

## **First-Time Buyers' Affordability Issues - Northern Housing Consortium comment**

The homeless charity, 'Shelter', has revealed through its Roof Affordability Index the effect the housing boom of the last decade has had on first-time buyers' ability to enter the housing market. Nationally, average house prices for first-time buyers have risen by over 200% since 1997 and although incomes have risen 53%, the average monthly mortgage payment has increased 172% over the same period.

Average prices in the three Northern regions have seen rises amongst the highest in the country. In the North East (193%), North West (170%) and Yorkshire and Humberside (178%), first-time buyers are more likely to struggle than their counterparts of ten years ago. Mortgage repayments account for an average of 18.2% of first-time buyers' average incomes in the North, up from 10.5%. However, it is not so much making mortgage repayments as securing a mortgage where the main issues arise.

Charlotte Howse, Director of Policy and Practice at Northern Housing Consortium commented: "Whilst the Northern Housing Consortium welcomes Government attempts to assist first-time buyers and key workers onto the housing ladder, the current credit crunch means that potential buyers need to find bigger deposits. Furthermore, the cost of mortgages has risen, and the availability of deals has dropped, further exacerbating first-time buyers' woes. This means that for those not already on the property ladder, aspirations to own seem more distant than ever".

It is hoped that the Government's plans to increase house building (3m more homes by 2020), including shared ownership and social accommodation, will alleviate some of the problems faced, and that first-time buyers, along with those hoping to move up or down the property ladder, can access homes suitable for their needs and in their tenure of choice.

## **Ends**

### **Notes to editors**

1. Shelter is a registered charity long-term involved in solutions to homelessness and bad housing
2. The ROOF Affordability Index provides a measure of how easy or difficult households find it to become home-owners. Unlike traditional measures of housing affordability, which compare house prices with earnings, the index uses average mortgage costs and hence takes account of variations in interest rates. Another key feature of the index is the use of specially commissioned income data of all working families rather than just those households that succeed to access the market in a particular year.
3. The Northern Housing Consortium (NHC) is a non-political, not for profit, member based organisation, whose members between them manage almost 90% of social housing in the North.