



## Repossessions Report

Under embargo until 00:01 Friday 4<sup>th</sup> December 2015

H1 2015

# Repossessions North-South gap closes 80% since the recession

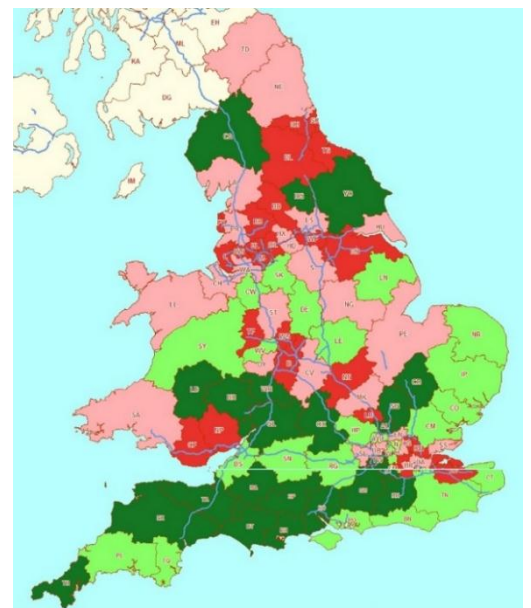
- Total home repossessions fall 45% year-on-year across England & Wales, as economy recovers
- H1 2015 sees the average rate fall to 0.9 repossessions per 1,000 households, from 2.4 in H1 2014
- Towns struggling with high unemployment are amongst the worst remaining repossession postcodes
- Bolton sees the highest rate of repossessions in England & Wales (2.0 per thousand households) – while wider North West is the worst region for repossessions (1.2)
- East of England sees largest improvement, with a 59% fall in repossession rates since H1 2014, with London close behind

The gap between home repossessions in the North and South has closed by 80% since the recession, according to detailed research released this morning by e.surv chartered surveyors.

On average, there were 1.1 repossessions per 1,000 households in the North in the first half of 2015 (H1 2015) compared to 0.7 in the South, according to e.surv's analysis of court-ordered repossessions in England & Wales, broken down by post code – a difference of 0.4.<sup>1</sup>

By comparison, in 2008 repossession rates stood at 8.2 per 1,000 households in the North and 5.9 in the South, a difference of 2.3. This means the divide has closed by 80% across this seven year period.

On a yearly basis (since H1 2014) the North-South divide has narrowed 43%. In H1 2014 there were 2.4 repossessions per 1,000 households in the North, in contrast to 1.7 in the South, with a difference of 0.7 – meaning the gap closed at a faster pace over the last year than in previous years.



<sup>1</sup> See notes and methodology for further information

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In absolute terms, across England & Wales total home repossessions have declined by a staggering 45% year-on-year to reach 10,401 in H1 2015 from 23,279 as of H1 2014. As a result, the average rate of repossessions stands at 0.9 per 1,000 households, compared to a rate of 2.1 repossessions per 1,000 households in H1 2014.

Despite these improvements, the North is failing to match this average rate across England & Wales, with almost eight out of ten towns in the regions seeing a higher than average repossession rate.

*Richard Sexton, director of e.surv chartered surveyors, explains: "Over the last year, the North-South gap has been narrowing at an accelerated pace. Fewer people are battling unemployment and against this optimistic backdrop, finances are being bolstered across England and Wales by delayed interest rate increases. Rising wages and negative inflation are making living costs more affordable, giving people room to save. But these economic changes are also having a real impact on those feeling the strain and potentially facing repossession. A healthier lending market is enabling people to search for cheaper mortgage options and regulatory changes, such as MMR, are making a real difference in protecting borrowers from committing to potentially unaffordable mortgages in the first place."*

## Unemployment hotspots still have a long way to go

Since the first half of 2014, **Bolton** has featured in the top ten worst repossession postcodes. Despite the town seeing a reduction in its repossession rate year-on-year to 2.0 in the first half of 2015 from 2.8 per 1,000 households in the first half of 2014, it still has emerged as the town with the highest incidence. Within the bottom five, **Oldham** (1.6 per 1,000), **Liverpool** (1.6 per 1,000) and **Manchester** (1.5 per 1,000) all also featured from the North West – and are all battling high unemployment rates.

Alongside **Bolton**, **Blackburn** and **Newport** have also entered the top ten worst repossession towns across England and Wales over the course of 12 months. **Newport** saw a repossession rate of 1.4 per 1,000 households across H1 2015, and Wales had the third highest repossession rate of all regions **Blackburn** found itself included in the list with a repossession rate of 1.3 per 1,000 households.

### Top Ten Repossession Postcodes

Postcode Area	Repossessions/1,000 households in H1 2015	Total number of repossessions in H1 2015	Unemployment Rate (%)
Bolton	2.0	150	6.2
Sunderland	1.7	83	8.3
Oldham	1.6	141	7.1
Liverpool	1.6	268	10.2
Manchester	1.5	317	6.3
Bradford	1.5	166	8.7
Ilford	1.5	86	7.3
Romford	1.4	139	7.0
Newport	1.4	139	8.3
Blackburn	1.3	136	7.3

Throughout the entire North, only 20% of towns had a repossessions rate lower than the England and Wales average. These were **Crewe** (0.8), **Carlisle** (0.5) and **Stockport** (0.9),

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Richard Sexton, director of e.surv chartered surveyors, explains: “There are still some pockets where repossessions are a very real problem. Despite a narrowing divide, the North retains its unenviable position over the South for repossessions, with eight out of ten towns in the region still seeing an above average level of repossessions. Economic and jobs progress has been made in the North – promises of a Northern Powerhouse have created a renewed confidence within the area’s jobs market. However, in former industrial hubs like Sunderland and Bolton, homeowners are still finding it difficult to make ends meet. Public sector jobs cut in the recession have not been reinstated or fully replaced by new opportunities, leaving areas heavily reliant on this sector grappling for more jobs and more economic help.”

