

# GARDINER

## RESIDENTIAL

### 7,200 Surplus 'Spare' Bedrooms in W5 – Is this the cause of the housing crisis in Ealing?

*That isn't a typo! Of the 20,500 households in Ealing, 7,200 of these properties have not only one but two spare bedrooms.*

It is this topic I want to talk about this month, because this could be the cure for Ealing's housing crisis. The fundamental problem with the housing market in W5 is that historically the supply of homes has not kept pace with demand, putting upward pressure on property values, and in turn rents. This has ensured that home ownership has become an unattainable ambition for many of the twenty somethings in W5.

Call me simple, but it seems obvious that either demand needs to drop or supply needs to rise if we're to stop this trend getting even worse for generations to come. I admire Downing Street's plans to build 200,000 starter homes which will be offered to first time buyers under 40 years old with a minimum 20% discount on market values. However, this does not increase the stock of new 'starter' homes - it simply replaces one affordable scheme with another.

In W5, 11,500 households have at least one spare bedroom and of these, 7,200 have two or more spare bedrooms. This compares with 3,700 households in Ealing that are overcrowded (i.e. there are more people than bedrooms in the property).

Looking specifically at the homeowners of W5, 2,500 owner-occupied households have one spare bedroom. While having a spare bedroom is not considered a luxury, there are a further 6,100

owner-occupied households in Ealing with two or more spare bedrooms which is fairly luxurious.

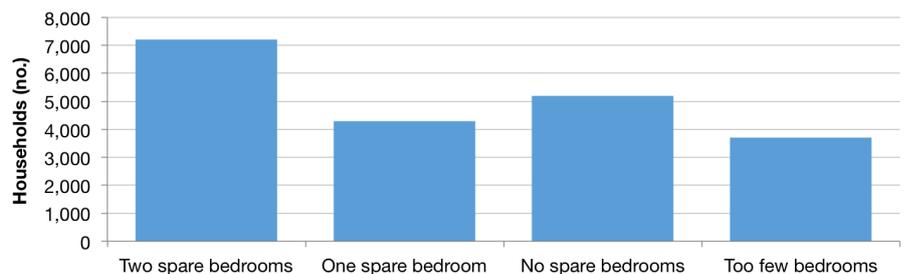
Therefore, I am beginning to see that there is spare capacity in the W5 housing market. Principally, I will concentrate on the group that makes up the bulk of this category; the owner-occupiers in large properties, in their 60's and 70's, with kids who have flown the nest. In the trade, we call it 'downsizing', where the extra bedrooms are no longer required, to move into a smaller and, usually, less expensive property.

I believe the Government should

to build more homes for retired downsizers as well as starter homes for under 40's. Or is this one step too far in 'social engineering'?

The simple fact is not enough properties are being built in W5, and with the population rising, something needs to be done. However, I believe the Ealing population (as well as the rest of the UK) is slowly turning into a more European model of home ownership. In Europe, most people rent in their 20's and 30's, only buying in their 40's and 50's, when they inherit money from the sale of their late parents' property. That works particularly well in Germany and I can't see why it wouldn't

#### The number of households with too many and too few bedrooms



do more to encourage downsizing, because with the right incentives, many could be encouraged to reconsider what kind of home they live in and free up the housing stock for families.

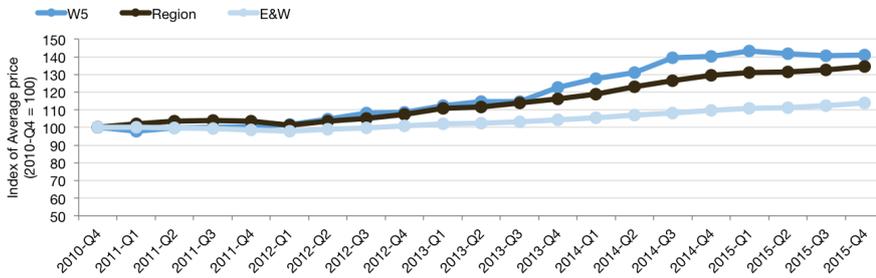
It would have done using incentives, because reaching for the stick instead of the carrot would be political suicide for any party, but particularly the Tories. One option is to exempt retired downsizers from stamp duty on the new property, and another option is for town planners to work with builders

work here. In the meantime, there is an opportunity in the coming 20 years for people to supplement their pension by buying smaller properties to rent out, as that is inevitably where the demand will be in the next few decades in Ealing.

