telford and Wrekin observed house prices above the base month level, during the peak of the house price boom. Only in the last two years have house prices recovered to levels experienced in 2007-2008. The margin between Shropshire and nationally widened during July 2003-January 2014 and there was more variation in house prices between Shropshire and comparator areas 2005-2014.

House prices in Shropshire during 2009-2014, have remained fairly stable and have remained below the peak level reached before the onset of the recession in 2007-2008. This evidence of general stability and good comparability with other areas suggests house prices have not resulted in growing affordable housing need during this period.

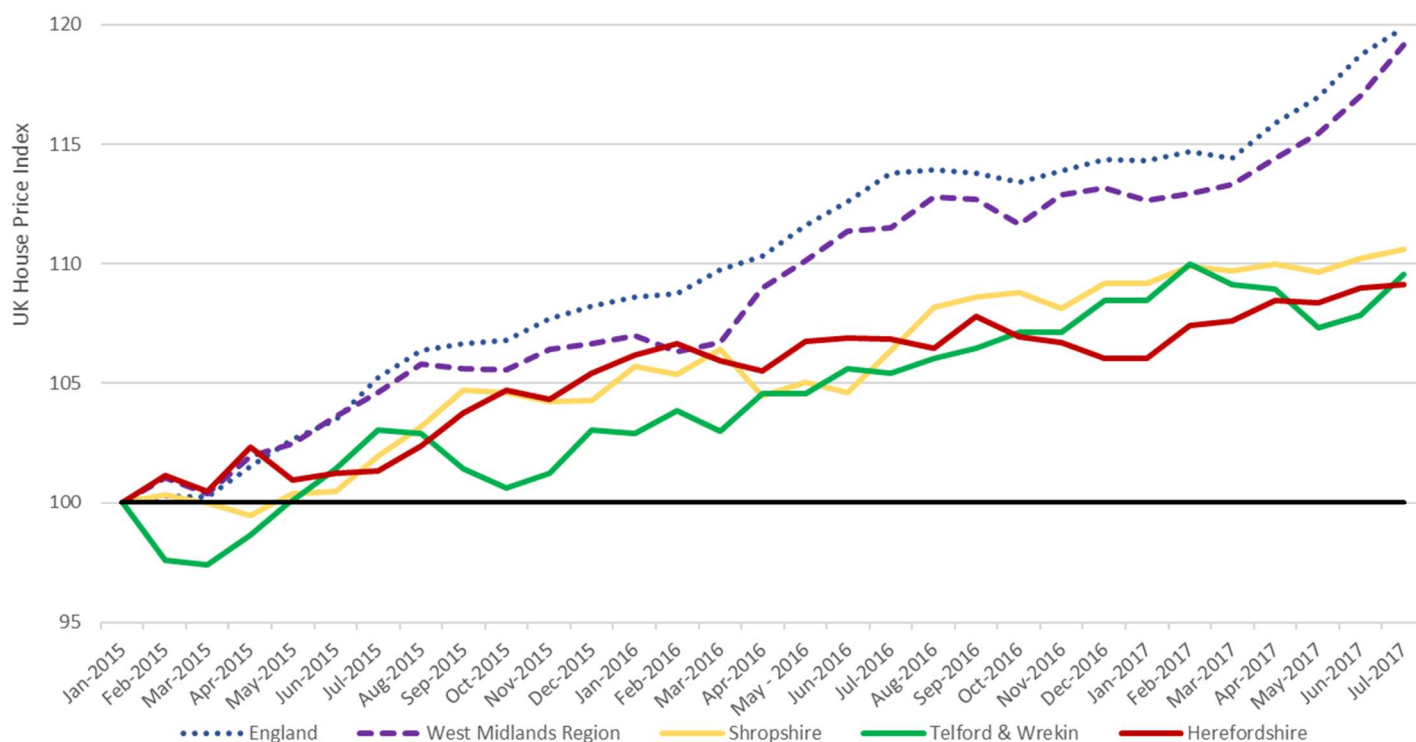
Figure 4: House Price Index – Comparison (published monthly)²²



²²Land Registry, House Price Index, www.gov.uk/government/publications/about-the-house-price-index/about-the-house-price-index

Figure 5 demonstrates that in the last nineteen months house prices in Shropshire, Herefordshire and Telford and Wrekin have risen but well below house price growth for the West Midlands region and nationally.

Figure 5: UK House Price Index – Rebased to January 2015 (Published monthly)²³



Source: Land Registry, UK HPI.

Since March 2016 a large gap in house prices has emerged between the selected local authorities and nationally / regionally. This gap has substantially grown since the beginning of 2017 with house prices rising sharply for England and the West Midlands.

²³Land Registry, House Price Index, www.gov.uk/government/publications/about-the-house-price-index/about-the-house-price-index

Volume of Sales

Available data for 2017 (January-May) showed Shropshire saw average monthly sales of 359²⁴ private dwellings. This represents a decline of -34.5% when compared with average monthly sales of 548 in 2006. Table 9 shows that since 2006 Shropshire has experienced the ninth highest level of decline compared with the identified comparator local authorities and nationally. However when broken down into two time periods the severe fluctuation in sales is evident with a decline of -52.7% during 2006-2011 and an increase of 38.4% during 2011-2017.

Table 9: Land Registry House Price Data – Volume of Sales²⁴

	Average Monthly House Sales (All Property Types)					
	2006	2011	2017	% Change		
				2006-11	2011-17	2006-17
Cheshire East	771	387	480	-49.7	23.9	-37.7
Cheshire West And Chester	609	299	425	-51.0	42.5	-30.1
East Staffordshire	225	106	139	-52.8	31.1	-38.1
Herefordshire	329	174	199	-47.2	14.2	-39.7
Malvern Hills	114	81	89	-28.8	9.9	-21.7
Newcastle-Under-Lyme	197	106	169	-46.3	59.2	-14.5
Powys	176	96	129	-45.6	34.1	-27.1
Shropshire	548	260	359	-52.7	38.4	-34.5
South Staffordshire	152	78	111	-49.0	43.7	-26.8
Stafford	236	122	162	-48.4	32.9	-31.5
Telford and Wrekin	303	133	186	-56.1	40.3	-38.5
Wolverhampton	321	161	199	-49.7	23.3	-38.0
Worcester	227	105	114	-53.9	8.8	-49.9
Wrexham	223	93	121	-58.1	29.6	-45.7
Wyre Forest	179	88	114	-50.9	29.7	-36.3
<i>Worcestershire</i>	1085	571	677	-47.4	18.5	-37.6
<i>Staffordshire</i>	1457	722	1016	-50.4	40.7	-30.3
<i>West Midlands</i>	9656	4645	5937	-51.9	27.8	-38.5
<i>England</i>	104090	52111	59818	-49.9	14.8	-42.5
<i>England & Wales</i>	109012	54634	63110	-49.9	15.5	-42.1

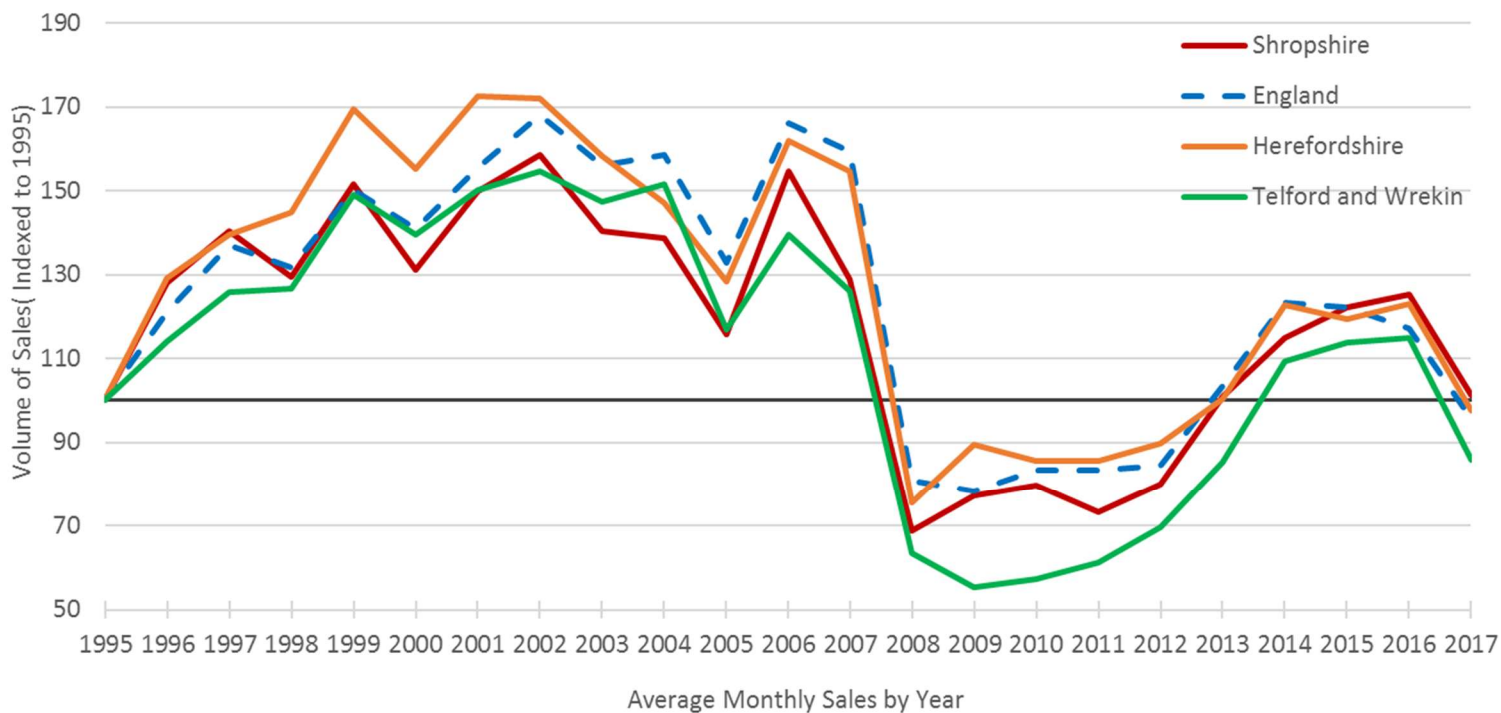
Source: Land Registry

Figure 6 shows that in terms of residential property sales, Shropshire, England, Herefordshire and Telford and Wrekin have experienced similar fluctuations during the period 1995-2017. Shropshire has generally remained below Herefordshire and national levels. Since the sharp decline in sales (2007-2008) at the onset of the recession, Shropshire sales volumes have remained significantly higher than Telford and Wrekin.

Average monthly sales have yet to recover to the peak levels experienced in 1996-2007 (with the exception of 2005). The more gradual recovery of sales volumes in Shropshire is encouraging indicating greater confidence in the private housing market and suggesting housing has become a little more affordable.

²⁴Land Registry, UK House Price Index,
www.gov.uk/government/publications/about-the-house-price-index/about-the-house-price-index

Figure 6: Volume of Sales (indexed to 1995) Comparison



Source: Land Registry

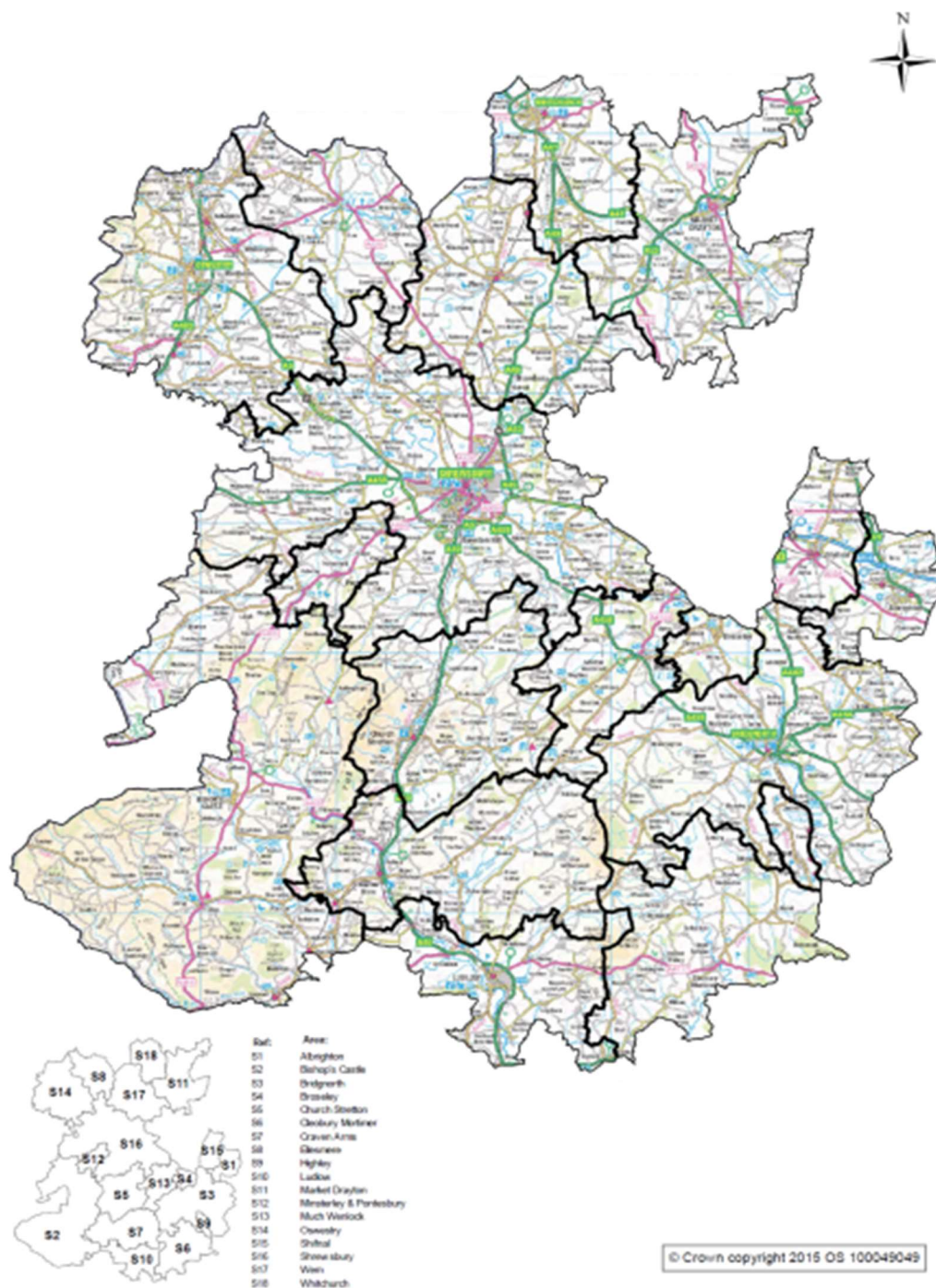
Please note: Average monthly sales for 2017 are calculated using data for months January to May 2017. As data is not yet available for the remainder of 2017, the 2017 average monthly sales will be subject to later change following expected seasonal fluctuations.

