

Home ownership in Yorkshire cities falls but is it a crisis?

Property report

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MAJOR ENGLISH cities, including Leeds and Sheffield, have seen the sharpest falls in home ownership since a peak in the early 2000s, according to report this week.

The Resolution Foundation say properties are becoming increasingly unaffordable for would-be buyers. The think tank's figures show that in South Yorkshire, home ownership

stands at just 58.4 per cent, a 9.8 per cent drop on its 2005 peak, when it was 68.2 per cent. West Yorkshire saw a drop of 10.6 per cent from its April 2003 peak of 70.8 per cent to just 60.2 per cent.

The latest figures for Yorkshire and the Humber show average ownership levels of 65 per cent in February, slightly above the England average of 63.8 per cent. Greater Manchester showed the steepest decline from 72 per cent home ownership in April 2003 to 58 per cent this year.

The Resolution Foundation, which is described as a not-

for-profit research and policy organisation campaigning for people on low and modest incomes, said its analysis showed that the struggle to own a home was no longer just a "London-centric issue".

"London has a well-known and fully blown housing crisis, but the struggle to buy a home is just as big a problem in cities across the North of England," said Stephen Clarke, the foundation's policy analyst.

"The chances of owning a home have fallen fastest in Greater Manchester over the last decade, though the Leeds

and Sheffield city areas have also experienced sharp drops."

The fall in ownership corresponded with a near doubling in the proportion of private renters across England, up from 11 per cent in 2003 to 19 per cent in 2015. The Foundation said renters face spending a far higher share on their income on housing than those with a mortgage and were failing to accumulate wealth they may later rely on.

The average first-time buyer paid just under £30,000 for their new home in the 1980s compared with more than £150,000 now,

according to the think tank, which used data from the Office for National Statistics' Labour Force Survey.

The report follows recent data from the government's English Housing Survey showing the total number of buyers has fallen by a third in 10 years, and those who do buy their first home increasingly rely in the bank of mum and dad for help with a deposit.

The think tank also says that those in the private rented sector spent more of their income on housing than owner occupiers with a mortgage. They also point

out that there is insecurity of tenure for those who have short-term tenancies.

The Residential Landlords Association responded by saying that tenants spend an average of four years in a property, up from 3.7 five years ago. It added that recent changes by the Government to the way the private rented sector is taxed could increase rental costs.

While many people still aspire to home ownership, Graham Bates, chief executive of LIV, which offers advice and management for build-to-rent schemes, says that the Resolution

Foundation report does not represent a crisis.

"This is not a crisis. We lead different lives compared to 1986. Lifestyles are now more transient and careers change more frequently so renting works for a lot of people. Many choose to rent for reasons other than affordability, including flexibility and the chance to live in better accommodation than they could afford to buy.

"The fall in ownership can be attributed, at least in part, to a large proportion of transient residents who will not be looking to buy."