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

## Welsh Private Housing Stock valued at £171bn in 2007

- The value of the Welsh private housing stock rose an estimated 7% in 2007 to £171 billion.
- The value of the housing stock in Wales has almost doubled over the past five years.
- Growth in the value of the housing stock (92%) substantially outperformed the UK average (56%) over past five years.

New research from Halifax estimates that the value of the Welsh private housing stock rose by 7% or £11bn in 2007 to a record £171 billion.

Over the past five years, the value of the Welsh housing stock has almost doubled, rising by 92% from £89bn in 2002. During the past decade the Welsh housing stock has increased in value by 223% from £53 billion in 1997. By comparison, the headline retail price index (RPI) has risen by 31% over the past ten years.

### Rise in Welsh housing values outpaces the UK average over the past five and ten years

The value of the Welsh housing stock rose at a faster pace over the past five years, 92%, than the UK's private housing stock, which increased in value by 56% to £4.0 trillion (£4,000 billion). On a ten year view, the value of the UK housing stock rose by 208%, below the 223% rise in the value of Welsh housing.

### UK household balance sheet strengthens again in 2007

The value of the UK 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 secured mortgage debt. **UK housing assets have increased by more than mortgage debt levels in each year since 1995.**

### UK 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. UK housing equity increased by £198bn in 2007 and has averaged an annual increase of £185bn over the past five years.

## Other Key Findings

### Value of private residential housing (Tables 1 & 2)

- **The value of the Welsh private residential housing stock was £171bn in 2007, up an estimated 7% for the year from £160bn in 2006.** Over the past decade, the value of Welsh private housing assets has risen by 223% from £53bn in 1997.
- **The value of the UK private residential housing stock was £4.0 trillion in 2007, up 9% from £3.7 trillion in 2006.** Over the past decade, the value of UK private housing assets has risen by 208% from £1.3 trillion in 1997.
- **In 2007 the fastest increase by UK region was in Scotland where the value of its housing stock rose by 16% to £247 billion,** followed by Northern Ireland with a 15% rise to £123bn.
- **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.
- **Six regions of the UK now have a housing stock worth at least £250bn.** A decade ago in 1997 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%).**

### UK Household balance sheet (Table 3)

- **Housing equity across the UK was £2.8 trillion in 2007,** up from £2.6 trillion in 2006. In 1997 housing equity has £870bn.
- **The total value of UK private sector housing assets was equivalent to around 3.4 times the value of housing secured debt last year.** Ten years ago, private sector housing assets were 3.0 times greater than secured mortgage debt.
- **The value of UK 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, UK housing assets have grown by 208% against a 178% rise in outstanding mortgage debt.** Household financial assets have increased by 69% over the period.

### Martin Ellis, Chief Economist at Halifax, commented:

"Welsh home owners have seen a significant increase in housing equity over the past decade because of the sustained and substantial rise in house prices in Wales. These gains have led to a significant strengthening in the overall household balance sheet."

**Table 1 - Value of Private Residential Housing Stock**

	<b>2007 £bn</b>	<b>2006 £bn</b>	<b>2002 £bn</b>	<b>1997 £bn</b>
North	122	114	61	39
Yorkshire & 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	<b>171</b>	<b>160</b>	<b>89</b>	<b>53</b>
Scotland	247	213	118	87
Northern Ireland	123	107	43	24
<b>UK</b>	<b>4,014</b>	<b>3,696</b>	<b>2,568</b>	<b>1,301</b>

Source: Halifax, ONS

**Table 2 - Change in Value of Private Residential Housing Stock**

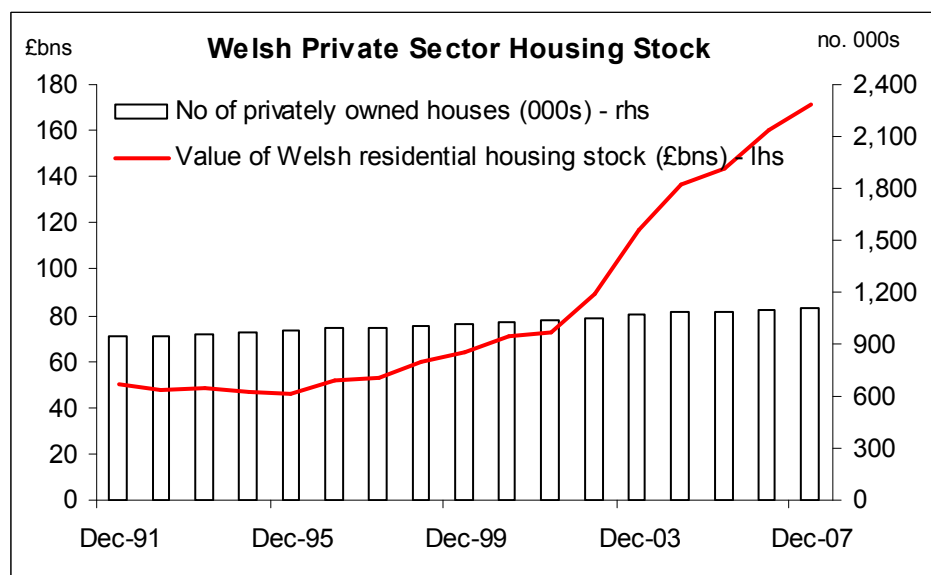
	<b>% Change 1 year</b>	<b>% Change 5 years</b>	<b>% Change 10 years</b>
North	7%	99%	218%
Yorks & the Humber	5%	89%	207%
North West	6%	85%	199%
East Midlands	12%	45%	201%
West Midlands	8%	55%	193%
East Anglia	8%	51%	221%
South West	8%	40%	222%
South East	10%	36%	192%
Greater London	7%	40%	212%
Wales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

Source: Halifax

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

	Value of Private Residential Housing Stock £bns	Housing debt £bns	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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