Housing Demand and Supply at Sub-County Level

Understanding patterns in housing demand and supply at a sub-county level, through analysis of house prices, can also assist in having a more detailed understanding of the functioning of Shropshire’s local housing market.

Analysis of house prices enables the identification of areas within Shropshire which either have similar house price characteristics or alternatively have very diverse house price characteristics. Analysis of Price Paid²⁵ data (at record level) sourced from the Land Registry (accessible via the DCLG website) means data can be aggregated up to Place Plan Area and lower quartile, median and average house prices compared. Figure 7 illustrates Shropshire’s Place Plan Areas to help interpret the analysis.

Figure 7: Shropshire Place Plan Areas



²⁵ Price Paid Data, Land Registry – 2014-2016 - <https://www.gov.uk/government/statistical-data-sets/price-paid-data-downloads>

Median House Price

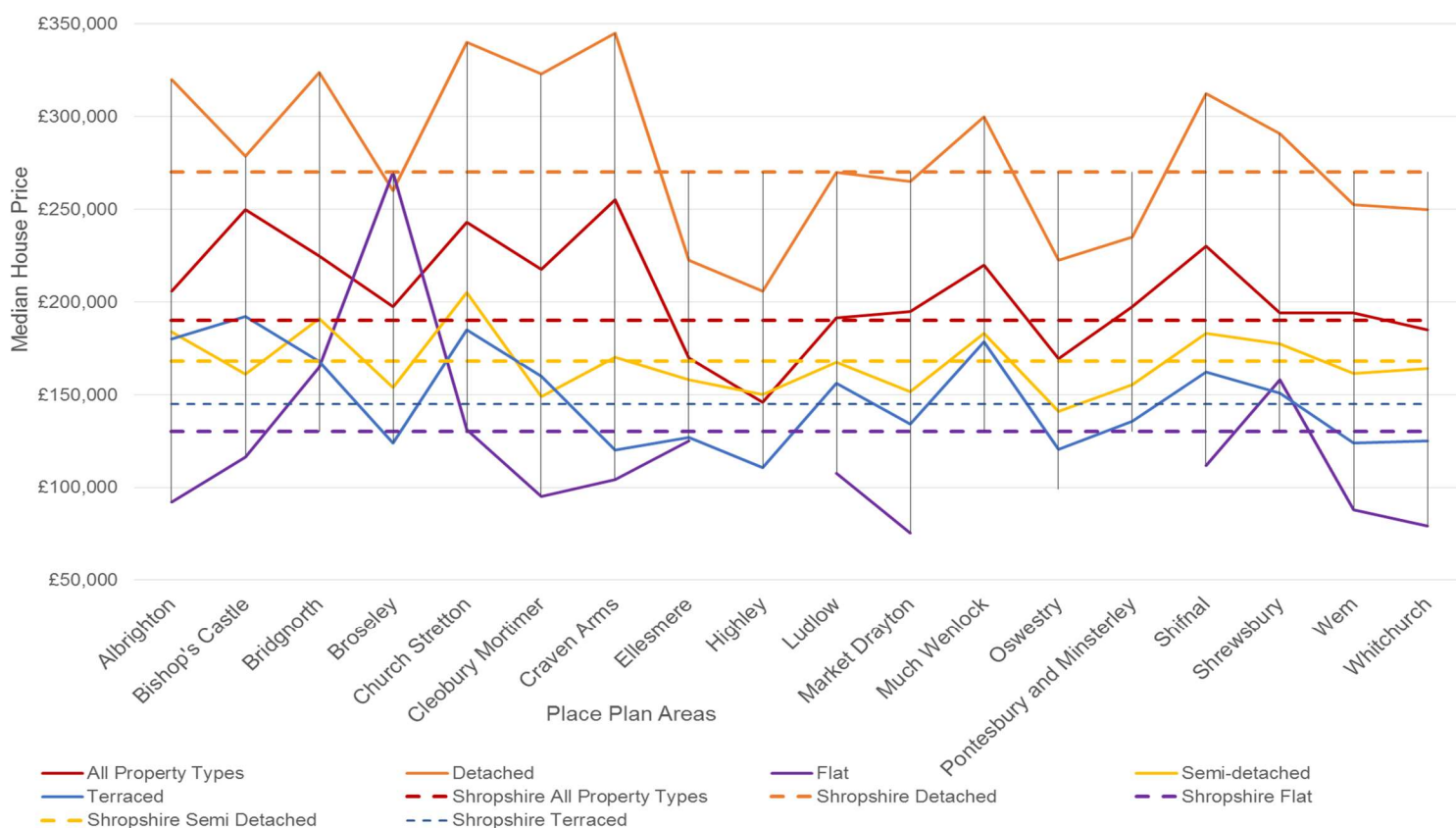
Figure 8 provides a comparison of median house sale prices by property type for the year 2016, for each Place Plan Area. Also included is comparison with the Shropshire median house price by property type²⁶. For context Table 10 shows the volume of sales in 2016 by property type for each Place Plan Area and Table 12 a breakdown of the areas housing stock derived from the 2011 Census.

Figure 8 shows that Craven Arms (£255,000) closely followed by Bishop’s Castle (£250,000) saw the highest overall median house prices in 2016 compared with all Place Plan Areas in Shropshire. In contrast Highley (£146,000), closely followed by Ellesmere (£169,950) and Oswestry (£169,500) Place Plan Areas saw the lowest median house prices. These areas experienced median house prices significantly below the County median (£190,000).

Comparison with the Shropshire median house price, shows southerly Place Plan Areas such as Church Stretton, Cleobury Mortimer, Bridgnorth, Much Wenlock and Shifnal observed significantly higher median house prices. The more northerly Place Plan Areas of Wem, Market Drayton, Whitchurch, Shrewsbury and Minsterley and Pontesbury performed on or close to the Shropshire median. This reveals significantly higher house prices in the south of the County when compared with central and northern Shropshire.

Exceptions to this conclusion are Highley (a historic mining community) and Ludlow, both in the south of the County. These areas share characteristics in terms of higher levels of social housing, higher levels of lower cost terraced housing (Highley - 24.3% and Ludlow – 26.4%) and higher proportions of residents living in deprivation.

Figure 8: Median House Price by Property Type and Place Plan Area – 2016²⁵



²⁶ House Price Statistics for Small Areas (17th March 2017), Office for National Statistics.

Note: Data used it year to end September 2016.

(<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/medianhousepriceforationalandsubnationalgeographiesquarterlyrollingyearhpsdataset09>)

Table 10: Number and Percentage Breakdown of Sales by Property Type for 2016²⁵

	Sales					Sales - % Breakdown			
	All	Detached	Flat	Semi-Detached	Terraced	Detached	Flat	Semi-Detached	Terraced
Albrighton	83	31	10	29	13	37.3	12.0	34.9	15.7
Bishop's Castle	153	102	2	24	25	66.7	1.3	15.7	16.3
Bridgnorth	388	160	41	94	93	41.2	10.6	24.2	24.0
Broseley	117	63	1	30	23	53.8	0.9	25.6	19.7
Church Stretton	139	63	30	34	12	45.3	21.6	24.5	8.6
Cleobury Mortimer	88	47	2	20	19	53.4	2.3	22.7	21.6
Craven Arms	91	53	5	16	17	58.2	5.5	17.6	18.7
Ellesmere	142	60	11	36	35	42.3	7.7	25.4	24.6
Highley	85	33	0	21	31	38.8	0.0	24.7	36.5
Ludlow	296	122	28	51	95	41.2	9.5	17.2	32.1
Market Drayton	334	161	12	118	43	48.2	3.6	35.3	12.9
Much Wenlock	72	29	0	21	22	40.3	0.0	29.2	30.6
Oswestry	673	325	18	192	138	48.3	2.7	28.5	20.5
Minsterley & Pontesbury	75	39	0	24	12	52.0	0.0	32.0	16.0
Shifnal	273	126	6	75	66	46.2	2.2	27.5	24.2
Shrewsbury	1,905	612	299	577	417	32.1	15.7	30.3	21.9
Wem	277	139	9	84	45	50.2	3.2	30.3	16.2
Whitchurch	306	140	17	76	73	45.8	5.6	24.8	23.9
Shropshire	5,497	2,305	491	1,522	1,179	41.9	8.9	27.7	21.4

Source: Land Registry Price Paid Data

Type of Properties

As would be expected detached properties sell for the highest house prices, in 2016 peaking in Craven Arms (median price £345,000), followed closely by Church Stretton (£340,000) and Cleobury Mortimer (£323,000). These areas fall within or are adjacent to the South Shropshire Hills AONB and are known to be attracters of migrants wishing to live in a beautiful environment. Often these migrants are retirees from the rest of the UK.

Table 10 shows that detached properties made up over 50% of sales in Bishop's Castle, Craven Arms and Cleobury Mortimer, reflecting that over 50% of housing stock in these areas is detached (see Table 11). Further analysis also shows areas of Shifnal, Albrighton and Bridgnorth saw relatively high median sale prices for detached properties. These areas border Telford and South Staffordshire local authorities, with good access to rail and road links to employment centres in Telford and the West Midlands conurbation.

In terms of median sale prices of flats, urban areas of Shrewsbury and Bridgnorth observed the highest prices (higher stock levels – 12.4% and 10.0% respectively). Figure 8 shows a high median house price for Broseley attributable to the sale of only one flat in the area. Similarly the more rural Place Plan Areas (Bishop's Castle, Cleobury Mortimer, Craven Arms, Highley, Much Wenlock and Minsterley and Pontesbury) saw 5 or less sales of flats during 2016. Of note is the high number of sales in Church Stretton which may be attributable in part to a single development.

Terraced housing generally provides more affordable housing when compared with detached and semi-detached housing. The median house price for a terraced property in Shropshire is £145,000 in 2016, based on 1,179 sales. Bishop's Castle experienced the highest median house price for terraced properties (£192,000, 25 sales), over 32% higher than the Shropshire median. Similarly Albrighton, Bridgnorth, Church Stretton, Cleobury Mortimer and Much Wenlock all saw median house prices well above the County median.

Table 11: Percentage Breakdown of Housing Stock by Property Type²⁷

	All		Detached		Flat*		Semi-Detached		Terraced		Other**	
	No.	No.	%	No.	%	No.	%	No.	%	No.	%	
Albrighton	3,135	1,118	35.7	169	5.4	1,298	41.4	507	16.2	43	1.4	
Bishop's Castle	5,045	3,063	60.7	194	3.8	1,216	24.1	511	10.1	61	1.2	
Bridgnorth	10,778	4,319	40.1	1,078	10.0	3,515	32.6	1,731	16.1	135	1.3	
Broseley	2,529	939	37.1	204	8.1	936	37.0	408	16.1	42	1.7	
Church Stretton	3,676	2,127	57.9	421	11.5	810	22.0	309	8.4	9	0.2	
Cleobury Mortimer	3,391	1,829	53.9	144	4.2	789	23.3	330	9.7	299	8.8	
Craven Arms	3,017	1,562	51.8	208	6.9	835	27.7	389	12.9	23	0.8	
Ellesmere	3,558	1,638	46.0	209	5.9	1,243	34.9	459	12.9	9	0.3	
Highley	1,910	702	36.8	85	4.5	550	28.8	465	24.3	108	5.7	
Ludlow	7,912	2,883	36.4	686	8.7	2,200	27.8	2,092	26.4	51	0.6	
Market Drayton	9,232	3,854	41.7	708	7.7	3,436	37.2	1,160	12.6	74	0.8	
Minsterley & Pontesbury	2,126	1,098	51.6	159	7.5	675	31.7	187	8.8	7	0.3	
Much Wenlock	2,260	1,155	51.1	151	6.7	596	26.4	313	13.8	45	2.0	
Oswestry	17,797	7,371	41.4	1,640	9.2	5,754	32.3	2,986	16.8	46	0.3	
Shifnal	3,549	1,175	33.1	418	11.8	1,355	38.2	599	16.9	2	0.1	
Shrewsbury	42,474	12,549	29.5	5,266	12.4	16,095	37.9	8,495	20.0	69	0.2	
Wem	6,761	3,529	52.2	491	7.3	2,021	29.9	707	10.5	13	0.2	
Whitchurch	6,495	2,618	40.3	726	11.2	1,965	30.3	1,159	17.8	27	0.4	
Shropshire	135,645	53,529	39.5	12,957	9.6	45,289	33.4	22,807	16.8	1,063	0.8	

Source: 2011 Census, ONS.

*' Flat' is 'Flat, maisonette or apartment', '**' Other' is 'Caravan or other mobile or temporary structure'

In contrast Highley experienced the lowest median house price of £110,500 for a terraced property, over 32% below the Shropshire median. This reflects the high proportion of terraced housing stock attributable to its mining heritage and the relatively high proportion of sales (36.5%, 31 sales). Ludlow and Shrewsbury experienced median house prices closest to the Shropshire median, both areas containing higher proportions of terraced housing.

²⁷ 2011 Census Key Statistics Table KS401EW - Dwellings, household spaces and accommodation type, ONS, <https://www.nomisweb.co.uk/>

Long-term House Price Change

Figure 8 is very useful in identifying the commonalities and diversity of median sale prices across Shropshire. However it is also very important to understand the long-term trend in median house prices within Shropshire. Figures 9-11 show a 10 year trend in median house prices by Place Plan Area (2006-2016). Included for comparison is the Shropshire and England trend in overall median house prices. As the figures demonstrate Shropshire and England median house prices remained similar during 2006-2009 and since then have diverged to a point where the national median house price is £30,000 higher in 2016. Observing this period (2006-2016) is useful as it covers both the recession and a period of economic recovery.

For ease of viewing the findings, Place Plan Areas have been split by north (Figure 9), central / south west (Figure 10) and south east Shropshire (Figure 11). Through viewing the data this way it reveals the significantly lower range of median house prices experienced in Place Plans Areas in the north (Figure 11) when compared to southern / central Place Plan Areas shown in Figure 9 and 10. In the north of Shropshire the highest median house price over ten years was seen in Wem in 2007 (£207,000) compared to Craven Arms in the south which experienced a peak median house price in 2010 (£285,000).

