

Housing

## **House Prices and Affordability**

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## Key Facts

### Longer Term Trends (Ten Years) in House Prices and Affordability

- The ratio of median house price to median income rose from 3.13 in 1998 (compared to 3.01 in the Northwest and 3.67 in England) to a ratio of 6.27 in 2008 (compared to 5.53 in the Northwest and 6.94 in England). This indicates a change making housing less affordable both in Blackpool and elsewhere during this time period. (Source: DCLG Live Tables, House Price Data)
- The percentage change in median house prices in Blackpool was +167% compared to +157% in the Northwest and +164% in England from 1998 and 2008. The percentage change in mean house prices was +160% in both Blackpool and the Northwest and +159% in England during this period. (Source: DCLG Live Tables, House Price Data)
- Lower quartile house prices in Blackpool had a lower percentage change (+154%) than median house prices (+167%) and mean house prices (+160%) over the ten year period 1998 to 2008. Despite this lower quartile house prices to earnings ratio was higher (6.37) than median house prices to earnings ratio (6.27), therefore housing was slightly more affordable for those with median earnings in Blackpool in 2008 than for those with low incomes. (Source: DCLG Live Tables, House Price Data)
- Median weekly wages Blackpool residents (full-time workers) in 2008 were lower (£363.7) than in the Northwest (£451.3) and nationally (£479.3) in Great Britain). (Source: ASHE Survey 2008, NOMIS Website)

### Change in House Price Trends

- Longer term trends from 1998 to 2008 show that the increase in house prices has resulted in less affordability of owner occupied housing; however, the last few years data shows a drop in house prices occurring between late 2007 and early 2008, and continuing into 2009 in Blackpool, the Northwest and England.
- Lower quartile house prices in Blackpool showed a greater percentage drop (8.0%) between Quarter 3 2007 and Quarter 3 2008 than Median house prices (4.1%) and mean house prices (1.6%) in Blackpool during the same period.

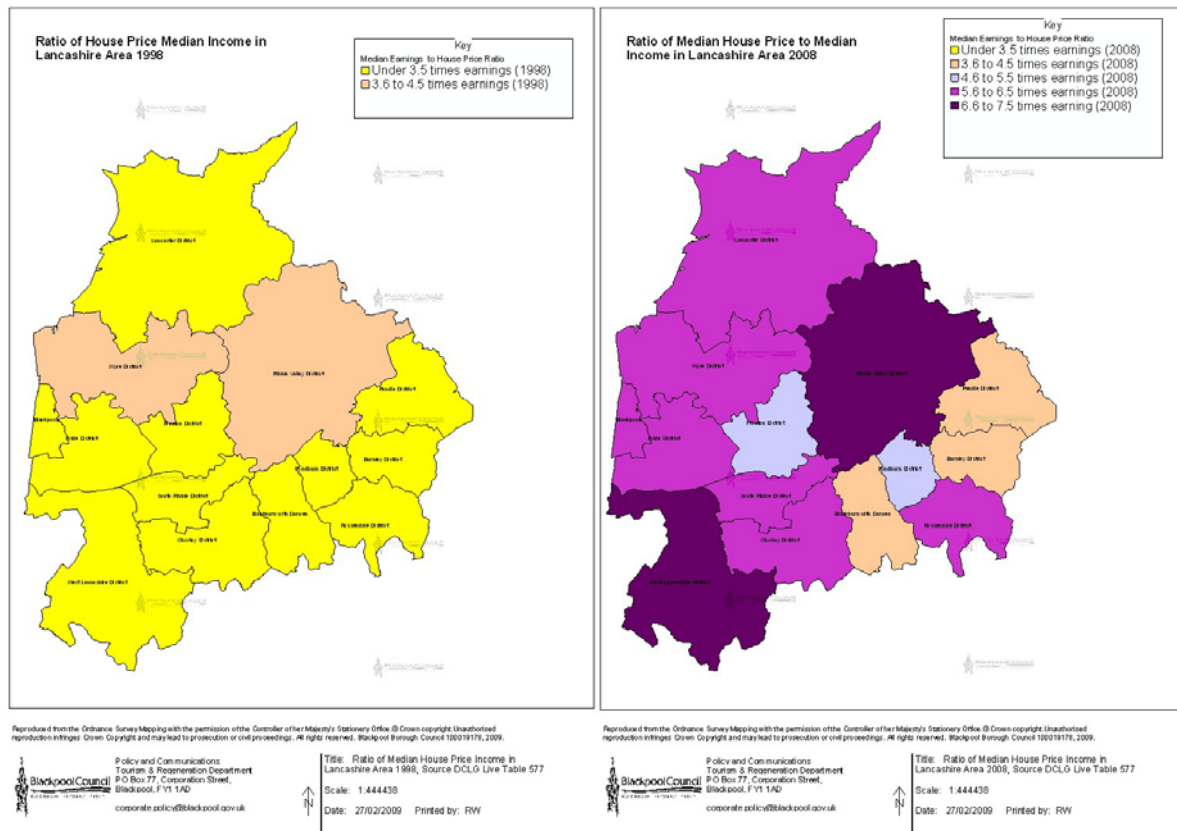
### Recent Trends in House Prices and Sales

