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The **Halifax Annual Review of the Value of the Housing Stock 2008** tracks the value of the private residential housing stock at a regional and national level. The review is based on data from the Halifax house price index database, CLG, the Scottish Executive and the Welsh Assembly.

UK Private Housing Stock valued at £4.0 Trillion in 2007

- The value of the UK private housing stock rose an estimated 9% in 2007 to £4.0 trillion and has more than tripled over the past decade.
- Housing equity has increased by nearly £2 trillion over the past decade to £2.8 trillion.
- Value of the private housing stock was 3.4 times outstanding mortgage debt at the end of 2007.
- Housing assets in the South* were worth £2.2 trillion in 2007 compared with £1.8 trillion in the North**.
- The value of housing assets increased most in Northern Ireland (40%) over past decade.

New research from Halifax estimates that the value of the UK's private housing stock rose by 9% (nearly £320bn) in 2007 to a record £4.0 trillion (£4,000 billion). The value of the housing stock has more than tripled over the past decade, rising by 208% from £1.3 trillion in 1997. By comparison, the headline retail price index (RPI) has risen by 31% over the past ten years.

Housing equity rises by nearly £2 trillion over past decade

Housing equity - the value of housing assets less the total value of outstanding mortgage balances - has increased by nearly £2 trillion over the past ten years from £870bn in 1997 to £2.8 trillion in 2007. Housing equity increased by £198bn in 2007 and has averaged an annual increase of £185bn over the past five years.

UK household balance sheet strengthens again in 2007

The value of the private housing stock (£4.0 trillion) was 3.4 times the value of outstanding mortgage debt of £1.2 trillion at the end of 2007. Ten years ago, private sector housing assets were 3.0 times higher than mortgage debt. **Housing assets have increased by more than mortgage debt levels in each year since 1995.**

North-South divide holds steady during 2007

In 2007 the value of housing assets in the South* was £2.2 trillion compared with £1.8 trillion of housing assets in the North**. The South's share of the UK housing assets held steady at 55% in 2007, while the share of the North was 45%. However, the North - South housing wealth gap has narrowed over the past five years. The South accounted for 61% in 2002 and the North for 39%.

* London, South East, South West and East Anglia

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

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

Each region has seen at least a 180% increase in the value of its housing stock since 1997. The value of the private housing stock has increased most in Northern Ireland (404%), Wales (223%) and the South West (222%) over the past decade.

Other Key Findings

Value of private residential housing by region (Tables 1 & 2)

- **Six regions of the UK have a housing stock worth at least £250bn.** A decade ago, only the housing stock in the South East was worth more than £250bn.
- **36% of the value of the UK's private residential housing assets is concentrated in the South East (19%) and Greater London (17%).**
- **In 2007 Scotland saw the value of its housing stock rise by 16% from £213 billion to £247 billion,** the fastest percentage rise for any region. Northern Ireland with a 15% rise to £123bn and the East Midlands with a 12% rise to £238bn recorded the next biggest increases.
- **The smallest percentage increase by region in 2007 was in Yorkshire & the Humber,** which saw a 5% rise in the value of its private housing stock to £248 billion.

Household balance sheet (Table 3)

- **Housing equity was £2.8 trillion in 2007,** up from £2.6 trillion in 2006. In 1997 housing equity has £870bn.
- **The value of housing assets increased by £318bn in 2007 significantly outpacing the £120bn increase in mortgage balances.** Housing assets have increased by more than mortgage debt levels in each year since 1995.
- **In the past ten years, housing assets have grown by 208% against a 178% rise in outstanding mortgage debt.** Household financial assets have increased by 69% over the period.
- **Household wealth has doubled over the past ten years.** Net household wealth (including financial and property assets) is estimated at £6.7 trillion in 2007, up 106% from £3.3 trillion in 1997. Housing accounts for 41% of net household wealth, up from 27% a decade ago.

Martin Ellis, Chief Economist at Halifax, commented:

"UK home owners have collectively accumulated an extra £2 trillion of equity in their homes over the past decade as property prices have risen. This has significantly strengthened the household balance sheet. Mortgage debt accounts for only 30% of the value of the UK's £4 trillion worth of housing assets."