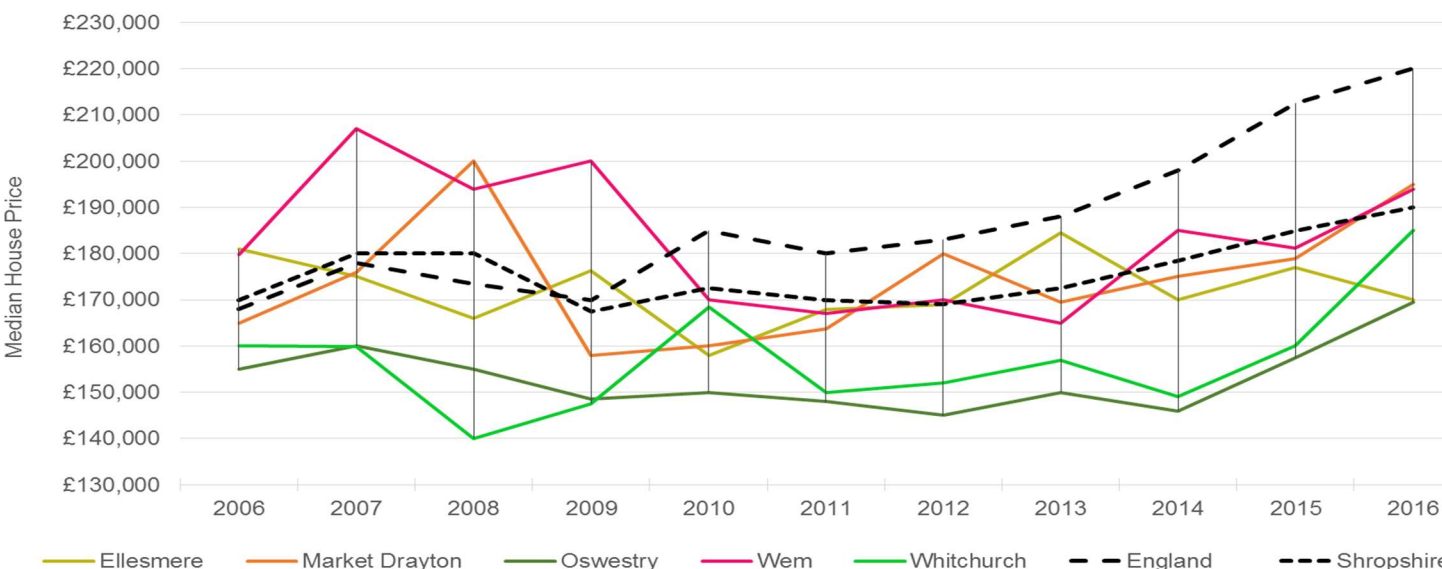
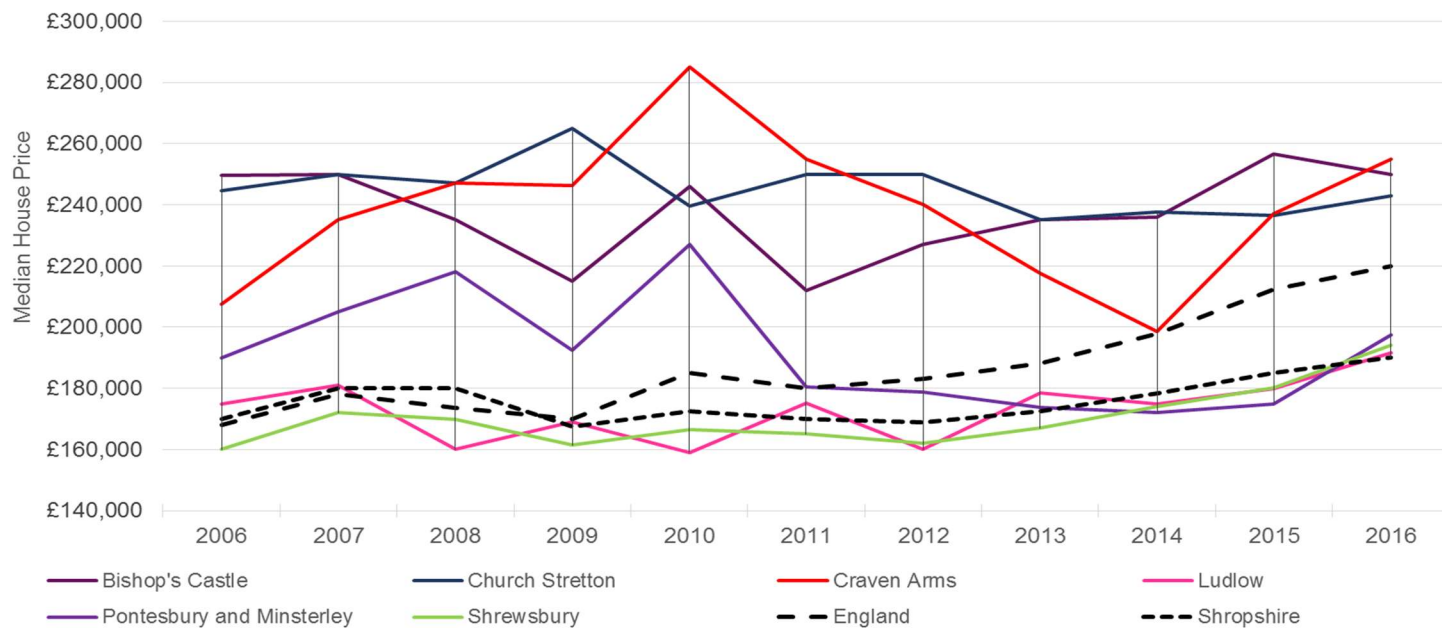
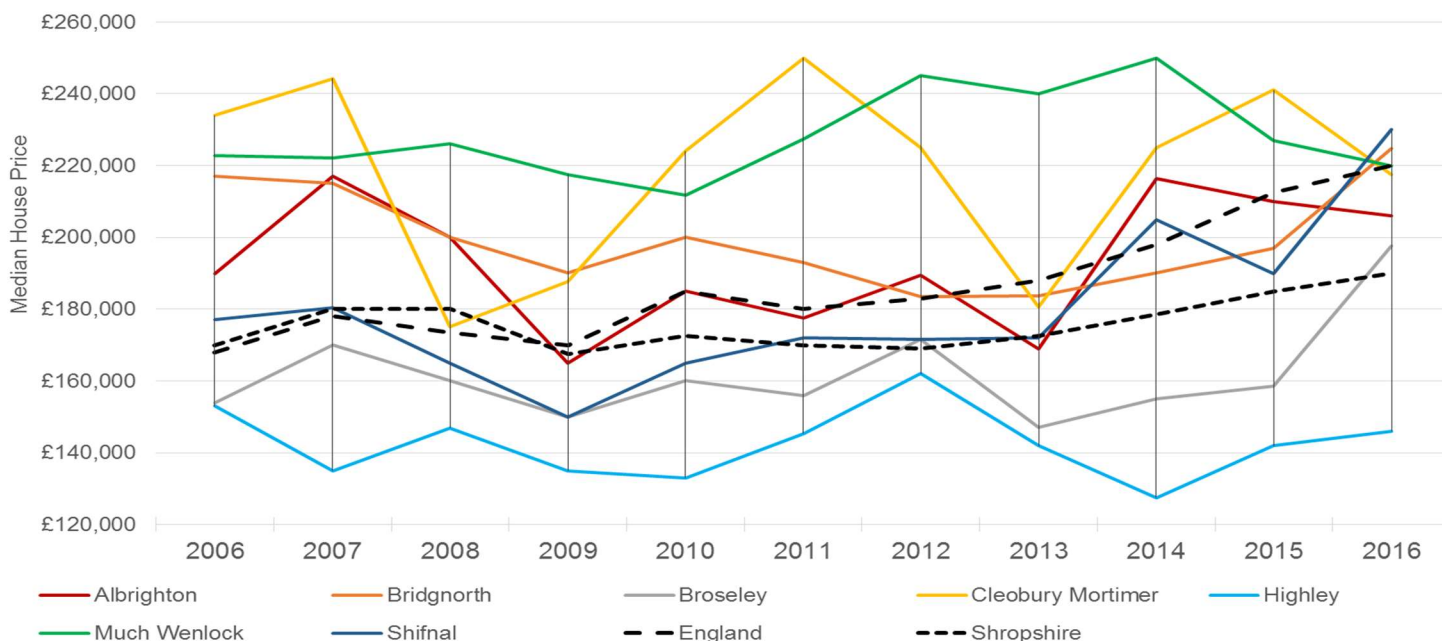
Due to the smaller size of the property market in each Place Plan Area when compared to Shropshire and England there is greater fluctuation in median house price over the 10 year period. This is particularly evident in Craven Arms (£285,000 in 2010 to £198,500 in 2014) and Cleobury Mortimer (£175,000 in 2008 to £250,000 in 2011) Place Plan Areas.

South East Shropshire

Figure 9 shows median house prices in Much Wenlock and Cleobury Mortimer have generally remained significantly above the County and national average during 2006-2016. In complete contrast Highley and Broseley in Figure 9 and have observed median house prices well below the Shropshire and the national average. During 2006-2016 prices in Much Wenlock didn't fall below £211,750 but in Highley prices didn't rise above £162,000.

All Place Plan Areas in Figure 9 experienced a decline in median house prices during the period 2007-2010. However during 2014-2016, Broseley, Highley, Bridgnorth and Shifnal Place Plan Areas observed rising median house prices, following the County and national trend. This may be reflective of the impact of the recession and the subsequent economic recovery on local housing markets. Much Wenlock, Cleobury Mortimer and Albrighton Place Plan Areas bucked this trend experiencing falling median house prices during 2014-2016.

Figure 9-11: Median House Prices by Place Plan Area – 2006-2016



Central and South West Shropshire

Figure 10 shows Shrewsbury and Ludlow Place Plan Areas have closely followed the Shropshire median house price trend during 2006-2016. Bishop's Castle, Craven Arms and Church Stretton Place Plan Areas have seen median house prices significantly above the national and Shropshire averages during 2006-2016. For these areas house prices have not fallen below £198,500 since 2006. In summary there were no Place Plan Areas in central / southern Shropshire with median house prices that consistently fell below the Shropshire average.

North Shropshire

Figure 11 shows median house prices in Oswestry and Whitchurch Place Plan Areas have remained significantly below the national and Shropshire averages during 2006-2016. Whitchurch median house prices fell to their lowest in 2008 (£140,000) but in 2015-16 prices have moved closer to the Shropshire average. In 2016, Wem, Market Drayton and Whitchurch achieved higher median house prices than in 2006, but Oswestry and Ellesmere prices remain below 2006 levels.

From 2009-2016 all Place Plan Areas in north Shropshire observed median house prices significantly below the national average and in general Ellesmere, Wem and Market Drayton have followed the Shropshire trend. During 2014-2016 all Place Plan Areas with the exception of Ellesmere have experienced growing median house prices. Only Wem achieved house prices of over £200,007 (2007) but similarly to Market Drayton median house prices fell dramatically during 2008-2009 (£200,000 to £158,000).

Overview

Figures 9-11 demonstrate the disparity of median house prices across the County during 2006-2016. For example the highest median house price over the ten year period was observed in Craven Arms (£285,000) in 2010, but in the same year Highley observed a median house price of £133,000, a disparity of £152,000. Overall, the figures provide evidence of significantly higher private sector housing costs in south / central Shropshire Place Plan Areas when compared with the north Shropshire Place Plan Areas. Median house prices range from £140,000 (Whitchurch 2008) - £207,000 (Wem 2007) in the north and from £159,000 (Ludlow 2010) - £285,000 (Craven Arms 2010) in the south during the 2006-2016 period.

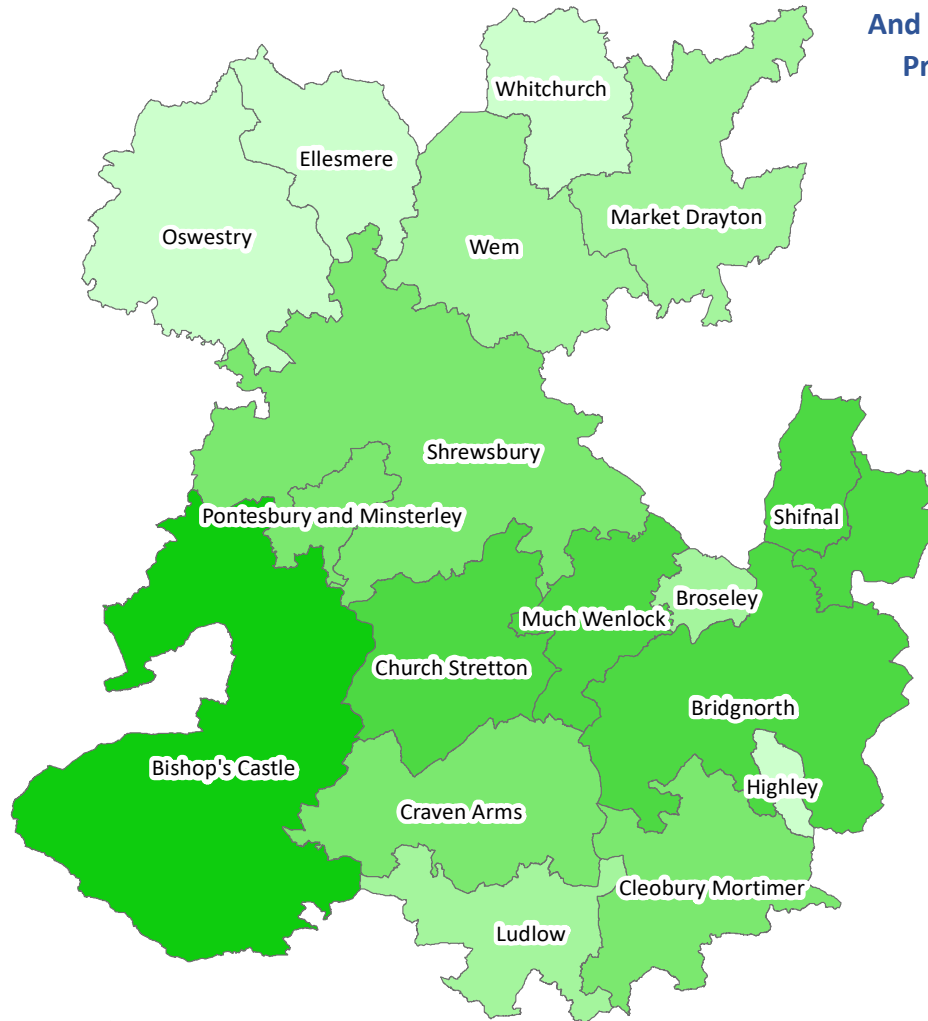
Lower Quartile and Median House Price

Figure 12 shows the spatial distribution of lower quartile and median house prices across Shropshire using 2016 data.

Map 2 shows clearly the commonalities in terms of median house prices between groupings of Place Plan Areas in;

- South West Shropshire (Bishop's Castle, Church Stretton and Craven Arms – highest housing costs),
- South East (Much Wenlock, Shifnal, Bridgnorth and Cleobury Mortimer),
- Central and north east Shropshire (Whitchurch, Market Drayton, Wem, Shrewsbury, Minsterley and Pontesbury), and
- North West Shropshire (Ellesmere and Oswestry – lowest housing costs).