- Recent data from the Land Registry website shows that between January 2008 and January 2009 house prices in England had dropped by a higher percentage (15.1%) than in Blackpool (13.0%).
- Recent data from the Land Registry website shows a 67.6% decline in volume of sales between November 2007 and November 2008.

## Longer Term Trends in House Prices 1998 to 2008 and Affordability(10 Years)

### House Price to Income Ratios

The maps below show the changes in ratio of median house prices to median income in the Lancashire area between 1998 and 2008



The maps show that there has been a big change in affordability of housing in the last ten years in Blackpool and other areas in Lancashire. In Blackpool this increased from a ratio of 3.13 median house price to median income in 1998 (compared to 3.01 in the Northwest and 3.67 in England) to a ratio of 6.27 median house price to median earnings in Blackpool by 2008 (compared to 5.53 in the Northwest and 6.94 in England).

(Source: Live Tables 577, Median House Price to Median Earnings Ratio by District from 1997, DCLG website)

The Lower Quartile of House prices ratio to lower quartile income was 3.36 in Blackpool in 1998 (compared to 2.95 in the Northwest and 3.65 in England) and had increased to 6.37 in Blackpool in 2008 (compared to 5.68 in the Northwest and 6.98 in England).

(Source: Live Tables 576, Ratio of Lower Quartile Income by District from 1997, DCLG website)

## House Prices – changes in the past ten years

Table 1 shows change in house prices for the lower quartile, median and mean between 1998 and 2008 in the Districts in the Lancashire Area, the Northwest and England.

	Lower Quartile			Median			Mean		
	1998	2008	% Change	1998	2008	% Change	1998	2008	% Change
England	46,000	124,500	+171	66,250	175,000	+164	87,778	227,249	+159
Northwest	35,000	96,000	+174	50,500	130,000	+157	61,570	160,350	+160
Blackburn with Darwen	24,500	78,000	+218	35,500	100,000	+182	44,422	116,296	+162
<b>Blackpool</b>	<b>34,000</b>	<b>86,500</b>	<b>+154</b>	<b>43,000</b>	<b>115,000</b>	<b>+167</b>	<b>48,360</b>	<b>125,618</b>	<b>+160</b>
Burnley	22,000	58,000	+164	35,950	79,000	+120	41,878	94,872	+127
Chorley	40,472	105,000	+159	56,000	136,000	+143	68,878	164,403	+139
Fylde	46,000	135,000	+193	60,000	175,000	+192	74,090	210,977	+185
Hyndburn	20,250	68,000	+236	33,200	86,500	+161	40,786	107,325	+163
Lancaster	36,000	105,000	+192	47,500	140,000	+195	55,775	155,127	+178
Pendle	20,000	65,000	+225	33,000	90,000	+212	42,407	114,536	+170
Preston	36,000	93,000	+158	50,000	125,000	+150	60,439	144,181	+139
Ribble Valley	45,000	136,625	+204	61,000	200,000	+193	78,982	244,810	+210
Rossendale	29,950	83,875	+180	44,000	115,000	+167	55,310	136,738	+147
South Ribble	42,500	115,500	+172	54,500	140,000	+155	62,364	153,102	+145
West Lancashire	47,500	115,000	+142	62,000	155,000	+150	75,070	197,807	+163
Wyre	42,000	116,875	+178	54,000	152,975	+177	62,972	178,407	+183

