

**Comparison of registered social
landlord rents with owner occupier
costs, 1998/99 to 2006/07**

Source document for the Dataspring
Report to the Housing Corporation



Comparison of registered social landlord rents with owner occupier costs, 1998/99 to 2006/07

Source document for the Dataspring
Report to the Housing Corporation

Chihiro Udagawa
July 2008

Dataspring
Cambridge Centre for Housing and Planning Research
University of Cambridge
19 Silver Street
Cambridge
CB3 9EP
Tel: 01223 337118
www.dataspring.org.uk

Key findings

Owner Occupied (OO) costs across England

At the national level

- The estimated OO cost for England was £201.06 per week in 2006/07.
- It rose by 123.0% from 1998/99, which means an annual average growth rate of 10.5%.
- In real terms, the change was 83.2% for the period or 7.9% at an annual base.
- The OO cost increased overall for the observation period. Particularly in 2004/05 it soared by 31.0% (27.1% in real terms) from the previous year.

At the regional level

- In 2006/07, London had the highest OO cost (£305.44 per week) and the North East showed the lowest (£138.89), providing a regional range of £166.55.
- Through the observation period, the highest and lowest have been seen in these two regions respectively.
- The highest growth was seen in the South West (139.1% for the period or 11.5% for annual average – in real terms, 96.4% or 8.8%).
- The West Midlands had the lowest growth of 118.3% or annual 10.3% (in real terms, 79.4% or 7.6%).
- In the first half of the observation period, the southern regions experienced high growths. In the second half, the fastest growing area shifted to the northern regions.

At the local authority (LA) level

Range of the OO costs

- In 2006/07, the median of OO costs of all LA areas was £222.16 per week.
- It grew by 135.5% for the period. The annual average growth rate was, thus, 11.3 % (in real terms 93.5% or 8.6%).
- In 2006/07, the range of OO costs was £496.48 with the highest being £575.09 and the lowest £78.61.
- For the observation period, the range has widened – except marginal setbacks in 1999/00 and 2001/02.

LA areas with high/low OO costs

- The latest figures show that the almost all the LA areas in London (90.6%) had OO costs falling in the upper quartile, and nearly half of LA areas in the South East (49.3%) belonged to the cohort.
- The great majority of LA areas in the North East (87.0%) had OO costs in the lower quartile.
- The North West (65.1%) and Yorkshire and the Humber (52.4%) also had LA areas disproportionately in the lowest zone.

LA areas with high /low increases in OO costs

- Over the past nine years, more than half of LA areas in the South West (54.5%) showed growth rates in the upper quartile.
- By contrast, the other southern region, the South East (55.2%) kept more than half its LA areas in the lower quartile.

OO costs of urban and rural LA areas

- In 2006/07, the average OO costs were £224.25 per week for the urban LA areas and £226.65 for the rural area.
- The urban OO cost rose by 122.5% from 1996/97 (in real terms 82.8%) while the rural OO cost did so 125.4% (in real terms 85.2%).
- In the first half of the observation period, the urban OO cost outperformed the rural equivalent but in the recent four years the situation was reversed.

Comparisons with RSL rents across England

At the national level

- In 2006/07, the differential between the national OO cost and RSL rent was £134.20 per week. As a proportion of the RSL rent, it was 200.7%.
- When restricting RSL rents to those of one to three bedrooms, the differential was £134.83 or 203.6%.
- The path of the differential (%) for the observation period was overall upward except declines in 1999/00 and 2001/02.
- This is because while the RSL rent rose steadily, the OO cost inflated drastically. The exceptional two years saw marginal decreases in the OO cost.

At the regional level

- In 2006/07, London had the widest differential – 271.8%. This was followed by that of the South West (244.9%) and the East (227.2%).
- The narrowest differential (%) was seen in the North East (148.1%), followed by that of the North West (157.8%) and Yorkshire & the Humber (184.4%).
- In absolute terms, London had the widest differential of £223.29. This was followed by that of the South East (£175.38) and the South West (£157.02).
- The narrowest differential was seen in the North East (£82.91), followed by that of the North West (£93.25) and Yorkshire & the Humber (£101.36).
- For the observation period, the South West had the highest growth of percentage-differential – 155.2 percentage points.
- At the other extreme, the North West had the lowest growth of 102.1 points.
- The differential (£) expanded most starkly in the North East – the growth rate was 335.2% or the annual average of 20.2%.
- The lowest growth rate was observed in London – 203.2% for the period or annually 14.9%. This is because the region had significantly wide differential at the beginning of the period.