Lower Quartile House Price Data (2016)



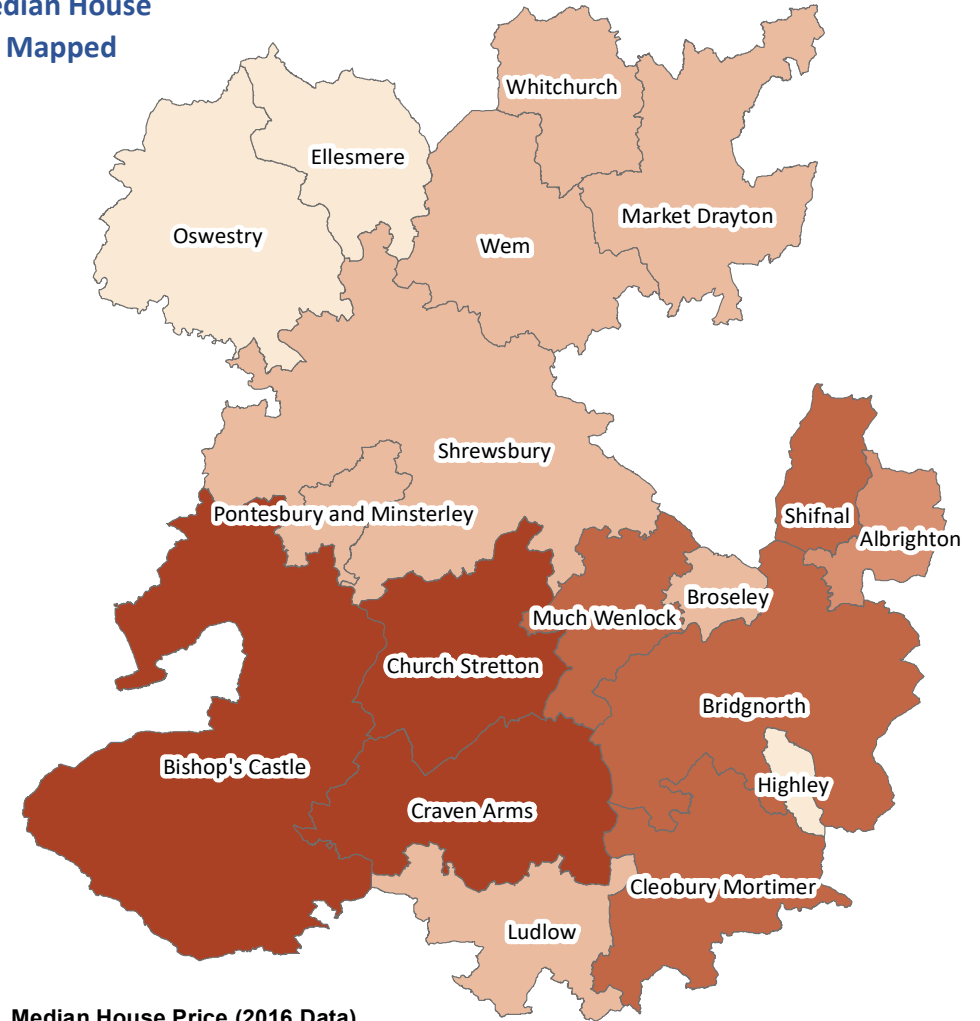
Lower Quartile House Price (2016 Data)

- £116,000 - £132,750
- £132,750 - £146,500
- £146,500 - £156,875
- £156,875 - £173,500
- £173,500 - £185,000

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Figure 12:
Lower Quartile
And Median House
Price Mapped

Median House Price Data (2016)



Median House Price (2016 Data)

- £146,000 - £169,950
- £169,950 - £197,500
- £197,500 - £206,000
- £206,000 - £229,995
- £229,995 - £255,000

Place Plan Areas of Ludlow, Highley, Broseley and Albrighton stand out as exceptions to this behaviour. However house prices in these areas are likely to be influenced by their unique characteristics.

- Albrighton Place Plan Area is home to the armed forces and their families at RAF Cosford.
- Highley has retained the character of its coal mining roots with a high level of lower cost terraced housing, a resilient community, lower household income and is constrained in its location to the west of the River Severn.
- Ludlow has a community of households living in relative deprivation (IMD 2015), a higher level of lower cost terraced housing and strong links with employment in agriculture.
- Broseley has strong linkages with Ironbridge and the rest of southern Telford.

Lower quartile house price analysis is useful in better understanding where issues of housing affordability may be common across Shropshire for households on lower quartile incomes. Map 1 is less clear cut in its groupings of Place Plan Areas than Map 2, however Bishop's Castle stands out as having the highest private market housing costs in Shropshire. Oswestry, Ellesmere, Whitchurch (bordering Wales), Highley, Ludlow and Broseley have the lowest housing costs.

Private Market Rents

Private sector rents provide an indication of the cost of accessing rental accommodation within the Shropshire housing market area. The NPPG identifies market rents as a key market signal. The Valuation Office Agency (VOA) publishes data on private sector monthly rents based on a sample of 511,980 transactions recorded in their lettings administrative database. For 2016-2017, Shropshire's sample was 2,150 transactions (0.4% of the national sample size).

Table 12: Private Sector Monthly Rental Values²⁸

	Count of rents	Lower quartile (£)	Rank	Median (£)	Rank	Upper quartile (£)
South Staffordshire	400	550	1	625	2	725
Malvern Hills	670	543	2	650	1	750
Cheshire West and Chester	4,020	525	3	600	Joint 3	725
Cheshire East	5,590	500	4	600	Joint 3	800
Herefordshire, County	1,640	495	5	575	Joint 4	695
Worcester	830	490	6	600	Joint 3	695
Telford and Wrekin	1,320	475	Joint 7	550	8	650
Wyre Forest	920	475	Joint 7	550	Joint 5	625
Stafford	1,730	475	Joint 7	575	Joint 4	660
East Staffordshire	1,190	475	Joint 7	550	Joint 5	650
Shropshire	2,150	465	8	550	Joint 5	650
Newcastle-under-Lyme	990	445	9	500	7	595
Wolverhampton	1,390	434	10	520	6	595
Staffordshire	7,430	475		550		650
Worcestershire	4,420	520		625		725
West Midland Region	38,540	475		575		695
England	511,980	500		675		950

Source: VOA Rental Market Statistics.

Table 12 shows Shropshire has a median rental value of £550 in 2016-2017. This shows that Shropshire is significantly below the national average (£675) but on a par with close neighbour Telford and Wrekin. Overall Shropshire ranks the fifth highest (jointly with East Staffordshire and Wyre Forest) of the comparison local authorities, with Wolverhampton ranked lowest.

Lower quartile rental values are often used as a measure of affordability. In Shropshire's case the lower quartile monthly cost is £465, below Telford and Wrekin (£475) and Herefordshire (£495). The Shropshire lower quartile monthly rental value of £465 is 7.0% below the national lower quartile monthly rental value of £500.

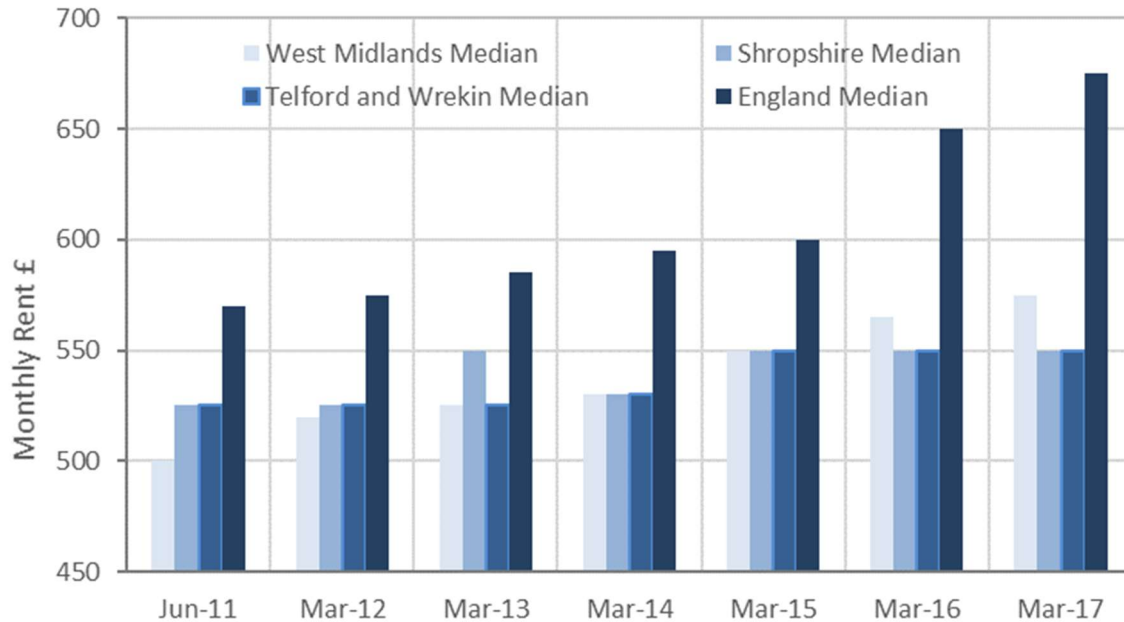
Figure 13 shows a snapshot of median rental levels at the year ending June 2011 and March 2012-2017. Before interpreting it is important to understand that this administrative data source is not ideal for monitoring change. The data is based on a sample of rental information collected by Rent Officers from landlords and letting agents. The composition of this sample changes over time so any differences in median rent may be due to differences in the sample rather than true changes in the rental market.

²⁸VOA, Private Rental Market Statistics - Table 2.7: Summary of monthly rents (01/04/16 - 31/03/2017), <https://www.gov.uk/government/statistics/private-rental-market-summary-statistics-april-2016-to-march-2017>

In the years shown in Figure 13 the national median private monthly rental values have far outstripped those of Telford and Wrekin, Shropshire and the West Midlands region as a whole.

In the years ending June 2011 and March 2012 median private monthly rental levels remained stable in Shropshire at £525, on a par with Telford and Wrekin but above regional levels. Shropshire levels rose in 2013 to £550, returning to £530 in 2014 and rising to £550 in 2015 where levels have remained unchanged to the end of March 2017.

Figure 13: Comparison of Median Private Monthly Rent



Source: VOA Rental Market Statistics.

Further information on private sector monthly rental values in Shropshire was available through analysis of data collected by the on-line estate agent 'Right Move' (September 2014 - September 2015). This data source showed that the overall average monthly rental cost in Shropshire was £634 a month. It also highlights that the average monthly rent for a two bedroom property was £559 a month and for a three bedroom property £687 a month. Both rental values are slightly above the median rents reported by the VOA in 2014 and 2015.

In summary, monthly housing costs associated with renting a median priced dwelling in Shropshire do not seem to have worsened in the last three years. Comparison nationally and with identified comparator local authorities shows Shropshire to be relatively affordable. This evidence does not suggest that rental prices are being forced upwards by a lack of available supply.

Affordability – Purchasing a Property

The ability or inability of households to afford and access suitable housing in a suitable location is a key market signal that may indicate higher levels of affordable housing need. Affordability ratios (ARs) are widely used as a measure of affordability of private market housing, as they compare housing costs against the ability of a household to pay. A high ratio indicates housing is less affordable and that households on lower incomes are more likely to struggle to afford even the lowest priced accommodation.

The Office for National Statistics (ONS) have taken on the mantle from CLG to publish annual data on lower quartile house prices to lower quartile earnings and median house price to median earnings. Best practice is to use the workplace based earnings estimates as opposed to resident based earnings to calculate ARs. In 2016 workplace based median earnings were estimated at £24,780²⁹ in Shropshire and resident based earnings at £27,240³⁰. This contrast in earnings is due to many Shropshire residents accessing higher paid jobs by commuting outside of the County and the relative lower paid jobs within Shropshire. More detailed earnings data is sourced from the 2016 ONS Annual Survey of Hours and Earnings (ASHE)³¹

Lower Quartile House prices to Lower Quartile Earnings²⁹

This analysis considers long-term trends and comparison with other local authorities and nationally. Table 13 shows that in 2016 Shropshire had a lower quartile based affordability ratio (AR) of 8.06. This places Shropshire's AR the fourth highest against the comparable local authorities listed in Table 13 and reveals Shropshire to be the fourth least affordable place to live of the local authorities considered, in 2016. Herefordshire, Malvern Hills and South Staffordshire stand out as the least affordable comparable local authorities at 8.61, 10.69 and 8.32 respectively.

Shropshire's AR is 6.4% (0.55) below Herefordshire's AR and 12.6% above the England ratio of 7.16. The most comparable local authorities with Shropshire in terms of ARs are Stafford (7.7) and Worcester (7.6). Telford and Wrekin's AR of 6.0 contrasts significantly with Shropshire's AR indicating the area is more affordable to households on lower quartile earnings.

Overall Shropshire's ranking highlights that access to affordable private market housing for people on low incomes is a particular challenge in the County. This indicates a higher level of affordable housing need amongst lower income households compared with similar local authorities and nationally.

However, as house prices in Shropshire are below the national average, the high affordability ratio in Shropshire is strongly influenced by lower wages received in the area, particularly amongst those employed in rural areas. Indeed data for 2016 indicates that the average median gross weekly earning for employees in Shropshire is £475.6³¹, significantly less than the median average for the West Midlands Region (£510.3) and the median average for Great Britain (£540.2). Consequently a more effective method of addressing affordability in Shropshire may be to increase opportunities to earn higher wages, rather than solely relying on provision of affordable dwellings.

²⁹ Ratio of house price to workplace-based earnings (lower quartile and median), ONS.

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

³⁰ Ratio of house price to residence-based earnings (lower quartile and median), ONS.

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoresidencebasedearningslowerquartileandmedian>

³¹ Nomis Official Labour Market Statistics (ASHE), ONS.

<https://www.nomisweb.co.uk/query/select/getdatasetbytheme.asp?theme=25>

Table 13 shows that since 2000, Shropshire's AR has risen at a rate of 0.87, just above the rise experienced nationally of 0.86. Only four local authorities have experienced higher rises in ARs than Shropshire during the period 2000-2016 including Newcastle-under-Lyme (0.99), Wolverhampton (0.91), East Staffordshire (0.89) and only slightly South Staffordshire (0.87). Telford and Wrekin has seen the tenth highest level of growth at 0.71 compared with Shropshire's ranking of fifth.