Source: DCLG Live Tables, House Price Data  
 NB 1998 house prices are based on whole years, 2008 house prices are based on the third quarter of 2008 provisional house prices since the whole year was not available at the time of writing.

Table 1 shows that house prices have risen substantially during 10 year period 1998 to 2008. The percentage change for both Blackpool and the Northwest for mean (average) house prices was +160% between 1998 and 2008 and +159% in England. The mean (average) house price in both England and the Northwest was higher than in Blackpool in 2008.

The median house price in Blackpool rose by +167% from 1998 to 2008 (compared to +164% in England and +157% in the Northwest).

Lower quartile house prices in Blackpool increased at a lower rate (+154%) than for both the median (+167%) and the mean (+160%) during the 10 year period.

The increase for lower quartile house prices was greater than in Blackpool. It was +174% in the Northwest and +171% in England between 1998 and 2008.

### Wages in Blackpool

Wages in Blackpool do not compare favourably with the Northwest and the median wage for Great Britain. The median weekly wage for residents in Blackpool working full time for 2008 is £363.7 compared to £451.3 in the Northwest and £479.3 in Great Britain. (Source: ASHE survey 2008, NOMIS website)

## Changes in House Price Trends

### Trends in House Price to Income Ratio 2004 to 2008 (Five Years)

The two charts below show median and lower quartile house price to earnings ratios from year to year between 2004 and 2008.

Chart 1: Median House Prices to Median Earnings Ratio- Source: CLG Live Table 577