If you are ever passing the office and want a chat about the Ealing property market or get an idea of what your property is worth, don't hesitate to pop in or pick up the phone and give us a call.

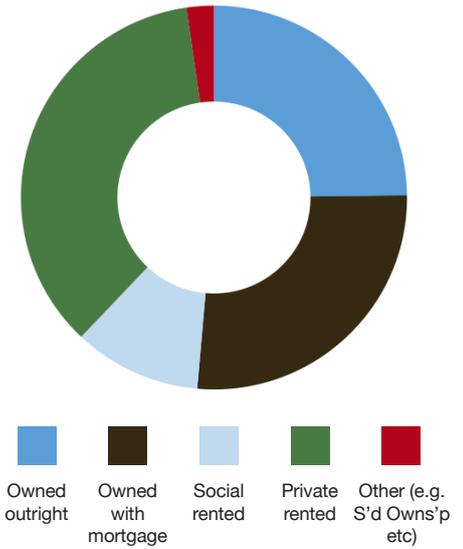
## Values have risen in Ealing

The average property price in W5 is £616,300. This is 10.7% higher than London where the figure is £556,800 and 127.8% higher than the national figure (£270,600). Since 2010 prices in W5 have risen by 39.5%. This is higher than London where prices have increased by 37.2% and higher than England and Wales where prices have increased by 16.7%.

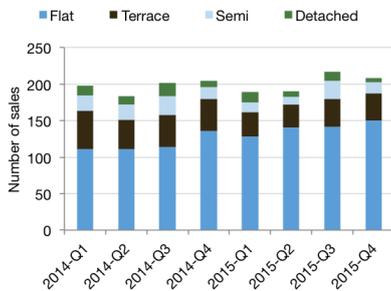


## Local tenure mix

In W5 the largest number of homes are privately rented (35.6% of all households). This is 10.5% higher than the average in London. Next most common in W5 are homes which are owned with a mortgage or loan (26.6% of all households). This is 0.5% lower than the average in London.



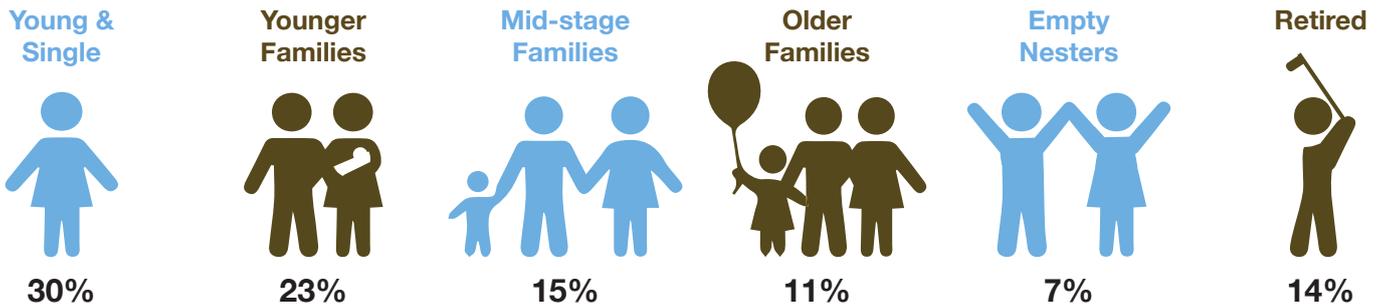
## Sales levels in Ealing holding steady



In the Q4 2015 there were around 215 sales in W5 which is 4.4% lower than the previous quarter. The property type which saw the most sales were flats which accounted for 66.7% of the total. In W5, in 2015 around 4.5% of the housing stock was bought and sold. This compares with 4.9% in the region and 4.9% nationally.

## How many families are there in Ealing?

In W5 the largest number of people fall into the lifecycle category called 'Young and Single' which accounts for 29.8% of the total. This is followed by 'Younger families' (23% of the population).



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