Table 13: Ratio of Lower Quartile House Price to Lower Quartile Earnings³²

	Affordability Ratio				Rank	Rate of Change			
	2000	2005	2010	2016	2016	2000-05	2005-10	2010-16	2000-16
Cheshire East			7.3	7.0	9			-0.04	
Cheshire West and Chester			6.9	7.1	8			0.04	
East Staffordshire	3.1	6.1	6.3	5.9	14	0.94	0.04	-0.06	0.89
Herefordshire, County of	5.1	8.8	9.3	8.6	2	0.74	0.06	-0.08	0.71
Malvern Hills	5.8	10.6	9.7	10.7	1	0.81	-0.08	0.10	0.83
Newcastle-under-Lyme	3.1	5.8	6.1	6.2	11	0.88	0.04	0.01	0.99
Powys	3.9	7.4	8.0	6.6	10	0.92	0.08	-0.18	0.70
Shropshire	4.3	8.3	8.1	8.1	4	0.92	-0.02	-0.01	0.87
South Staffordshire	4.4	8.0	8.2	8.3	3	0.81	0.02	0.01	0.87
Stafford	4.1	7.1	6.6	7.7	6	0.73	-0.07	0.16	0.86
Telford and Wrekin	3.5	6.1	6.6	6.0	13	0.73	0.08	-0.09	0.71
Wolverhampton	2.8	5.6	5.1	5.4	15	0.96	-0.08	0.06	0.91
Worcester	4.6	8.2	7.3	7.8	5	0.79	-0.10	0.06	0.71
Wrexham	3.3	6.8	5.6	6.1	12	1.07	-0.17	0.08	0.85
Wyre Forest	3.9	8.4	7.5	7.3	7	1.15	-0.12	-0.02	0.86
<i>England</i>	<i>3.85</i>	<i>6.82</i>	<i>6.86</i>	<i>7.16</i>		<i>0.77</i>	<i>0.01</i>	<i>0.04</i>	<i>0.86</i>

Source: ONS Housing Statistics.

Please note: Cheshire East and Cheshire West & Chester Local Authorities were newly created in 2009 and so data is unavailable before 2009.

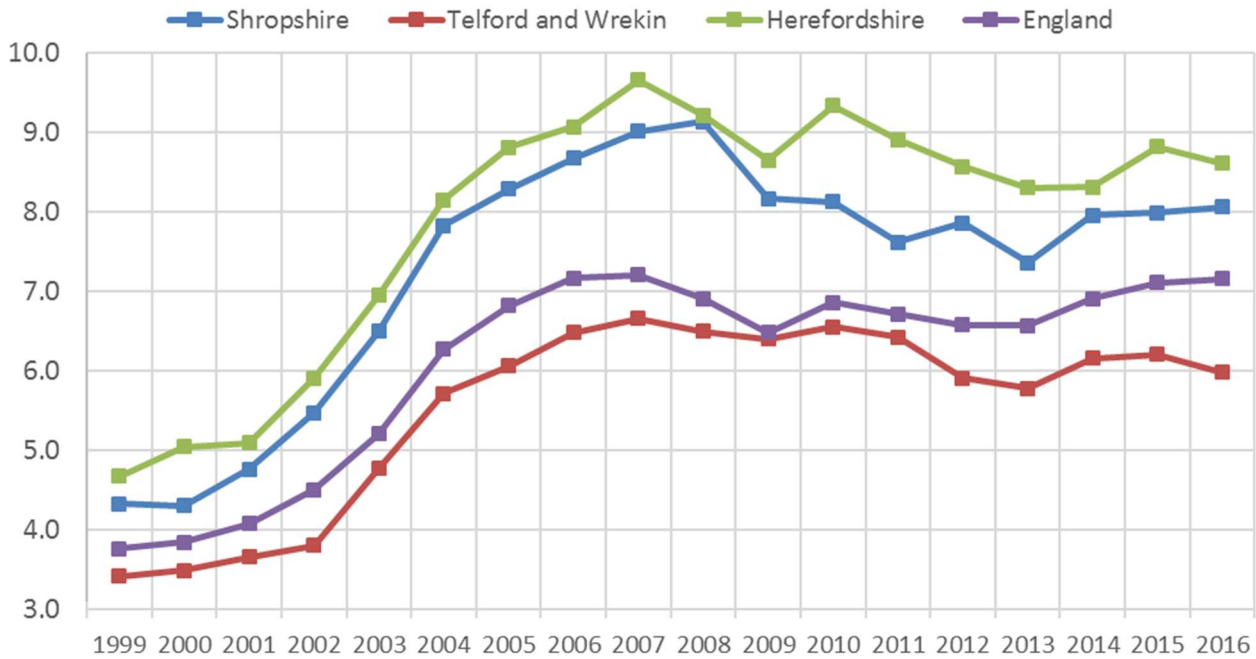
Breaking down the long-term trend, Table 13 shows the AR in Shropshire rose at a higher rate (0.92) during 2000-2005, then fell by -0.02 during 2005-2010 and continued to fall by -0.01 during 2010-2016. During 2005-2010 and 2010-2016 the rate of increase in ARs nationally and in the comparison local authorities slowed or began to decline in response to the recession impact on house prices and earnings. During 2010-2016 Shropshire experienced the seventh highest level of decline after Powys, Cheshire East, Herefordshire, Telford and Wrekin, Wyre Forest and Malvern Hills. This suggests levels of housing affordability have not worsened since the recession, reflecting greater stability in house prices in recent years.

Figure 14 depicts the long-term trend in ARs, during the time series 1999-2016. It illustrates clearly (as proven in Table 13) that in the long-term Shropshire has experienced significantly higher ARs than Telford and Wrekin and England but has more closely followed the Herefordshire trend. During the period 2002-2007 the ARs for all areas rose sharply reflecting the high levels of house price inflation at the time. When comparing Shropshire with Telford and Wrekin and England, the margin between ARs has widened since 2004.

³²Ratio of house price to workplace-based earnings (lower quartile and median), ONS.

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

Figure 14: Change in the Ratio: Lower Quartile House Prices to Lower Quartile Earnings³²



Source: ONS House Price Statistics.

As demonstrated in Figure 14, Shropshire’s ARs have declined since peaking in 2008, with a slight rise in 2012 and 2014, and a period of stability for 2014-2016. This downward trend (2008-2013) that started prior to the onset of the global recession (2009), indicates the gap between earnings and housing costs is narrowing, making access to affordable market housing relatively easier for lower income households. This is encouraging news if more housing need can be met within the Shropshire private sector housing market.

However access to affordable housing remains a large concern in Shropshire, and only time will tell if recent house price rises in Shropshire will destabilise recent AR trends.

Median House Price to Median Earnings (Workplace based)³³

Table 14 considers the long-term trend in the affordability ratio of median house price to median earnings and provides a comparison with other selected local authorities and nationally. Shropshire is ranked third in terms of the highest median affordability ratio with only Herefordshire and Malvern Hills having higher ratios. This again underlines the challenge of providing enough affordable housing in the County.

In the long-term (2000-2016) Shropshire has experienced the sixth lowest level of change compared with the selected local authorities (where data is available). However Shropshire (0.72) has experienced a lower rate of growth than nationally (0.85). When change is broken down into three smaller time periods (2000-05, 2005-10 and 2010-16) Shropshire saw growth of 0.82 during period one, decline of -0.04 during period two (at the beginning of the recession period) followed by further decline of -0.02 since 2010.

Table 14: Median House Price to Median Earnings³³

	Affordability Ratio				Rank	Rate of Change			
	2000	2005	2010	2016	2016	2000-05	2005-10	2010-16	2000-16
Cheshire East			7.4	7.4	5			0.00	
Cheshire West and Chester			6.5	7.1	8			0.09	
East Staffordshire	3.3	5.9	6.4	5.6	14	0.75	0.09	-0.12	0.68
Herefordshire, County of	5.3	8.7	9.4	8.9	2	0.63	0.08	-0.05	0.67
Malvern Hills	5.1	9.9	9.3	10.3	1	0.95	-0.06	0.11	1.04
Newcastle-under-Lyme	3.3	5.7	6.2	6.1	11	0.74	0.10	-0.03	0.85
Powys	4.3	8.0	8.3	7.2	7	0.83	0.04	-0.13	0.65
Shropshire	4.5	8.1	7.8	7.7	3	0.82	-0.04	-0.02	0.72
South Staffordshire	4.4	7.3	7.3	7.7	4	0.66	0.00	0.04	0.73
Stafford	3.9	6.7	6.3	6.6	10	0.72	-0.06	0.05	0.70
Telford and Wrekin	3.5	6.0	6.2	6.0	12	0.72	0.04	-0.03	0.73
Wolverhampton	2.8	5.2	4.8	5.3	15	0.84	-0.09	0.11	0.87
Worcester	4.2	6.7	6.4	7.0	9	0.61	-0.05	0.09	0.67
Wrexham	3.3	6.3	5.5	5.8	13	0.90	-0.12	0.05	0.75
Wyre Forest	4.0	7.2	7.6	7.3	6	0.80	0.06	-0.04	0.82
<i>England</i>	4.2	6.8	6.9	7.7		0.62	0.01	0.13	0.85

Source: ONS House Price Statistics.

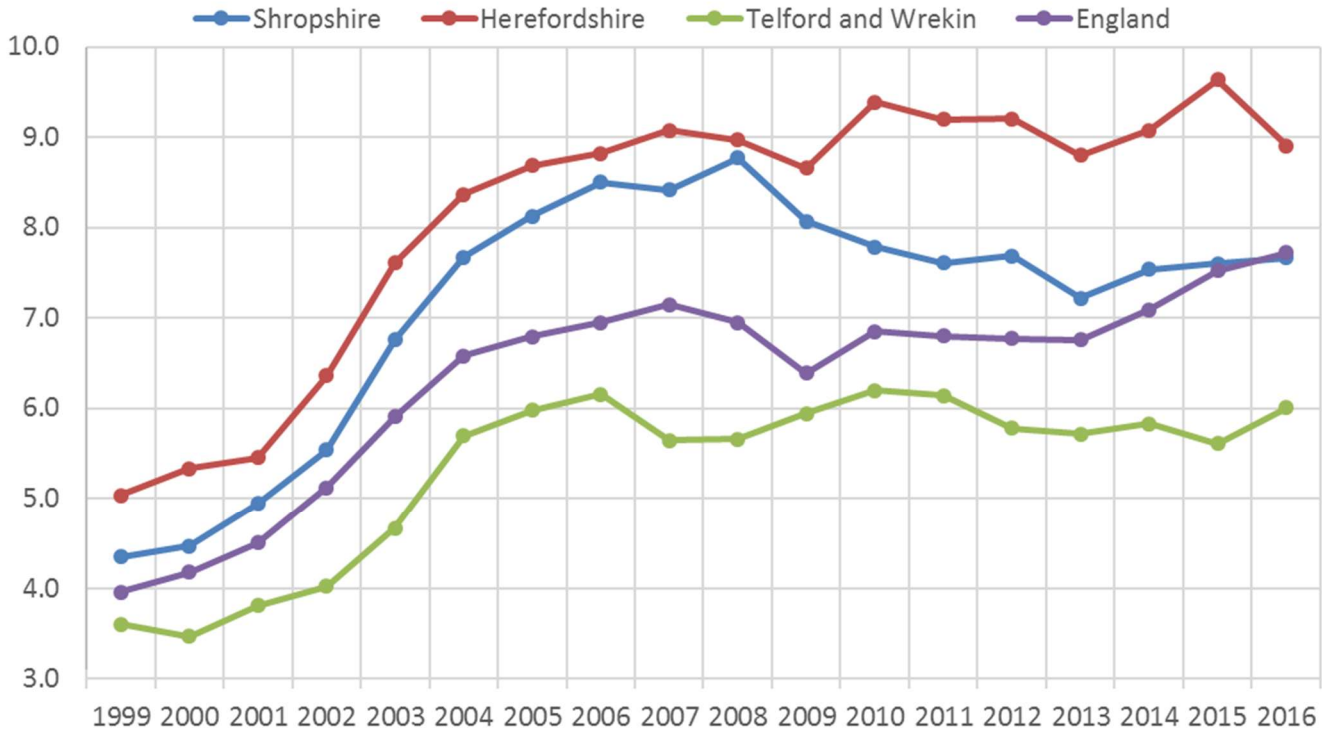
³³ Ratio of house price to workplace-based earnings (lower quartile and median)

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

Figure 15 illustrates the long-term trend in the median AR during 1999-2016 and compares the trend nationally and with the two local authorities Shropshire has most synergy with; Herefordshire and Telford and Wrekin. All areas have experienced similar long-term trends with sustained rises during 1999-2006-8 and then continued smaller fluctuations since then. The impact of the recession (2008-09) is apparent in Shropshire and nationally in particular.

In the long-term Shropshire’s median AR has remained above the Telford and Wrekin and national ARs. Shropshire’s AR have remained significantly below Herefordshire’s AR but the gap has significantly widened between the two local authorities since 2008.

Figure 15: Ratio of Median House Price to Median Earnings (work based)³³



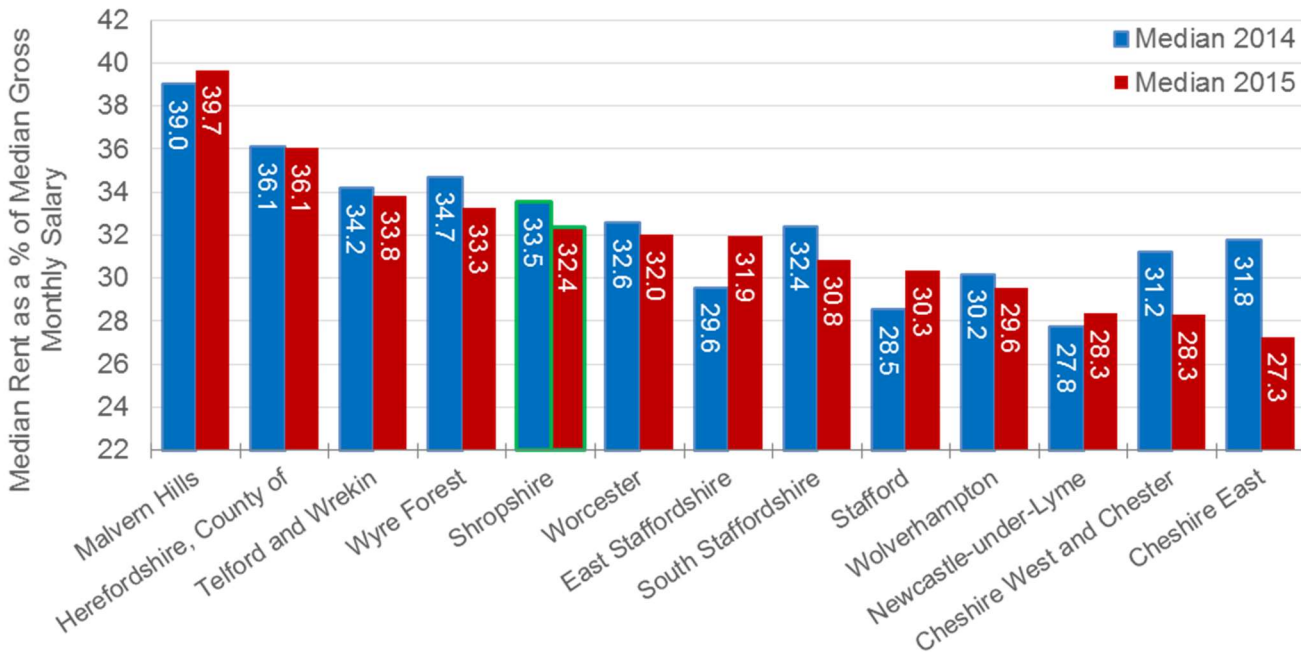
Source: ONS House Price Statistics.