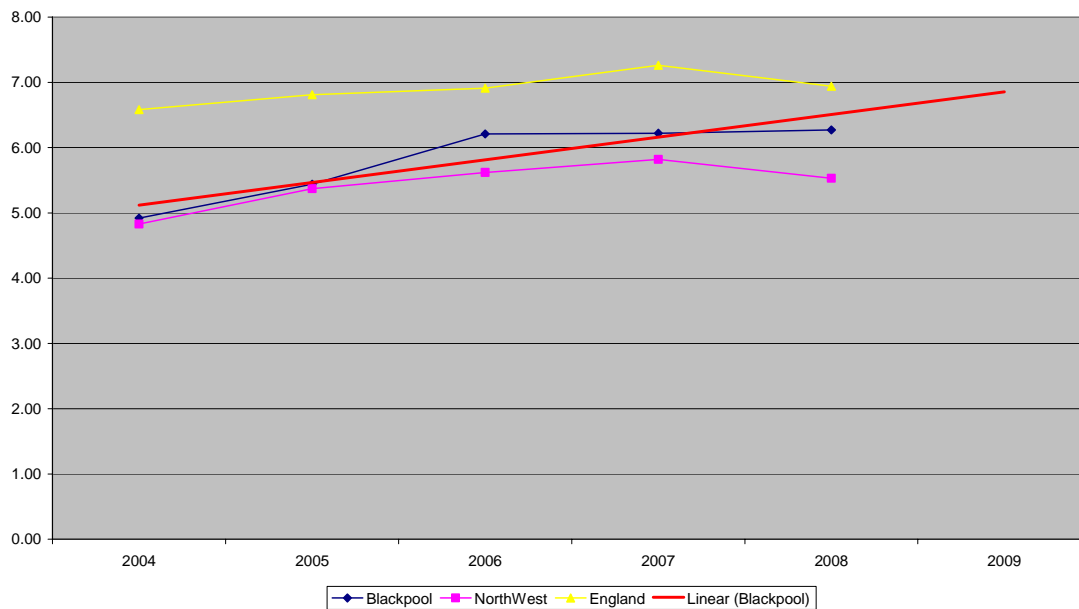
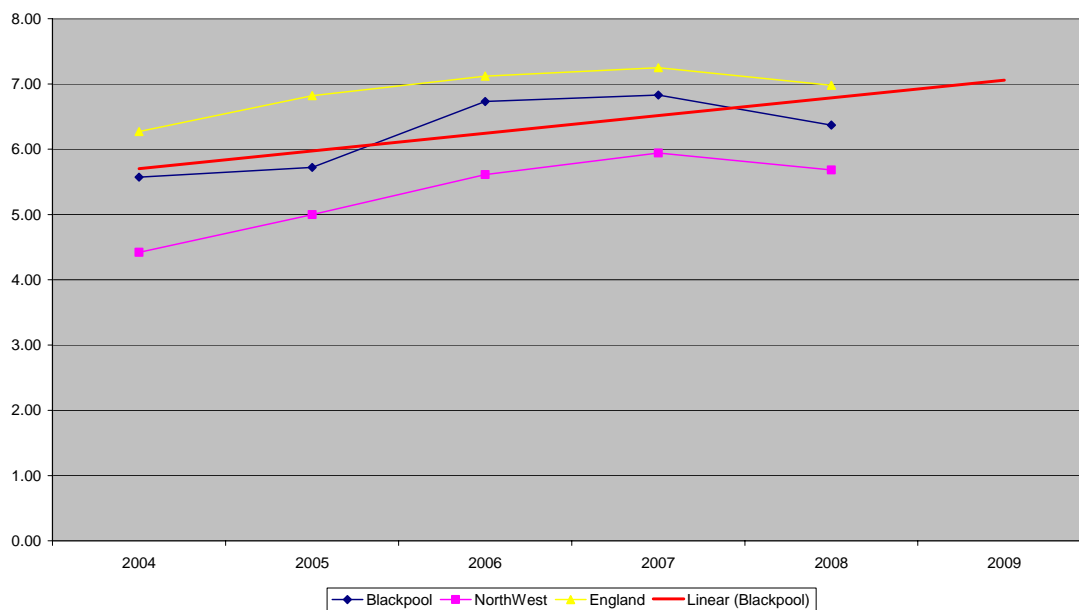


Chart 1 shows median house price to median earnings ratios in the Northwest and England have gone down between 2007 and 2008; however, in Blackpool it went up slightly from 6.22 to 6.27, therefore an upward trend is showing at this point in time.

Chart 2: Lower Quartile House Prices to Lower Quartile Earnings Ratio - Source CLG Live Table 576



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Chart 2 shows that lower quartile house prices to lower quartile earnings ratios in Blackpool, the Northwest and England have all gone down between 2007 and 2008; however, the overall trend in Blackpool based on the last five years data is still showing as being upward.

