

# Dire shortage of affordable housing in the UK

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Reports recently published by Shelter, the housing charity, highlight the appalling housing conditions for millions of people in the UK. The shortage of affordable housing is pushing thousands of people to the breaking point, placing enormous strain on relatives and friends.

Shelter warns that the increase in housing costs is leading millions of working families to cut back on spending money on food. Many families are at serious risk of losing their homes if they were to face any sudden cut in income or further price rises.

The charity cited a recent YouGov poll conducted among a representative sample of working parents in England. The poll found that 1 million such parents had put off buying their children new shoes; one in 10 said they would not be able buy school uniforms, as they had to pay rent or mortgage. The poll also found that 10 percent of parents had had to skip meals to pay for housing.

Findings from the English Housing Survey showed that households are spending 28 percent of their weekly incomes on average on housing costs. This figure rises to 40 percent for private renters. In London one in 30 households in the poorest boroughs of the capital face losing their homes. Shelter analysed Ministry of Justice data showing that in the last year alone more than 210,000 homes across England were at risk of repossession or eviction, equivalent to 582 homes every day.

The lack of affordable housing is only set to worsen, since more than 80 percent of homes on the market are unaffordable for a working family trying to buy their first home. Research from Shelter showed that in more than half the country, less than one in 10 homes were affordable for a typical family, assuming they would have been able to save the deposit in the first place.

Across 83 local authority areas in England, accounting for a quarter of the country, there were

fewer than 10 affordable homes for sale. In Cambridge, there were only three affordable homes for sale, and in Brighton and Hove, there was just one. The housing shortage is very acute in London and the southeast. In 14 local authority areas, including Lewisham, Ealing and Slough, there were no affordable homes for sale.

The situation in other parts of England is almost as bad. In South Lakeland, in the northwest of England, only 4 percent of homes were affordable (43 out of 1,069 for sale). In Exeter, there were only 1 percent of homes on the market that were affordable (8 out of 553 for sale).

The increase in mortgage costs is pushing more and more people out of home ownership, with single people finding it the most difficult to get onto the property ladder.

Figures published by the government show that the average price of a house rose by 9.9 percent in a year to £260,000 (US\$418,442). Housing prices are now higher than their pre-financial crisis peak of 2008. Official figures show that the lack of affordable housing and increasing house prices have led home ownership in England to fall to its lowest level since 1987.

Figures released by Shelter indicate that 48 percent of those between ages 20 and 34, despite working, cannot afford to leave their parents' home. This phenomenon is now described as the "clipped wing generation" and in some areas of the country, such as Castle Point in Essex, the figure is as high as 45 percent.

More and more younger people have to resort to their parents for financial help, with some UK parents paying up to £23,000 to help their children afford a deposit for a home. A poll conducted by Shelter found that a fifth of parents had used money to help their children that had been set aside for retirement or their own elderly care. However, not many people can afford to do this. Shelter's research showed that 60 percent of

parents are unable to save any money for their children's future.

In the joint report, "Building the homes we need", published by Shelter and KPMG, one of the world's largest financial auditing firms, there are warnings that house prices will quadruple. The research estimates that by 2034 average house prices would be over £930,000, if house prices continue to rise at current levels. It is estimated that the UK would need to build 250,000 new houses a year to be able to meet the housing demand, and at present the number built is less than half that figure.

A paper published last year by the London Housing Challenge, a group representing the capital's 33 local authorities, revealed that 809,000 new homes will need to be built in London just by 2021 to meet demand. Since the 1950s only around 25,000 homes a year have been built in London. On the basis of current housing supply levels, the London Housing Challenge estimates there will be a deficit of 559,000 homes by 2021.



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