During 2010-16 Shropshire’s AR has steadied, fluctuating at most between 7.22-7.79 and overall during 2008-2016 there has been a 12.5% decline. To summarise in the last ten years there is no evidence to suggest levels of housing affordability have significantly worsened in Shropshire indicating affordable housing need has not been increasing within the private owner-occupied sector.

Affordability – Renting a Property

ONS have now published data for 2014 and 2015 for the relatively new indicator of affordability of private sector rental accommodation. This is expressed as median private sector monthly rental cost as a proportion of median gross monthly salary. Figure 16 below illustrates Shropshire’s position relative to the identified comparator local authorities and nationally, comparing 2014 and 2015 data.

Figure 16: Median Private Sector Rent as a Proportion of Gross Monthly Salary – 2014-2015³⁴



Source: ONS Housing Statistics.

In 2015, median private sector monthly rent represented 32.4% of median gross monthly salary in Shropshire. Only Malvern Hills (39.7%), Herefordshire (36.1%), Telford and Wrekin (33.8%) and Wyre Forest (33.3%) experienced a higher proportion indicating housing costs for rented accommodation are more affordable than in these local authorities.

During the period 2014-2015, the median private sector monthly rent as a percentage of monthly salary in Shropshire fell from 33.5% to 32.4%, a decline of 3.5%. Although based on only two years data, this suggests access to private rented accommodation in Shropshire may be becoming more affordable.

Shropshire has experience the fifth largest decline when compared with selected local authorities, with Cheshire East seeing the largest decline of 14.1%. In contrast, East Staffordshire has experience the largest increase of 8.0%.

³⁴ONS, Housing Summary Measures - Data tables, www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/housingsummarymeasuressummarymeasuresdata

Over-Occupation³⁵

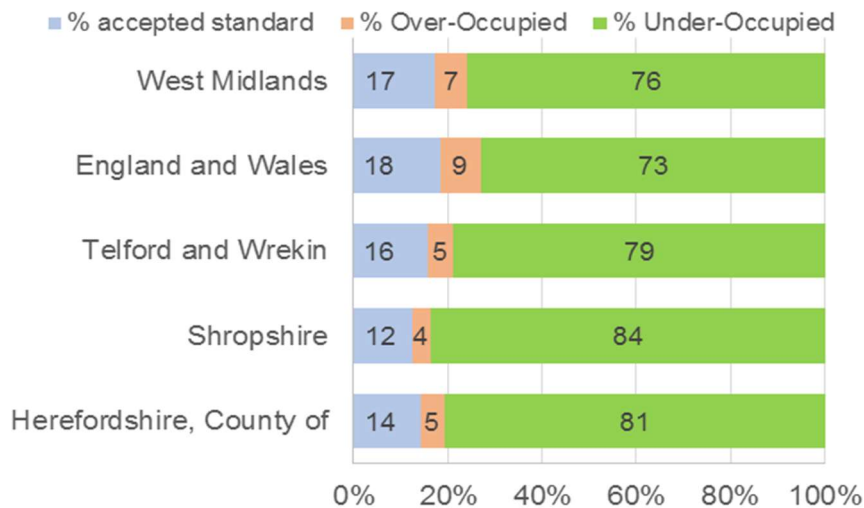
The NPPG identifies over-occupation as a potential signal of affordable housing need. If levels of over-occupation are increasing within an area, it may in part be the case that people are increasingly unable to afford their own home and so remain living with family and friends in overcrowded accommodation. Increasing levels of concealed households may indicate that there is a shortage of affordable housing. The level of concealment is considered later in this profile.

It should be noted that other factors can have a more significant influence on worsening over-occupation / overcrowding, such as the need for different types of dwellings in the location where they are needed.

The Census provides information on occupancy ratings in terms of number of rooms. Occupancy ratings indicate whether households are living in under-occupied accommodation (1+ rooms), overcrowded conditions (1- rooms) or have the 'standard' number of occupiers (0 rooms).

Figure 17 summarises levels of occupancy at the 2011 Census for Shropshire; Telford and Wrekin; Herefordshire; the West Midlands; and England and Wales:

Figure 17: 2011 Census – Levels of Occupancy



Source: ONS 2001 and 2011 Censuses.

Figure 17 indicates that in 2011 the majority of households within Shropshire (84%) were under-occupied dwellings, this compares with 76% regionally and 73% nationally. The proportion of over-occupied households in Shropshire (4%) is significantly less than the levels of over-occupation regionally (7%) and nationally (9%). Over-occupation in Shropshire is also below the levels of its closest comparator local authorities.

Table 15 identifies change to over and under-occupation of households between the 2001 and 2011 Censuses for a wider range of comparator areas. In terms of numbers of households living in over-occupied accommodation, as at the 2011 Census, Shropshire ranks the fourth highest of the comparator local authorities, after Wolverhampton; Cheshire East; and Cheshire West and Chester. However Shropshire ranks tenth in terms of percentage of all households, which is a more comparable indicator.

³⁵ONS, Table UV059: Occupancy, 2001 Census & Table QS408EW: Occupancy Rating (Rooms), 2011 Census

Table 15: Occupancy ratings in Shropshire 2001-2011³⁶

	Over-occupation (Households)		Change (2001-11)	Under-occupation (Households)		Change (2001-11)
	%	Total		%	Total	
Cheshire West & Chester	4.2	5,882	12.6	82.5	116,698	6.0
Cheshire East	3.6	5,681	19.5	83.5	133,178	7.8
East Staffordshire	5.1	2,425	44.9	80.7	38,143	7.9
Herefordshire	5.3	4,119	34.0	80.6	67,259	4.3
Malvern Hills	3.4	1,101	11.4	84.0	27,072	6.7
Newcastle-Under-Lyme	4.2	2,195	12.2	79.9	41,989	3.8
Powys	3.6	2,081	21.4	85.3	49,797	8.6
Shropshire	4.0	5,222	28.4	83.6	108,443	10.0
South Staffordshire	3.3	1,459	4.1	85.2	37,858	7.3
Stafford	3.8	2,129	41.9	83.3	46,427	10.0
Telford & Wrekin	5.2	3,456	21.0	78.9	52,573	3.9
Wolverhampton	8.1	8,278	26.0	71.2	72,699	2.6
Worcester	6.9	2,898	37.3	74.9	34,506	3.6
Wrexham	4.8	2,724	14.8	79.1	45,099	6.3
Wyre Forest	4.5	1,918	15.4	80.3	31,474	5.8
<i>Worcestershire</i>	<i>4.8</i>	<i>11,611</i>	<i>25.6</i>	<i>80.3</i>	<i>192,410</i>	<i>6.1</i>
<i>Staffordshire</i>	<i>4.0</i>	<i>14,372</i>	<i>22.1</i>	<i>81.8</i>	<i>290,459</i>	<i>8.1</i>
<i>West Midlands</i>	<i>6.8</i>	<i>156,344</i>	<i>29.1</i>	<i>75.9</i>	<i>1,740,954</i>	<i>4.9</i>
<i>England & Wales</i>	<i>8.5</i>	<i>1,995,860</i>	<i>32.1</i>	<i>73.1</i>	<i>17,070,912</i>	<i>5.0</i>
<i>England</i>	<i>8.7</i>	<i>1,928,596</i>	<i>32.3</i>	<i>72.6</i>	<i>16,027,853</i>	<i>4.9</i>

Source: ONS 2001 and 2011 Censuses.

Conversely, in terms of numbers of households living in under-occupied accommodation, as at the 2011 Census, Shropshire ranks fifth and fourth highest of the comparator local authorities in terms of absolute households and percentage of total households over-occupied, respectively. Furthermore, Shropshire also had a larger proportion of households (63.3%) that were more significantly under-occupied (rating of 2+ or more) compared to the England average (49.7%).

Between the 2001 and 2011 Censuses the number of over-occupied households in Shropshire increased by 28.4%. Whilst this rate of change seems significant, it is less than the average experienced across the West Midlands (29.1%) and the average across England (32.3%).

As the level of over-occupation and the rate at which it is increasing in Shropshire is significantly less than the regional and national averages, there is no evidence of a factor specific to Shropshire which is significantly increasing over-occupation; therefore change is likely to relate to national factors such as changes in living/family structures; and changes to individuals' aspirations. The other potential factor is increased numbers of concealed households which is considered in the following section.

³⁶ONS, 2011 Census Table KS403EW - Rooms, bedrooms and central heating and 2001 Census Table UV059 Occupancy, www.nomisweb.co.uk/

Over the same period the number of under-occupied households increased by 10% to 83.6% in Shropshire. This level of change is the second highest relative to the selected comparator local authorities. It also represents twice the level of growth to that experienced nationally (4.9%). As the level of under-occupation in Shropshire is significantly higher than the regional and national averages, it may be influenced by both national and local factors, including changes in living / family structures; and changes to individuals' living aspirations.

Due to the infrequency of data availability it is not possible to identify when the most significant rises to both over and under-occupation of households occurred or what has changed since the last 2011 Census. Therefore it is not possible to measure if over-crowding has worsened as a result of more recent trends in housing costs. The following section considers changes in levels of concealed households which can strongly influence levels of over-occupation.

Concealed Families

The NPPG and best practice guidance identify concealed households as another signal of housing need. Whilst there are a range of causes of concealed households, if concealment is worsening this could be an indication of unmet housing need. People/families may be unable to afford the cost of renting or buying a home and so they are reliant on friends and family for accommodation. Although equally it must also be recognised that many concealed people/families do not want separate housing – in particular where they have chosen to live together as extended families or to receive help or support due to poor health.

Table 16 compares Shropshire with comparator local authorities in terms of the percentage of all families that are concealed and inter-censal change to levels of concealment. It highlights that since the 2001 Census the number of concealed families in Shropshire has increased by 67.7% from 677 in 2001 to 1,135 in 2011. Whilst this in itself represents a significant increase, it is lower than the average experienced within England and Wales as a whole (70.4%).

Furthermore, whilst in 2011 Shropshire had the fourth largest number of concealed families of the fifteen comparator local authorities shown, this placed it only tenth in terms of the percentage of all. Of note is that close neighbours Telford and Wrekin placed second and Herefordshire fifth in terms of percentage of all families.

Table 16: Concealed family status:
By family type by dependent children by age of Family Reference Person (FRP)³⁷

	Number of concealed families (2011)	% of all families	Rank based on % of all families	Number of concealed families (2001)	% Change 2001-11
Wolverhampton	2,179	3.17	1	1,497	45.6
Telford and Wrekin	853	1.74	2	426	100.2
East Staffordshire	547	1.65	3	287	90.6
Worcester	426	1.53	4	304	40.1
Herefordshire, County of	836	1.52	5	447	87.0
South Staffordshire	485	1.46	6	287	69.0
Wrexham	550	1.39	7	292	88.4
Powys	507	1.29	8	332	52.7
Wyre Forest	373	1.26	9	279	33.7
Shropshire	1,135	1.25	10	677	67.7
Malvern Hills	273	1.22	11	197	38.6
Cheshire West and Chester	1,171	1.20	12	832	40.7
Stafford	459	1.18	13	258	77.9
Newcastle-under-Lyme	382	1.08	14	274	39.4
Cheshire East	1,176	1.06	15	734	60.2
<i>England and Wales</i>	<i>289,295</i>	<i>1.84</i>		<i>169,765</i>	<i>70.4</i>

Source: 2011 Census, ONS.

The evidence of increasing concealment suggests the number of concealed households may be increasing, however it should be noted that infrequency of available data makes it impossible to identify when the most significant rise occurred or what has changed since the last 2011 Census.

Furthermore it must be acknowledged that the rate of change experienced in Shropshire is less than the national average and the majority of the identified comparator local authorities.

³⁷ONS, Table LC1110EW: Concealed family status by family type by dependent children by age of Family Reference Person (FRP) - 2011 Census, © Crown Copyright 2016

Homelessness

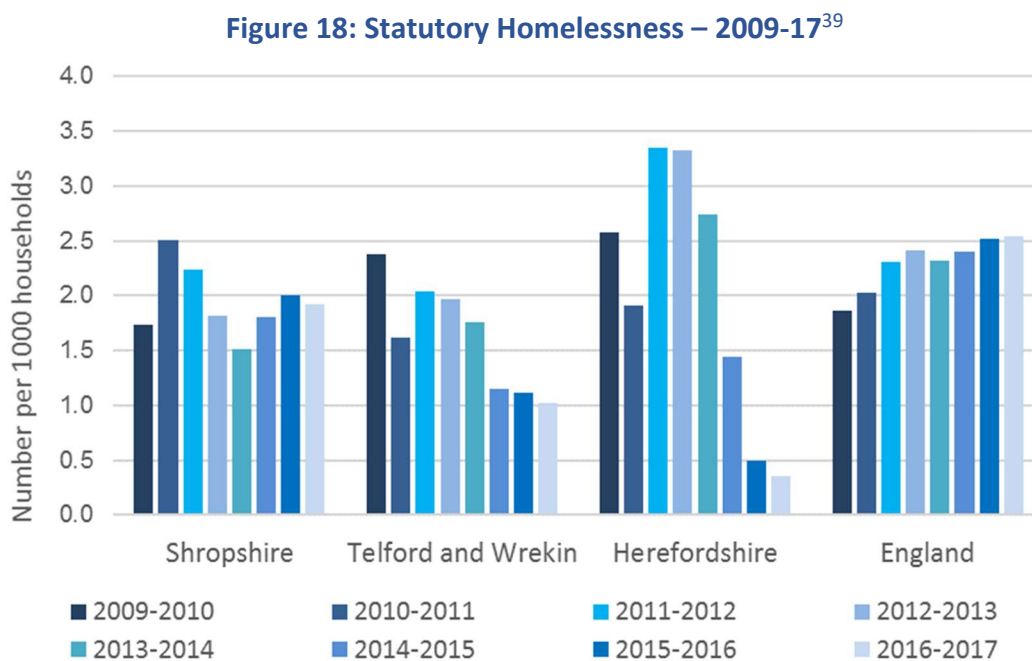
Homelessness is identified in the NPPG as another signal of housing need. If the number of households accepted as homeless and in priority need is increasing this may indicate an increase to affordable housing need or the lack of availability of certain types of housing.

The charity ‘Crisis’ defines homelessness in its broadest sense as *“a problem faced by people who lack a place to live that is supportive, affordable, decent and secure”*³⁸. Rough sleepers are the most visible homeless but a high proportion of homeless people/households are accommodated in hostels, squats, bed and breakfasts (B&BS) or temporarily with friends and family.

Local authorities have a statutory duty under the Homelessness Act 2002 to provide accommodation to households accepted as being homeless and in priority need. Their duty also extends to supporting homelessness prevention and relief.

Figure 18 analyses recent trends in households accepted by local authorities as being ‘homeless and in priority need’ through the use of rates (homeless households per 1,000 households). The data used is published by DCLG and it is unknown whether changes in local authority / national policy have impacted upon this.

In Shropshire 1.92 households per 1,000 were accepted as homeless between April 2016 and March 2017, relative to 2.54 households nationally. Compared with the selected comparator local authorities, Shropshire has the fifth highest rate of homeless households per 1,000 (see Table 4: Key Market Signals).



