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House prices have risen four times faster than pay in the South West

The cost of buying the average home in the South West has gone up more than four times faster than the wage of the average employee in the region over the last decade, according to a new TUC analysis of official statistics, published today Wednesday.

In 1997 the average house in the South West could be bought for £60,000, equivalent to three years nine months of the then average wage of £15,873. But since then house prices have risen by 198% taking the average house in the South West to £178,500, while the average wage has gone up by only 41.5% to £22,453. This means that it now takes seven years eleven months of an average employee's wage to buy an average house. In other words, house prices have gone up 4.8 times faster than pay.

This is the second highest in the country, only beaten by the East of England where prices have gone up 5.3 times faster than pay.

This compares to the average figures for the whole of England where house prices have gone up 4.1 times faster than pay over the last ten years. In 1997 the average house cost £60,000, equivalent to three years and six months of the then average wage of £17,000. House prices have risen since then by 180 per cent, taking the average house to £168,000, while the average wage has gone up by only 43 per cent. This means that it now takes six years eleven months of an average employee's wage to buy an average house.

There are some stark differences across the country. While well-off London boroughs have the most expensive houses, the gap between pay and house prices has grown the most in West Sussex where prices have gone up more than nine times faster than pay.

Within the South West, the biggest increase in the gap between prices and pay is in Swindon, where prices have gone up six times faster than pay, and the lowest is in Bath, where prices have still gone up 3.5 times faster than pay. Dorset is the council area where house prices are now most out of reach of local people, with the average house costing £219,000 – or ten years of the average wage of £22,000.

TUC General Secretary **Brendan Barber** said, "Housing is by far and away the biggest cost for most people at work in the South West. These stark figures bring alive the housing crisis. They show just how quickly buying your own home has gone out of the reach of many working people. It is striking that house prices seem to have gone up in line with the pay of top directors and the super-rich, rather than middle and low earners.

"These figures show just how much housing has become an engine of inequality. If you are lucky enough to own your own home you have got that bit richer every day than those that do not.

"The government is right to have put a new emphasis on housing, though it's a shame that this didn't start earlier. We desperately need more quality affordable homes to rent and to buy. Unions stand ready to back new housing policies that provide quality homes in proper communities that respect the environment, but if we are to build enough homes ministers will need to take tough decisions."

SW (ranked by growth in pay price gap)	1997 pay	2006 pay	% pay increase	1997 house price	2006 house price	% price increase	how much faster prices have gone up than pay	How long to buy in 1997 (years and months)	How long to buy in 2006 (years and months)
Swindon UA	£19,500	£24,550	25.9%	£58,500	£150,000	156%	6.0	3y 0m	6y 1m
Bristol, City of UA	£17,810	£24,038	35.0%	£54,500	£162,500	198%	5.7	3y 1m	6y 9m
Cornwall and the Isles of Scilly	£13,527	£19,171	41.7%	£56,000	£185,000	230%	5.5	4y 2m	9y 8m
Gloucestershire	£17,397	£23,148	33.1%	£63,500	£175,000	176%	5.3	3y 8m	7y 7m
Poole UA	£16,995	£23,557	38.6%	£69,000	£204,000	196%	5.1	4y 1m	8y 8m
Plymouth UA	£15,719	£22,460	42.9%	£47,000	£141,500	201%	4.7	3y	6y 4m
Dorset	£15,528	£21,950	41.4%	£75,000	£219,500	193%	4.7	4y 10m	10y 0m
Devon	£14,218	£20,851	46.7%	£60,000	£189,950	217%	4.6	4y 3m	9y 1m
Somerset	£16,076	£22,715	41.3%	£59,000	£169,000	186%	4.5	3y 8m	7y 5m
Torbay UA	£14,099	£20,480	45.3%	£54,000	£162,000	200%	4.4	3y 10m	7y 11m
Wiltshire	£16,088	£22,361	39.0%	£69,500	£188,950	172%	4.4	4y 4m	8y 5m
Bournemouth UA	£13,953	£20,220	44.9%	£61,950	£184,000	197%	4.4	4y 5m	9y 1m
North Somerset UA	£16,872	£24,718	46.5%	£61,750	£175,000	183%	3.9	3y 8m	7y 1m
South Gloucestershire UA	£18,072	£27,027	49.5%	£60,000	£170,000	183%	3.7	3y 4m	6y 3m
Bath and North East Somerset UA	£15,357	£23,945	55.9%	£70,950	£210,000	196%	3.5	4y 7m	8y 9m

NOTES TO EDITORS:

- All figures are from or derived from official statistics

<http://www.communities.gov.uk/index.asp?id=1156110> tables 577 and 586

- The median is the half way value through a distribution. If you are paid the median wage it means that half the population earn more than you and half the population earn less than you. It is not the same as the mean wage, which will be higher, as this will be skewed by the very large wages enjoyed by the top few per cent, but it can be said to be the pay of the average worker.

- The “how much faster house prices go up than pay” column is a comparison between the increase in the median wage compared to the median house price. A figure of 4.3 for example shows that the median house price went up 4.3 times faster than the median wage between 1997 and 2006.

-The “how long to buy” column is a simple measure of how many years and months of the median wage equals the median house price. For example if the median wage is £10,000 it takes five years to buy a house priced £50,000.

Tables available on the web site are

Table 1 – The headline figures for each region

Table 2 – Figures for each county, met district and unitary authority shown by region

Table 3 – As Table 2 but ranked by change in the pay/price gap

Table 4 – As Table 3 but ranked by the 2006 gap between price and pay

Table 5 – All figures organised by region including county, met district UA and local authority district

Table 6 – includes two tables for each region – one showing local authorities within region ranked by growth in pay price gap and one ranked by 2006 pay price gap (ie Tables 3 and 4 for each region)

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