At the LA level

- The latest mean of the percentage-differentials was 222.8%.
- The great majority of LA areas have the differentials in a range from 175% to 300%.
- With respect to the pound-differentials, the latest median was £154.39.
- The mean of differentials grew by 146.2 percentage points, which means an annual average of 18.3 points.
- The mean of pound-differentials increased by 275.6% for the period and thus the annual average rate was 18.0%.
- The standard deviation of percentage-differentials has decreased since 2003/04.
- The number of LA areas with RSL rents higher than OO costs peaked at 20 in 2002/03. Thereafter it has decreased and currently no LA areas have negative differentials.

- The median of the differentials was larger for the rural LA areas (242.1% or £158.98) than that for the urban group (202.8% or £144.36).
- The distribution of the urban differentials was broader than that of the rural equivalents. This is partly because the most urban LA areas, notably those in London, significantly expanded the upper tail of the distribution.

Changes in the differentials

- From 1998/99 to 2006, the great majority of LA areas raised their differentials (%) by 130 to 150 percentage points.
- The median of the changes for the period was 136.9 percentage points.
- Overall the changes were greater in the southern regions than in the northern regions.
- The median for the rural LA areas' changes was marginally greater than that for the urban LA areas' changes.

OO costs and their differentials from RSL rents for the four metropolitan areas

OO costs

- In 2006/07, the OO cost for London was £305.44 per week – the highest among the four cities. It was also far above the national average of £201.06.
- The other three cities' costs were slightly below the national level – £176.95 for Birmingham, £174.58 for Newcastle and £161.89 for Manchester.
- Through the observation period, London continuously raised the OO cost, keeping it much higher than the national average.
- The remaining cities had overall increasing trends except around 1999/00. Manchester experienced a consecutive three-year decline until 2001/02.
- These three cities have placed their costs marginally below the national level for the period.

Differentials

- In 2006/07, the differentials of London (271.8%) and Newcastle (226.1%) exceeded the national level, whereas those of Manchester (172.2%) and Birmingham (167.4%) were below the standard.
- In Newcastle, therefore, access to OO markets might be relatively easy relative to national standard for overall low income households, but for social renters it might not.
- Except Birmingham (110.4 percentage points), all the cities had differential changes above the national level (128.6 points) – in a descending order Manchester (156.6 points), Newcastle (150.3 points) and London (149.6 points).

Introduction

Although it is not as high as that from private rented sector, a flow of households from social rented sector to owner-occupation markets does constitute inter-tenure movements in England. It also plays critical roles for social mix or mobility of low income households and minority ethnics. Nevertheless, home-ownership affordability is scarcely studied exclusively from the viewpoint of social renters while being frequently analysed for renters en masse or for young households, particularly for their first steps on to the property ladder, both in political and business spheres.

There are various factors affecting entrants to owner-occupation markets and tenure preference for owning to renting is a complex function of variables representing them. Among others, a user cost of owner-occupation (OO cost) has been identified as a key for households' decisions to own housing assets. More specifically for entrants from social rented sector, OO costs that owner-occupiers at the lower end of the market have to pay in order to occupy their home are the most relevant.

As a baseline study to fill the scarcity of past home-ownership research, this paper examines OO costs of lower quartile house prices and compares them with registered social landlord (RSL) rents. The study is also crucial for the supply side in the social rented sector because the difference between RSL rents and OO costs reflects hurdles over which social renters step to own home, and thus, this gives an indication of the extent of in-and-out flows of tenants, which are directly related to provision of social rental properties. In context of the rent restructuring regime, OO costs of low income households can impact tenure balance and thus have an impact on RSLs' capacities to set rents.

To achieve the objectives this paper will firstly clarify the recent developments of OO costs at lower priced property markets and then will compares OO costs and RSL rents to examine the relationships between housing expenditures between the two tenure types. The comparison is carried out using the datasets for the years 1998/99 and 2006/07 at different spatial levels. This is because analyses only for large geographical units could mask some endemic issues if exist. In addition, the analyses will be carried out for the four metropolitan areas. They are worth examining separately, as the most urban areas in England have knock-on effects on their surrounding communities and their socio-economic concerns such as social mix or social exclusion are associated with housing conditions.

The remaining part of this paper is structured as follows. Section 2 defines measurements of OO costs to suit the study objectives and presents methodology for the comparative analyses. Section 3 analyses OO costs and their developments for the recent period. The analyses are carried out for England and then extended to lower geographical levels. Section 4 compares OO costs and RSL rents across England and presents the recent issues existing at the two sub-markets in the inter-related context. The studies in this section also varied at different spatial levels. Section 5 develops analyses exclusively to the four metropolitan areas. Each section provides relevant statistics in depth but readers in need of further quantitative analyses are suggested to see annexes attached at the bottom of this paper.