Source: DCLG Housing Statistics.

In Shropshire the number of households per 1,000 accepted as being ‘homeless and in priority need’ has reduced year on year from 2010-11 to 2013-14. In 2014-15 and 2015-16 the rate increased slightly to a level still below that of 2010-11 and 2011-2012, but the rate has since fallen in 2016-2017. In contrast to the Shropshire trend, nationally the number of households per 1,000 has increased consistently, reaching the highest rate in 2016-2017. Furthermore, with the exception of 2010-11, Shropshire rates have consistently remained below national levels.

³⁸Crisis, (2005), What is Homelessness

³⁹CLG, Table 784: Local Authority Summary, <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

Of Shropshire's closest comparator local authorities:

- Telford and Wrekin experienced an increase of levels in 2011-12 to a level comparable to Shropshire, rates have then reduced year on year to 2015-2016.
- Herefordshire has experienced a much higher level of homelessness per 1,000 households than Shropshire in recent years, but has more than halved levels since 2012-13.

Table 17 provides actual numbers of households accepted as being homeless and in priority need.

Table 17: Homelessness⁴⁰

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Average Per Year
Cheshire East	55	80	111	108	104	104	99	101	109
Cheshire West and Chester	34	72	100	110	65	90	84	99	93
East Staffordshire	27	49	24	34	78	112	115	138	82
Herefordshire	201	149	261	262	219	116	41	29	183
Malvern Hills	41	65	55	39	52	51	37	39	54
Newcastle-under-Lyme	17	7	6	13	18	10	9	15	14
Shropshire	214	309	276	239	200	241	269	260	287
South Staffordshire	21	62	50	33	27	27	48	37	44
Stafford	68	50	63	49	49	22	54	76	62
Telford and Wrekin	159	108	137	132	119	78	76	71	126
Wolverhampton	339	324	363	372	337	334	376	412	408
Worcester	166	183	206	213	187	171	135	153	202
Wyre Forest	69	96	141	151	134	141	168	169	153
<i>England</i>	40,020	44,160	50,290	53,770	52,290	54,430	57,740	59,100	58,829

Source: DCLG Housing Statistics.

Table 17 demonstrates that the actual number of households accepted as homeless in Shropshire is higher than the majority of its comparator local authorities. However whilst the actual number of households accepted as being homeless is relatively high, this evidence does not suggest worsening homelessness in Shropshire beyond reasonable fluctuations in actual numbers.

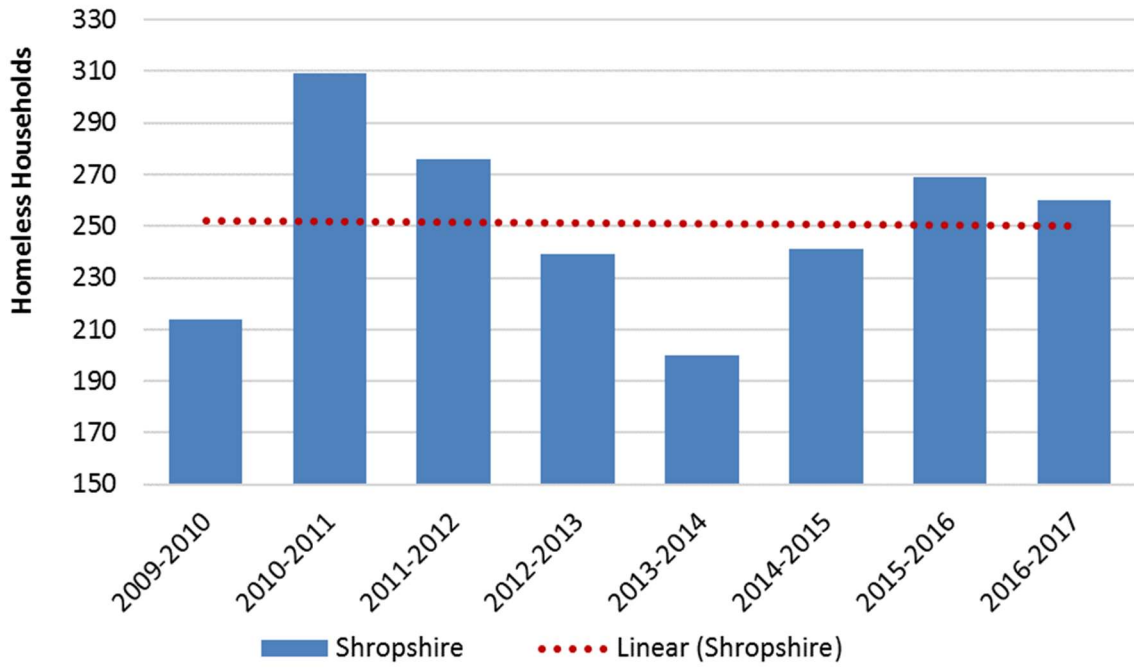
Figure 19 illustrates these fluctuations in households accepted as homelessness and in priority need and demonstrates the relative stability through the use of a linear trend.

To summarise;

- In terms of actual numbers of households there is no evidence of worsening levels of homelessness in Shropshire beyond reasonable fluctuations and relative stability.
- In relative terms, rates of homelessness have improved in Shropshire during 2010/11-2013/14 and despite a small rise in 2014/15-2015/16, rates have remained below 2009/10 levels and below national levels since 2009/2010.

⁴⁰CLG, Table 784: Local Authority Summary, <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

Figure 19: Shropshire Trend – Households Accepted As Homeless and in Priority Need⁴⁰



Source: DCLG Housing Statistics.

The analysis does not show a long-term worsening trend in Shropshire which suggests that there has not been a build-up of unmet housing need that has impacted heavily on levels of homelessness. However there remains a fairly consistent number of homeless households in Shropshire who need access to ‘affordable, decent and secure housing.’

Temporary Accommodation

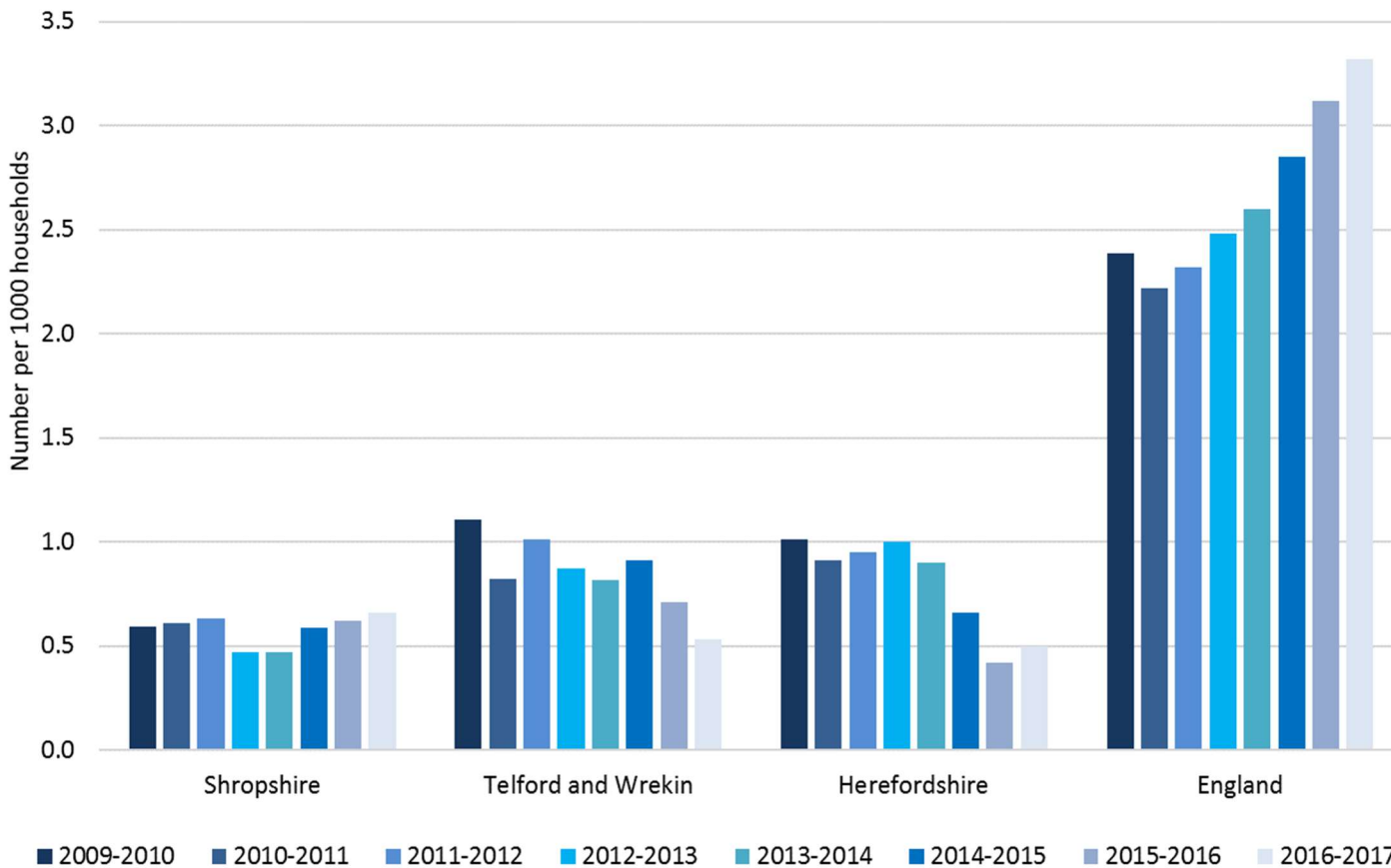
Households placed in temporary accommodation is a useful signal of the quantity of housing need. If the number of households placed in temporary accommodation is worsening then this may suggest housing costs are becoming less affordable, leading to growing affordable housing need.

Households present themselves as homeless due to a range of circumstances which may include eviction from private sector housing through rent/mortgage arrears, rising private sector housing costs or they may be concealed households who can no longer rely on friends or family to accommodate them.

When a Local Authority accepts a household is 'homeless and in priority need' if the households cannot be assisted to remain in their existing accommodation or suitable alternative accommodation is not immediately available they must be provided temporary accommodation until such time as suitable settled accommodation can be offered.

Figure 20 compares the recent trend in households accepted by local authorities as in priority need and placed in temporary accommodation. It uses a measure of the number of households placed per 1,000 households as a means of comparing Shropshire with the identified comparator local authorities and nationally. It is immediately evident that Shropshire has significantly lower numbers per 1,000 households than nationally and compared with its closest comparator local authorities.

Figure 20: Households Placed in Temporary Accommodation, 2009-2017⁴¹



⁴¹ CLG, Table 784: Local Authority Summary, www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness

Nationally the number of households in priority need per 1,000 households has continued to rise year on year since 2010-2011, reaching 3.32 households per 1,000 in 2016-2017. Shropshire has not followed this trend. In years 2012-13 and 2013-2014 rates fell to below 0.5 households per 1,000 households. Rates have since risen slightly year on year since 2013-2014 to their highest in 2016-2017.

Table 18: Households in Temporary Accommodation⁴¹

	Numbers in Temporary Accommodation								Annual Average	Annual Average % Change
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17		
Cheshire East	13	14	20	18	35	32	17	24	22	13.3
Cheshire West & Chester	22	26	46	43	36	39	41	39	37	11.6
East Staffordshire	0	4	2	7	9	9	5	23	7	30.7
Herefordshire	79	71	74	79	80	53	34	41	64	-6.7
Malvern Hills	9	8	4	1	-	6	5	-	4	-19.4
Newcastle-under-Lyme	1	2	0	1	-	-	-	-	1	0.0
Shropshire	73	75	78	61	62	79	84	90	75	3.9
South Staffordshire	9	9	4	3	5	-	-	-	4	-2.0
Stafford	0	5	2	4	-	-	-	-	1	5.7
Telford and Wrekin	79	55	68	58	55	63	49	37	58	-8.4
Worcester	50	50	49	56	40	47	34	35	45	-3.4
Wolverhampton	59	51	57	54	65	57	56	60	57	-0.1
Wyre Forest	30	17	9	5	-	-	6	10	10	-9.7
<i>England</i>	51,310	48,240	50,430	55,320	58,410	64,710	71,660	77,220	59,663	6.2

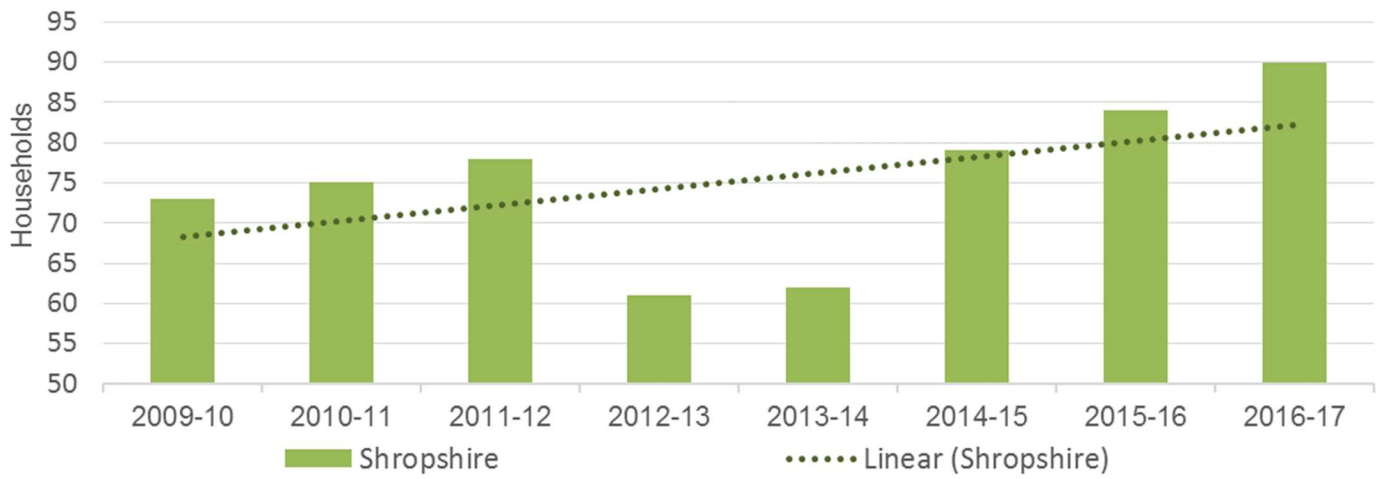
Source: DCLG Housing Statistics.

Table 18 shows the numbers of households placed in temporary accommodation between 2009-2010 and 2015-2016. Data for 2016-2017 shows a total household figure of 90, which is the highest recorded between 2009-2010 and 2015-2016. The data reveals a 15.1% increase in households during the period 2009-2010.

However a closer inspection of the trend data (illustrated in Figure 21) indicates that actual numbers of households placed in temporary accommodation within Shropshire has remained relatively stable. In fact the addition of data for 2015-2016 has turned around what had in 2014-2015 been a downward linear trend.

