

Appendix 1 to Question 1 – Oxfordshire Growth Board 26 January 2021

Speech to Growth Board on affordable housing or houses that people can afford. 26 April 2018

I'm Cllr Debby Hallett, Chairman of the Vale Scrutiny committee, and co-chairman of the joint SODC and Vale Scrutiny Committee.

Today, we're creating an opportunity for the Oxfordshire Growth Board to collaborate across boundaries to help solve the most intractable problems we face: 1) our main highways are regularly operating over their capacity, and 2) houses here are too expensive for the people who work here to be able to afford them.

I recently asked for a report to come to Vale Scrutiny on the state of housing affordability locally. It came in Feb 2018; it's called 'Houses that People Can Afford'.

Vale's report confirms what's previously been anecdotal evidence. Here are some main points:

1. The affordability level as defined by SHMA, is higher than as defined by Institute for Public Policy; SHMA uses gross income, IPP uses net income, so income is considered after tax. We need a consistent definition of 'affordability'. Basically, a useful heuristic might be this: housing is unaffordable if a household spends more than 35% of its net income on housing.
2. There was no data available for Vale or Oxfordshire housing specifically, so we used data from all of Western England, as the closest comparable area. Housing in Vale is more expensive though, so the affordability is likely even lower than what's quoted in the report.
3. We looked at house prices and rents in quartiles. In order to buy a lower quartile property costing £255,000 in Vale, an income of £57,000 is needed, which is an upper quartile income. So only the highest income levels can afford to buy the lowest priced properties.
4. Only 18% of ownership options are comfortably affordable at all, and then only to the highest incomes. (Ownership options are shared ownerships, first time buyers, help to buy, starter homes etc.) So four out of five ownership options are basically unaffordable to everyone.
5. Help to buy schemes make houses affordable only to top earners (over \$56,000).
6. Private rentals and any sort of ownership tenure are unaffordable to lower quartile income households. Only social rent is affordable to them, and we don't have enough social housing. (Social rents are approximately 50% of market rents.)

The whole report is available here:

<http://democratic.whitehorsedc.gov.uk/documents/s43516/Housing%20that%20is%20truly%20affordable%20FINAL.pdf>

Last month (March 2018) Parliament published a useful report:

<https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7747>

I urge the leaders of Oxfordshire's councils to do all you can under these new rules of working and within upcoming new planning policies to make some measurable headway into solving Oxfordshire's housing problem. Explore the options, be courageous and creative, and find sustainable solutions that improve people's lives here in the county.