Section 2 Definition of OO costs, Data sources and Methodology for Comparisons

Definitions of OO costs

There are no unequivocal definitions of user cost of OO cost, and therefore, depending on study objectives, elements that constitute the cost can vary. OO costs examined in this paper concentrate on weekly outgoings which equate to the rental element of overall returns, because our main purpose is to analyse the OO sector from the viewpoint of social renters. More specifically, the OO costs in this paper consist of the following three components:

1. Cost of loan repayment
2. Insurance (mortgage payment protection insurance and building insurance)
3. Imputed cost (loss of interest on the deposit)

The OO cost can be estimated for different price level by making assumptions about the sizes of loan and deposit, the interest rate, insurance, and thus the loss of interest on the deposit. In particular, the size of loan which depends on property values is a critical factor. For our analyses, we use the direct financed payments required to purchase a property in the lower quartile of the market. This is because the most relevant comparator to the social rented sector is the expenditure that owner-occupiers at the lower end of the market have to make in order to occupy their home.

Because the purchaser is buying an asset as well as consuming while a tenant only 'consumes' as an occupier (Whitehead, 2008), capital depreciation or appreciation and transaction costs such as stamp duty and search costs will not be taken into account. In addition, public direct assistance to owners such as favourable taxation (as negative costs) will not be included, because assistance to renters, notably Housing Benefit, is also not considered in our comparative analyses.¹

Detailed house price data are not available by property size, OO costs will be presented for all dwelling sizes combined. But disaggregation by property type is available and will be presented where necessary. For spatial analyses, LA areas where there are few property cases and/or some geographical or socio-economic peculiarity have been excluded from the analyses. This applies for example to the City of London and the Isles of Scilly. The period of analysis is from April 1998 to March 2007. The details of how OO costs are calculated and the sources of data used in the calculation are shown in Annex 1. OO costs calculated by the same methodology presented in *Dataspring, Guide to Local Rent 2007 data Part II: Social Sector Landlords*.² Because some variables related to insurance have been revised backward, they might not be identical to those in this paper.

Comparative analyses

For comparisons of OO costs with RSL rents, we will take differentials between the two variables in terms of pounds per week and percentages by following equations:

$$\begin{aligned}\text{Differential (£)} &= \text{OO cost} - \text{RSL rent} \\ \text{Differential (\%)} &= (\text{OO cost} - \text{RSL rent}) / \text{RSL rent} * 100\end{aligned}$$

As RSL rents in the equations, we will use weekly average rents by LA areas in England. Weekly average rents are based on net rents of self-contained properties, i.e., rents of bedsits and bedspaces have been excluded. Net rents means average rents charged before any service charges are applied. The rent data are taken from the Housing Corporation's Regulatory and Statistical Return (RSR), which identifies RSL rent levels as at

¹ Benefits from Right to Buy, another direct assistance to owners, is also excluded. The lower quartile house prices are measured by excluding properties under this scheme.

² Available from <http://www.dataspring.org.uk/outputs/detail.asp?OutputID=153>

2008-30 – source document

March 31 each year.³ All rents in the data are for general needs assured and secure tenancies combined. They include general needs housing including Estate Renewal Challenge Fund stock, but exclude all supported housing and housing for older people.⁴ For details see *Dataspring, Guide to Local Rent 2007 data Part II: Social Sector Landlords*.

³ The data were derived from all RSLs that completed the long version of the RSR and made a valid return. In general, those RSLs that own or manage more than 250 dwellings and/or bedspaces, including shared ownership dwellings, complete the long version of the RSR until 2005/06. In 2006/07, the threshold was raised to 1,000 dwellings.

⁴ From 2005, the definition of 'general needs' as reported in the RSR was changed. Prior to this, general needs housing included some dwellings classified as sheltered housing for older people. From 2005, the sheltered housing classification was eliminated and dwellings that met certain design criteria transferred from general needs into a new category, housing for older people. For further information, see Housing Corporation circular 03/04.

Section 3 OO costs across England

3.1 At the national level

Tables 3.1 and 3.2 show OO cost for England in nominal and real terms. Throughout the paper, real values are calculated by the deflators based on the Retail Price Index (RPI) (September 1998).⁵ For the OO costs by property type, see Annex 2.