Further years data is needed to truly understand if household numbers are truly worsening in Shropshire. Figure 21 shows that on average 75 households a year occupy temporary accommodation in Shropshire and annual average change (3.4%) represent a relatively small variation in numbers over time.

Figure 21: Shropshire Trend – Households in Temporary Accommodation⁴¹



Source: DCLG Housing Statistics

Repossessions

The Ministry of Justice – Mortgage and Landlord Possession Statistics⁴² are another data source that can provide additional insight into private housing market conditions. If the number of actions and enforcements has been worsening this may suggest that private sector housing costs are becoming less affordable in Shropshire. For this reason this analysis reviews trends in household repossessions (possession actions registered in the county courts of England and Wales). Table 19 presents information on repossessions for Shropshire; its comparator local authorities; and nationally.

Table 19: Change in Repossessions 2003-2016⁴²

	Actual Repossessions			Percentage Change			Rate/1000 Dwellings (2016)	Rank (Using Rate)
	2003	2010	2016	2003-10	2010-16	2003-16		
Cheshire East	181	221	152	22.1	-31.2	-16.0	0.89	11
Cheshire West and Chester	138	184	188	33.3	2.2	36.2	1.23	6
East Staffordshire	73	83	66	13.7	-20.5	-9.6	1.30	5
Herefordshire, County of	73	71	65	-2.7	-8.5	-11.0	0.77	13
Malvern Hills	20	42	24	110.0	-42.9	20.0	0.69	14
Newcastle-under-Lyme	112	104	59	-7.1	-43.3	-47.3	1.06	7
Powys	37	45	36	21.6	-20.0	-2.7	0.56	15
Shropshire	97	148	139	52.6	-6.1	43.3	0.99	8
South Staffordshire	55	46	36	-16.4	-21.7	-34.5	0.77	12
Stafford	43	55	53	27.9	-3.6	23.3	0.89	10
Telford and Wrekin UA	125	165	68	32.0	-58.8	-45.6	0.93	9
Wolverhampton	191	345	245	80.6	-29.0	28.3	2.25	1
Worcester	60	85	59	41.7	-30.6	-1.7	1.31	4
Wrexham	80	140	117	75.0	-16.4	46.3	1.94	2
Wyre Forest	78	94	90	20.5	-4.3	15.4	1.94	3
<i>England</i>	40464	48678	43450	20.3	-10.7	7.4	1.83	

Source: Ministry of Justice

Table 19 highlights there were 139 possession actions in Shropshire in 2016. These occurred at a rate of 0.99 actions per 1,000 dwellings, placing Shropshire eighth relative to the identified comparator local authorities. The rate in Shropshire was 46% less than the national figure of 1.83 actions per 1000 dwellings.

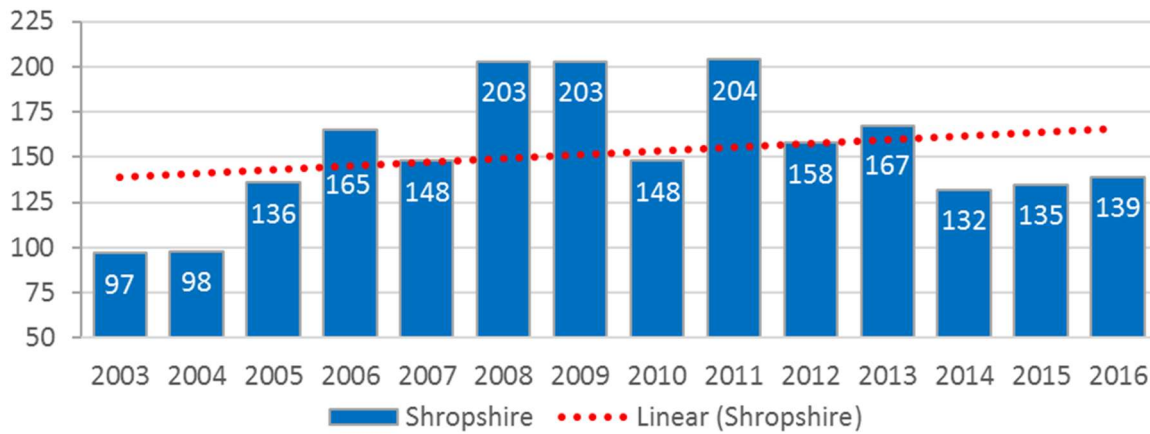
During the period 2003-2010 the number of repossessions rose by 52.6% following a sustained period of house price inflation. Then in contrast during the period 2010-2016, the number of repossessions fell by -6.1%. Overall possession actions have risen by 43.3% in Shropshire during 2003-2016.

This pattern of rise to 2010 and fall in numbers to 2016 is reflected in all the comparator local authorities (except South Staffordshire, Herefordshire and Newcastle-Under-Lyme) and nationally. Shropshire's long-term trend in repossessions mirrors trends in the affordability ratios, illustrated in Figures 14 and 15.

Figure 22 illustrates the long-term trend (2003-16) in the number of overall possession actions in Shropshire. This highlights that levels peaked at 203 in 2008/2009 and perhaps surprisingly at 204 in 2011, after a fall to 148 in 2010 and a fall to 158 in 2012. Overall as evident in Table 19, possession actions have increased during the period of high house price inflation (2003-2008) and more recently reduced, suggesting housing costs have become more affordable to households since the end of the boom period.

⁴²Ministry of Justice – Mortgage and Landlord Possession Statistics, <https://www.gov.uk/government/statistics/mortgage-and-landlord-possession-statistics-quarterly-april-to-june-2017> (Data available to Quarter 2 2017, but Table 9 uses full calendar years)

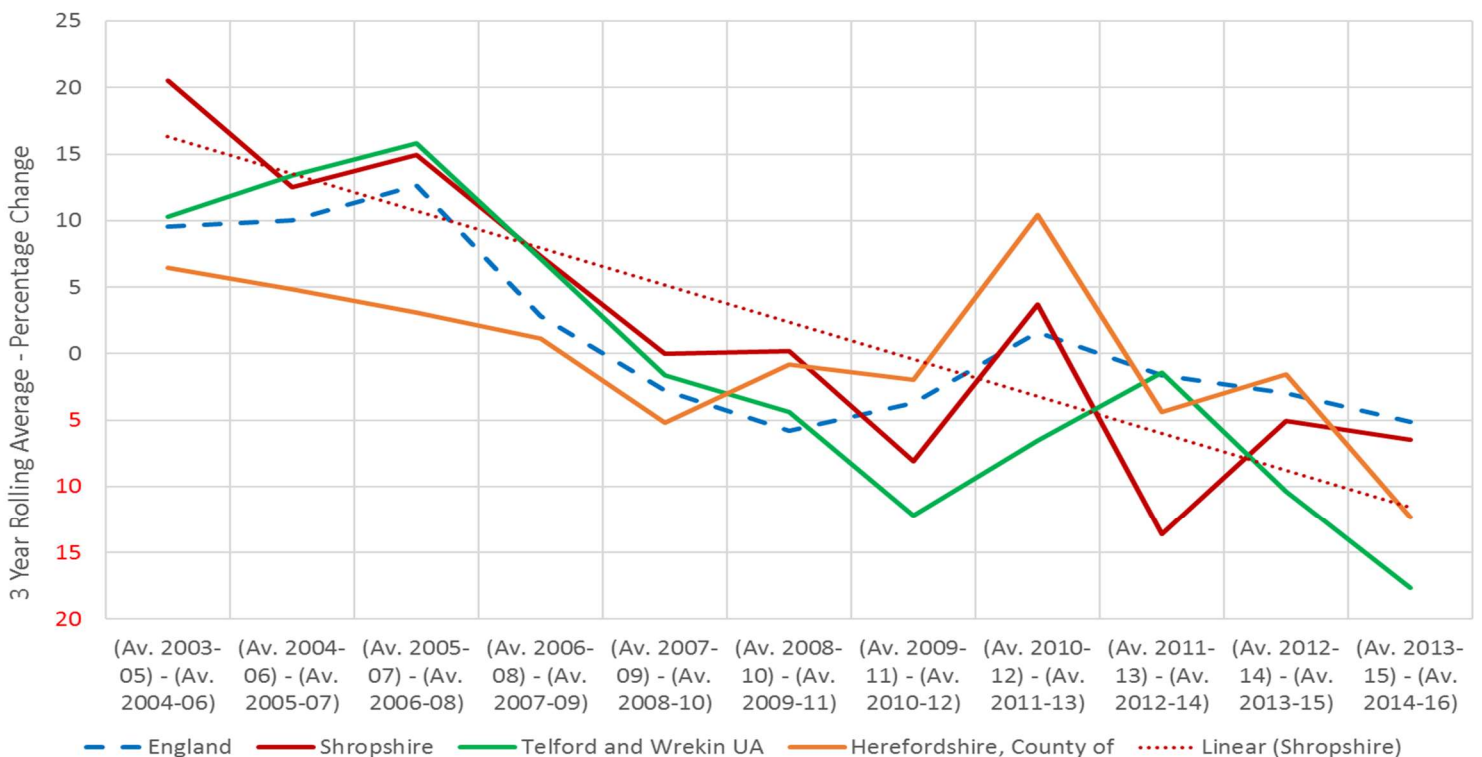
Figure 22: Long-term Trend in Possession Actions in Shropshire, 2003-2016⁴²



Source: Ministry of Justice – Mortgage and Landlord Possession Statistics.

Figure 23 uses a three year rolling average to show percentage annual change in repossessions during 2003-16, comparing Shropshire with Herefordshire, Telford and Wrekin and with the national trend. Due to the smaller number of possession actions at local authority level there is greater fluctuation than nationally.

Figure 23: Three Year Rolling Average Change - Repossessions 2003-2016⁴²



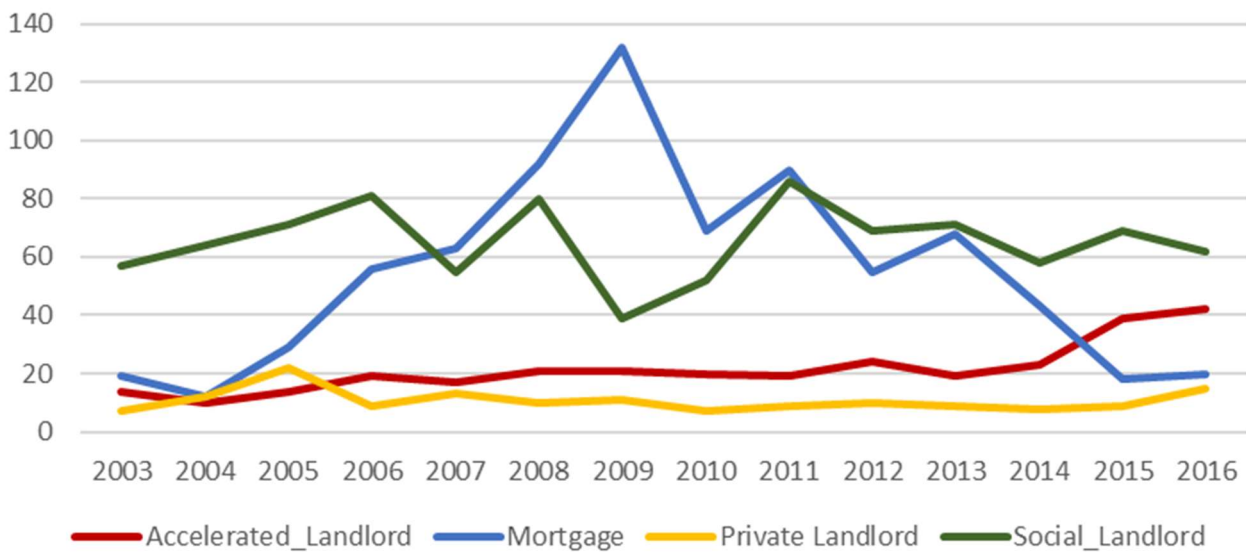
Source: Ministry of Justice – Mortgage and Landlord Possession Statistics.

The linear trend for Shropshire indicates a general slowing of average annual growth in repossessions during 2005-11, followed by a period of negative average annual change in repossessions since 2011. Overall this trend in average annual change is also reflected in Telford and Wrekin, Herefordshire and nationally,

Shropshire experienced the highest percentage annual change in 2005-06, substantially above change experienced nationally, within Telford and Wrekin and in Herefordshire. The most dramatic reduction in average annual growth was during 2007-10, with Shropshire on a par Telford and Wrekin but above and parallel to the national trend.

The other comparison areas started to experience negative average annual change in 2009-10, a year earlier than Shropshire. The only exception to this trend of negative annual change in Shropshire is in 2012-13, which is also evident nationally and in Herefordshire. During 2014-16 average annual change declined in Shropshire but at a much less severe level when compared with Herefordshire and Telford and Wrekin.

Figure 24: Possession Actions by Type of Claimant in Shropshire, 2003-2016⁴²



Source: Ministry of Justice – Mortgage and Landlord Possession Statistics.

Most striking is the number of repossession actions instigated by mortgage lenders, which peaked in 2009 but has since fallen by 86.4% from 132 in 2009 to only 20 in 2016. Compared with the selected comparator authorities this places Shropshire third in terms of reducing claims by mortgage lenders. During 2003 to 2008 / 2009 a combination of consistent house price inflation and interest rate changes led to rising housing costs nationally and this was compounded by less job security during the economic downturn. The fall in repossession actions since 2009 boosted by lower interest rates and improved levels of affordability, suggests fewer households are falling into arrears. It also may reflect mortgage lenders being more cautious about their lending and more pro-active about helping households to manage their arrears.

Figure 24 shows that between 2007 and 2011 possession actions instigated by mortgage lenders were higher than those by social landlords. However for the remaining years the reverse is true with social landlords initiating more possession actions. In 2016, there were 139 repossessions, 14.4% were instigated by mortgage lenders, 10.6% by private landlords, and 44.6% by social landlords. The remainder (30.2%) were treated as ‘accelerated landlord’ possession actions, where if certain tenancy criteria were met the case didn’t need to go before the courts. During 2015 and 2016 the number of accelerated actions has increased, representing an increase of 82.6% since 2014.

The general level of possession actions by private landlords is relatively low when compared with the possession actions of other types of landlord. In 2016, Shropshire levels reached 9 repossessions, resulting in an average of 10.5 actions per year since 2003. However this low level of repossession actions may be misleading if more private and social landlords are able to opt for accelerated repossession actions, dealt with outside of the County Courts.

Figure 24 shows that since 2014 both accelerated possession actions and private landlord actions have consistently risen, although it is too early to tell if this will be a longer-term trend. This may in part be offset by a fall in actions instigated by social landlord during 2015-2016. However as average private rented costs have remained stable in the last few years (illustrated in Figure 13) and in Figure 16 costs are shown to absorb a reduced proportion of median gross monthly salary in 2015 it raises the question of why accelerated possession actions and private landlord actions are on the rise?