

The Economic Downturn & Its Impact On Housing



Introduction

- things are moving quickly- impact time lag
- more stable/steady market = downturn having less impact
- North Yorkshire = stable/steady housing market, therefore lesser impact
- Can break the impact into bite size pieces but are all inter-related:
 - general housing market conditions
 - impact North Yorkshire affordable homes target ?
 - impact on people – buying and selling in North Yorkshire
 - impact on people – housing need and homelessness
 - what's happening – a quick round-up

General Housing Market Conditions in North Yorkshire (Home Track advice)

- Housing Market has slowed down but North Yorkshire is less affected than other sub-regions
- Rural areas appear to be less affected than urban areas
- Some anecdotal evidence of private developers walking off sites but message from medium – large developers is that they will complete on site developments but won't start developing others.
- Up to November 2008, in-year 10.6% reduction in house prices for Yorkshire/Humber
- Compare this to North Yorkshire – average house prices have dropped by 6.6% between 2007 and 2008.
- BUT – still no consistency within North Yorkshire
- Dig below average overall figures into property types and a mixed trend in house prices is developing in North Yorkshire
- Worst affected areas amongst most property types - Scarborough, Selby and York

House Prices – North Yorkshire

Average Property Price 2007/2008 (Land Registry)						
	Oct – Dec 2007	Jan – Mar 2008	Apr – Jun 2008	July – Sept 2008	Oct – Dec 2008	
North Yorkshire	£227,353	£ 225,900	£225,166 (-0.3%)	£225,848 (0.3%)	£212,348 (-6.0%) Annual (-6.6%)	↓
Craven	£209,299	£207,595	£210,681 (1.5%)	£212,389 (0.8%)	£210,345 (-1.0%) Annual (0.5%)	↑
Hambleton	£238,581	£234,187	£254,888 (8.8%)	£241,470 (5.3%)	257,429 (6.6%) Annual (7.9%)	↑
Harrogate	£280,115	£289,889	£283,344 (-2.3%)	£277,633 (-2.0%)	£249,863 (-10%) Annual (-10.8%)	↓
Richmondshire	£234,112	£212,523	£233,542 (9.9%)	£227,980 (-2.4%)	£187,758 (-17.6%) Annual (-19.8%)	↓
Ryedale	£242,905	£260,894	£229,819 (-11.9%)	£243,480 (-5.1%)	£235,132 (-3.4%) Annual (-3.2%)	↓
Scarborough	£172,491	£177,995	£168,012 (-5.6%)	£168,952 (0.6%)	£172,663 (2.2%) Annual (0.1%)	↑
Selby	£203,295	£183,981	£188,175 (2.3%)	£202,625 (7.7%)	£170,158 (-16.0%) Annual (-16.3%)	↓
York	£217,821	£204,266	£205,007 (0.4%)	£202,235 (-1.4%)	£185,801 (-8.1%) Annual (-14.7%)	↓

Impact on Affordable Homes Target

Quarter	Units delivered with public subsidy	Units delivered without public subsidy (from the planning system)
1	7	32
2	38	40
3	51	44
Total	96	121
07/08 Full Year Outturn	312	117

* 29% of 2011 target achieved so far.

Impact on People – Buying and Selling

Local Authority	Time Taken To Sell		Sale/Asking Price Ratio	
	Nov 2007	Nov 2008	Nov 2007	Nov 2008
Craven	10 weeks	13 weeks	92%	90%
Hambleton	11 weeks	15 weeks	92%	88%
Harrogate	10 weeks	13 weeks	93%	89%
Richmondshire	10 weeks	13 weeks	93%	90%
Ryedale	11½ weeks	15 weeks	95%	90%
Scarborough	11½ weeks	15 weeks	95%	88%
Selby	12 weeks	11 weeks	95%	86%
Y&H	9 weeks	13 weeks	94%	89%

Impact on People – Housing Need & Homelessness

Key Advice Agency - HARP

- 420 new clients assisted in the courts since April 2008 (York, Selby, Ryedale, Scarborough) = increasing trend
- 75% of court work relates to mortgage arrears compared to 40% in 2006/07
- Worrying trend developing – households not attending court leading to loss of home – backed up by CML abandonment figures
- Increasing number of homeless cases being dealt with by advice agencies

Impact on People – Housing Need & Homelessness

District	Waiting List 1/4/2008	Waiting List 31/12/2008	Homeless Presentations 07/08	Homeless Presentations 08/09 (upto Dec 08)	Homeless Presentations Projected 08/09
Hambleton	1360	1430 ↑	115 (3 mortgages)	88 (4 mortgages)	117 ↑
Craven	973	846 ↓			
Harrogate	3280	3045 ↓	182 (5 mortgages)	145 (4 mortgages)	193 ↑
Selby	1944	1808 ↓	166 (6 mortgages)	150 (2 mortgages)	200 ↑
Ryedale	844	990 ↑			
Richmondshire	1540	1488 ↓	158 (2 mortgages)	104 (4 mortgages)	138 ↓
Scarborough	2473	2405 ↓	214 (2 mortgages)	120 (2 mortgages)	160 ↓

What's Happening?

- Local mortgage rescue schemes – very successful
- Homeless prevention – very successful – meeting targets
- Ongoing affordable homes target to soak up some housing need
- Working with/funding advice agencies to increase advice e.g. HARP and CAB
- Government Housing Market Package/Homeowners Support Package:
 - new shared equity scheme = 10,000 more 1st time buyers getting on property ladder
 - one year stamp duty holiday for all houses costing up to £175k
 - mortgage rescue scheme – North Yorkshire difficulties with £130k cap
 - reforming support for the DWP's Mortgage Interest Scheme – more details on request
 - bringing forward £400 million to boost social housing output
 - more money for RSL's (£200 million) to buy unsold properties from house builders