## Repossession Postcodes – Biggest Improvers

The area most improved on a yearly basis, was **Llandrindod Wells**, which saw the rate of repossessions reduce by 76% and was just ahead of **Bath**, **Carlisle** and **Blackburn**.

Postcode Area	Repossessions/1,000 households in H1 2015	Repossessions/1,000 households in H1 2014	% change
Llandrindod Wells	0.4	1.5	-76%
Bath	0.4	1.2	-69%
Carlisle	0.5	1.6	-69%
Blackburn	1.3	2.8	-69%
Harrogate	0.5	1.7	-68%
Southall	0.9	2.9	-67%
Wolverhampton	0.8	2.5	-67%
Sutton	0.7	1.9	-66%
Lincoln	0.7	1.9	-66%
Stevenage	0.5	1.5	-66%

Richard Sexton, director of e.surv chartered surveyors, explains: “A real mixture of towns across England and Wales have seen improvements, from Llandridnod Wells to Wolverhampton. And whilst Blackburn may be one of leading areas of improvement, it remains one of the worst postcodes for repossessions, highlighting the long way that our Northern towns still have to go in order to normalise repossession rates.”

## Repossessions by region

The North East saw the highest rate of court-ordered repossessions across the first half of 2015, with 1.3 repossessions per 1,000 households – the smallest year-on-year improvement of -50%. This is significantly higher than the England and Wales average (0.9 per 1,000 households) and no town in the region proved immune, as all experienced an above average repossession rate. **Sunderland** had the 2<sup>nd</sup> highest repossessions rate across all of England and Wales, with 1.7 repossessions per 1,000 households. **Cleveland** also struggled, recording 1.3 repossessions per 1,000 households during the same period.

Just behind the North East, the North West is similarly struggling to reduce repossessions at the same pace as other regions – 80% of its towns have a higher repossessions rate than the average amongst England & Wales. Four out of the five worst towns in England and Wales for court-ordered repossessions lie within the region.

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Region	Repossessions/1,000 households in H1 2015	Repossessions/1,000 households in H1 2014	% change
East of England	0.7	1.7	-59%
London	0.9	2.1	-57%
South West	0.6	1.4	-57%
England & Wales Average	0.9	2.1	-57%
North West	1.2	2.7	-56%
<b>South East</b>	<b>0.7</b>	<b>1.6</b>	<b>-56%</b>
East Midlands	0.9	2.0	-55%
West Midlands	1.0	2.2	-55%
Yorkshire & the Humber	1.1	2.4	-54%
Wales	1.2	2.6	-54%
North East	1.3	2.6	-50%

## London no longer lags behind the rest of England and Wales

London has left behind its prior slow progress concerning repossession rates and has managed to record a significant improvement. In fact, the city has seen repossession rates tumble by 59% year-on-year since the first half of 2014. This fall was equalled by the West Midlands and only Wales left London lagging behind in terms of improvement.

The first half of 2015 saw 0.9 repossessions per 1,000 households in the capital, surpassing the England and Wales average of 0.9. Despite this, London continues to incorporate great variation when it comes to repossessions.

**East-Central London** ranked as the best Greater London postcode area for repossessions – boasting a rate of just 0.3 per 1,000 households, down 75% year-on-year. **Kingston-upon-Thames** overtook **West London** to achieve the second lowest rate of 0.5. In contrast, **Ilford** became the seventh worst postcode area for repossessions in England & Wales (1.5), narrowly beating **Romford** (1.4) – however both areas improved since H1 2014.

Only **West-Central London**, out of all postcode areas in Greater London had an increase in repossession rates year-on-year, seeing a 50% rise to reach 0.6 per 1,000 households, from 0.4.

## London Postcodes by Rates of Repossession/1,000 Households

Postcode Area	Repossessions/1,000 households in H1 2015	Repossessions/1,000 households in H1 2014	% change
Ilford	1.5	3.0	-52%
Romford	1.4	3.1	-54%
Croydon	1.3	3.1	-57%
South-East London	1.3	3.0	-58%
East London	1.0	2.6	-62%
Enfield	1.0	2.1	-54%
Southall	0.9	2.9	-67%
Bromley	0.9	1.8	-48%
England & Wales Average	0.9	2.1	-57%

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Harrow	0.9	2.1	-58%
London Average	0.9	2.1	-59%
North-West London	0.8	1.6	-47%
North London	0.7	2.0	-66%
Sutton	0.7	2.0	-66%
South-West London	0.6	1.1	-47%
Twickenham	0.6	1.4	-60%
West-Central London	0.6	0.4	+50%
West London	0.5	0.9	-42%
Kingston-upon-Thames	0.5	1.4	-66%
East-Central London	0.3	1.3	-75%

Richard Sexton, director of e.surv chartered surveyors explains: *“Repossession rates in London continue to pose a conundrum. Without doubt, the capital has improved and is no longer lagging behind other regions. But as repossessions fall across the city, you only need to scratch beneath the surface to find that disparities continue. Behind the visible signs of prosperity in London, there is real poverty and within these areas, repossessions remain high.”*

**-ENDS-**

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## Notes to Editors

### Methodology

This research has been prepared by Instinctif Partners for e.surv. It has been compiled using information extracted from publically available Ministry of Justice data, and e.surv's own internal management information. e.surv has used the Humber to the Bristol Channel definition for the North-South divide.

The research looks at the rate of repossessions per 1,000 mortgage-owned households in each postcode district across England and Wales. It does not include houses which are socially rented or owned outright. Figures for the number of mortgage-owned households per postcode district are derived from household numbers taken from the 2011 census.

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