### Trends in House Prices in Blackpool from 2006 to the end of 2008 (Two Years)

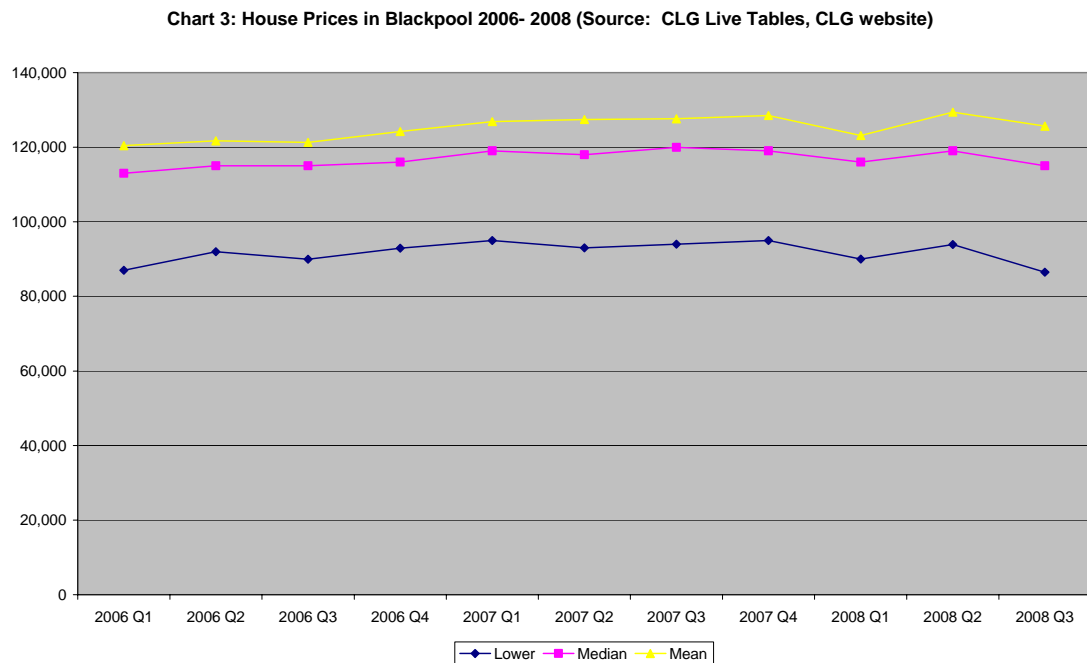


Chart 3 shows that lower quartile, median and mean house prices went down in the first quarter of 2008 in Blackpool, up again a little in quarter two and down again in Quarter 3 of 2008. In the earlier period the house prices were mostly gradually rising with some fluctuations.

There was a greater percentage drop (8.0%) in the lower quartile house prices in Blackpool between Quarter 3 2007 and Quarter 3 2008, than for the median house prices (4.1%) and mean house prices (1.6%).

## Recent Average House Price Trends and Sales ( January 2007 to January 2009) in Blackpool and England

Chart 4: Average House Prices in Blackpool and England Jan07-Jan09 (Source: Land Registry)