- The latest OO cost for England was £201.06 per week.
- Compared to £90.16 in 1998/99, the latest figure provides a rise of 123.0% for the observation period or an annual average increase of 10.5%. In real terms, the change was 83.2% for the period or an annual rate of 7.9%.
- The path of OO cost for the observation period was overall upward.
- Particularly in 2004/05, the national OO cost soared by 31.0% (or 27.1% in real terms) from the previous year.
- There are several factors to raise OO costs. Among others, key factors are house price inflation and rises in mortgage rates. The upsurge in the OO cost in 2004/05 arose mainly from them – (A) from 2002/03 to 2004/05, England experienced overheated property markets from and (B) in order to cool-down this the Bank of England frequently raised the benchmark interest rate in 2004.
- By contrast, marginal declines in 1999/00 and 2001/02 were caused partly by the loosened monetary policy by the central bank. Although the two years saw rises in property values, the lowered interest rates moderated the impact of higher house prices.

Table 3.1 OO costs: England, 1998/99 – 2006/07

	Nominal		Real	
	OO cost	Change (%)	OO cost	Change (%)
1998/99	90.16		90.16	
1999/00	87.28	-3.2	86.33	-4.2
2000/01	98.86	13.3	94.69	9.7
2001/02	96.45	-2.4	90.82	-4.1
2002/03	109.70	13.7	101.57	11.8
2003/04	127.99	16.7	115.31	13.5
2004/05	167.67	31.0	146.56	27.1
2005/06	183.20	9.3	155.91	6.4
2006/07	201.06	9.7	165.21	6.0
98/99 to 06/07		123.0		83.2
Annual average		10.5		7.9

3.2 At the regional level

Table 3.2 and Figure 3.1 set out OO costs for the nine regions from 1998/99 to 2006/07 and Table 3.3 is the equivalent in real terms. For each year, the highest figure is highlighted in yellow and the lowest in blue.

- In 2006/07, London had the highest OO cost (£305.44 per week) and the North East showed the lowest (£138.89), providing a regional range of £166.55.
- Over the last nine years, the highest and the lowest have been observed in these two regions respectively.

⁵ Thus, the deflator for each year is as below.

1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
1.000	1.011	1.044	1.062	1.080	1.110	1.144	1.175	1.217

Source: Dataspring's calculation base on ONS.

- The highest growth for the period was seen in the South West (139.1% or 11.5% for annual average – in real terms, 96.4% or 8.8%).
- The West Midlands experienced the lowest growth of 118.3% or annually 10.3% (in real terms, 79.4% or 7.6%).
- Roughly speaking, in the first half of the observation period fastest growing regions were seen in the southern regions, e.g., London showed the highest growth rates from 1999/2000.
- In the second half, the fastest region shifted to the north. In a recent few years, the highest growth rates were held by the North West and the North East.

Table 3.2 OO costs and their changes by region: nominal, 1998/99 – 2006/07

	East		East Midlands		London		North East		North West	
98/99	96.68		76.20		133.91		63.16		68.75	
99/00	95.39	-1.3	72.52	-4.8	140.56	5.0	59.41	-5.9	64.32	-6.4
00/01	113.66	19.2	80.77	11.4	175.11	24.6	61.72	3.9	67.78	5.4
01/02	118.05	3.9	81.02	0.3	181.32	3.5	57.88	-6.2	65.51	-3.3
02/03	135.69	14.9	93.61	15.5	203.32	12.1	58.09	0.4	66.63	1.7
03/04	160.72	18.4	115.46	23.3	222.70	9.5	73.61	26.7	82.03	23.1
04/05	196.45	22.2	147.97	28.2	264.63	18.8	102.52	39.3	114.64	39.8
05/06	205.70	4.7	162.26	9.7	281.72	6.5	122.70	19.7	133.56	16.5
06/07	226.13	9.9	178.46	10.0	305.44	8.4	138.89	13.2	152.37	14.1
98/99 to 06/07		133.9		134.2		128.1		119.9		121.6
Annual average		11.2		11.2		10.9		10.4		10.5