Table 1 - Value of UK Private Residential Housing Stock by Region

	2007 £bn	2006 £bn	2002 £bn	1997 £bn
North	122	114	61	39
Yorks & the Humber	248	236	131	81
North West	354	335	191	118
East Midlands	238	213	164	79
West Midlands	317	293	204	108
East Anglia	367	341	243	114
South West	397	367	284	123
South East	746	678	549	256
Greater London	685	639	490	219
Wales	171	160	89	53
Scotland	247	213	118	87
Northern Ireland	123	107	43	24
UK	4,014	3,696	2,568	1,301

Source: Halifax, ONS

Table 2 - Change in Value of Private Residential Housing Stock

	% Change 1 year	% Change 5 years	% Change 10 years
North	7%	99%	218%
Yorks & the Humber	5%	89%	207%
North West	6%	85%	199%
East Midlands	12%	45%	201%
West Midlands	8%	55%	193%
East Anglia	8%	51%	221%
South West	8%	40%	222%
South East	10%	36%	192%
Greater London	7%	40%	212%
Wales	7%	92%	223%
Scotland	16%	110%	184%
Northern Ireland	15%	188%	404%
UK	9%	56%	208%

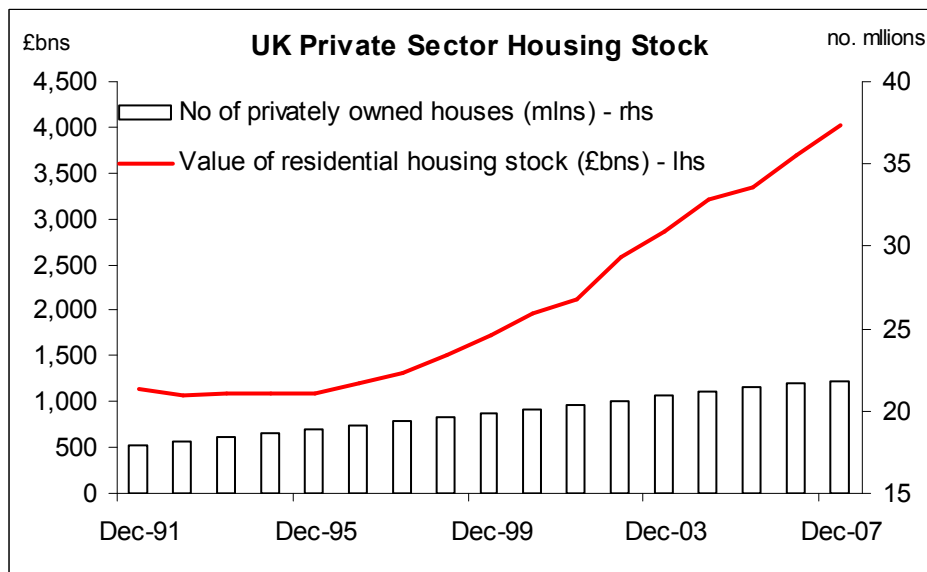
Source: Halifax

Table 3 – Value of UK Private Residential Housing Stock versus Household Debt

	Value of Private Residential Housing Stock £bn	Housing debt £bn	Ratio of Private Residential Housing Stock to debt
Dec-94	1,092	376	2.9
Dec-95	1,088	390	2.8
Dec-96	1,196	409	2.9
Dec-97	1,301	431	3.0
Dec-98	1,505	456	3.3
Dec-99	1,719	494	3.5
Dec-00	1,968	536	3.7
Dec-01	2,116	591	3.6
Dec-02	2,568	674	3.8
Dec-03	2,869	773	3.7
Dec-04	3,221	876	3.7
Dec-05	3,336	965	3.5
Dec-06	3,696	1,077	3.4
Dec-07*	4,014	1,197	3.4

Source: Halifax, ONS, Bank of England

*estimate



EDITORS' NOTES:

Historical data from Communities and Local Government (CLG) on dwelling tenure by region has been used as a base for calculating the total value of the UK private residential housing stock. Halifax standardised house prices have been applied to the data to obtain regional valuations. Adjustments have been made to the calculations to match ONS national accounts data and for an assessment of the level of unfit housing. Home completions data from the CLG has been used to extend and extrapolate the housing stock data up until the end of 2007.

Household debt data has been calculated using figures from the Bank of England showing total sterling net housing secured lending outstanding to individuals and housing associations.

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