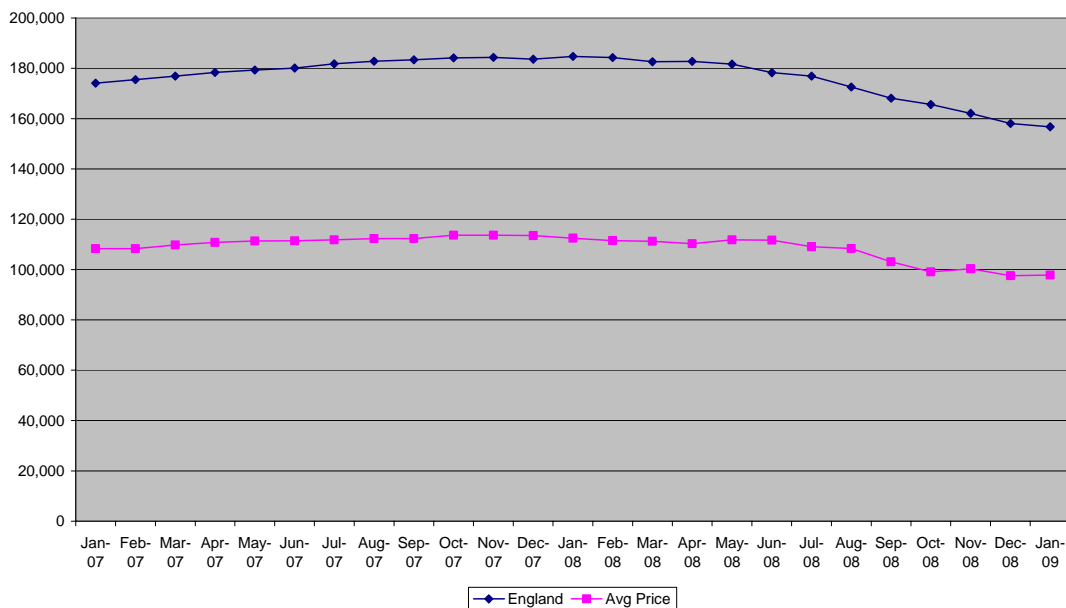
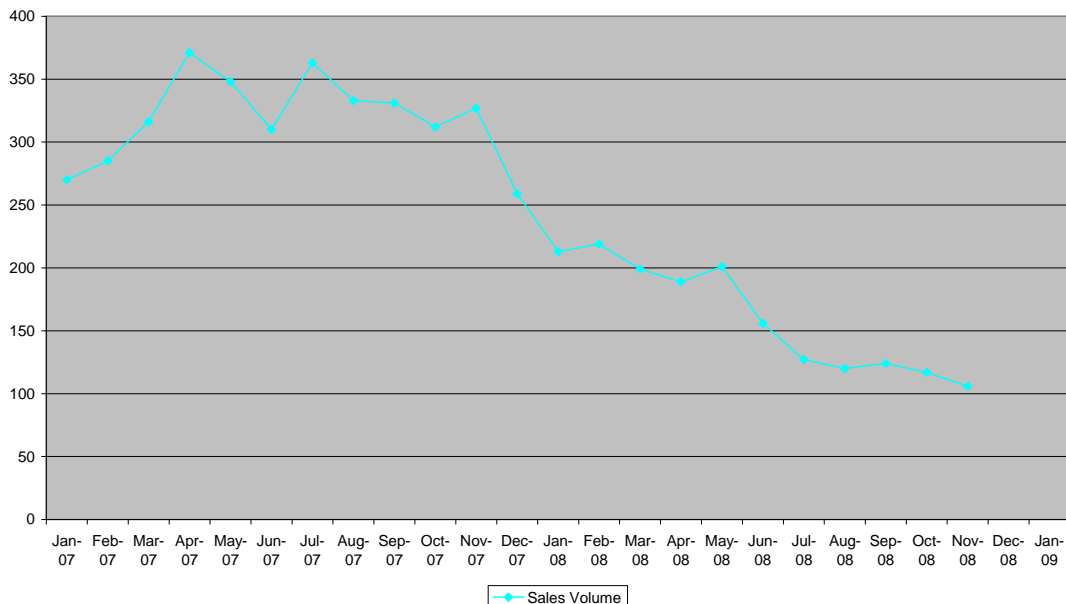


Chart 4 shows a drop in average house prices in the recent months in both Blackpool and England. During the two year period Blackpool had a 9.6% drop in average house price compared to 9.9% in England. During the one year period from Jan 2008 to January 2009 Blackpool had a 13% drop in average house price compared to 15.1% in England. (Source: Land Registry House Price Index)

Chart 5: Sales Volume in Blackpool Jan 07 - Nov 08 (Source: Land Registry)



The volume of sales over a two year period shows a decline of 60.7% from January 2007 to November 2008 and a 67.6% decline between November 2007 and November 2008. (no data is available yet for Dec 2008 and Jan 2009). (Source: Land Registry House Price Index)

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## **Glossary**

ASHE	Annual Survey of Hours and Earnings 2007
DCLG	Department of Communities and Local Government
HMSO	Her Majesty's Stationery Office
HSSA	Housing Strategy Statistical Appendix
Northwest	The Northwest Region of England comprises the area of the counties of Cumbria, Cheshire, Greater Manchester, Lancashire and Merseyside and that of the unitary authorities of Blackburn-with-Darwen, Blackpool, Halton and Warrington.
ONS	Office of National Statistics

### **Where can I get further information on the issues covered in Blackpool Figures?**

Blackpool Figures collects its summary information from a range of detailed reports and web sites. All sources are clearly acknowledged and referenced throughout the work. Much additional information is available within these original sources; a selection of the most frequently utilised web sites for this topic are presented below. This is not a definitive list but it does provide a useful starting point.

#### **Selected Website Reference**

[Land Registry \(House Prices\)](#)

[Department for Communities and Local Government](#)

If further advice is required contact:

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