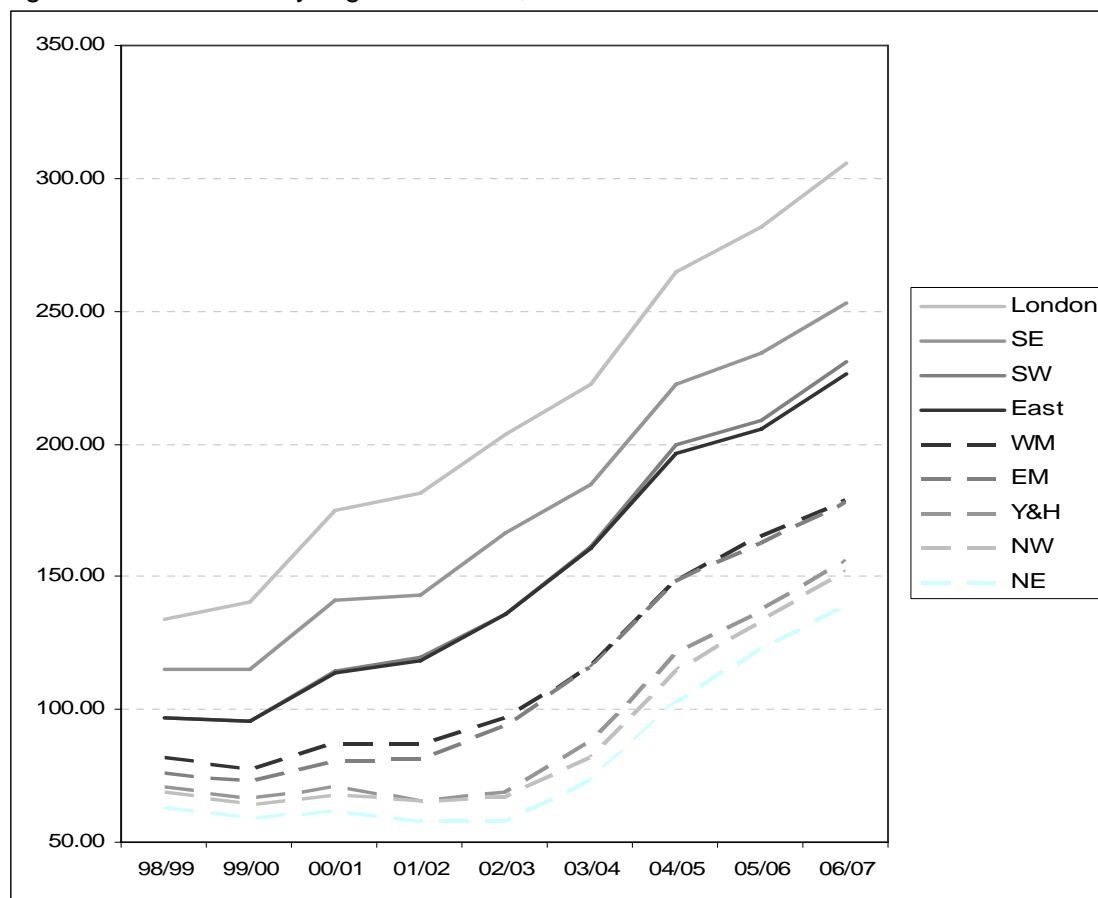
	South East		South West		West Midlands		Y and H		Range	
98/99	115.20		96.58		81.78		70.61		70.75	
99/00	115.15	0.0	95.48	-1.1	77.44	-5.3	65.96	-6.6	81.15	11.6
00/01	141.36	22.8	114.52	19.9	86.83	12.1	71.08	7.8	113.39	20.7
01/02	142.74	1.0	119.52	4.4	87.19	0.4	65.59	-7.7	123.44	12.1
02/03	166.30	16.5	135.69	13.5	96.53	10.7	68.77	4.8	145.23	16.1
03/04	185.02	11.3	160.97	18.6	115.46	19.6	87.53	27.3	149.09	17.7
04/05	222.21	20.1	199.48	23.9	147.97	28.2	120.70	37.9	162.11	20.9
05/06	234.40	5.5	208.80	4.7	165.36	11.8	137.44	13.9	159.02	15.0
06/07	253.09	8.0	230.89	10.6	178.54	8.0	156.33	13.7	166.55	6.1
98/99 to 06/07		119.7		139.1		118.3		121.4		20.7
Annual average		10.3		11.5		10.3		10.4		1.3

Table 3.3 OO costs and their changes by region: real, 1998/99 – 2006/07

	East		East Midlands		London		North East		North West	
98/99	96.68		76.20		133.91		63.16		68.75	
99/00	94.35	-2.4	71.73	-5.9	139.03	3.8	58.76	-7.0	63.62	-7.5
00/01	108.87	15.4	77.37	7.9	167.73	20.6	59.12	0.6	64.92	2.0
01/02	111.16	2.1	76.29	-1.4	170.73	1.8	54.50	-7.8	61.69	-5.0
02/03	125.64	13.0	86.68	13.6	188.26	10.3	53.79	-1.3	61.69	0.0
03/04	144.79	15.2	104.02	20.0	200.63	6.6	66.32	23.3	73.90	19.8
04/05	171.72	18.6	129.34	24.3	231.32	15.3	89.62	35.1	100.21	35.6
05/06	175.06	1.9	138.09	6.8	239.76	3.6	104.43	16.5	113.67	13.4
06/07	185.81	6.1	146.64	6.2	250.98	4.7	114.12	9.3	125.20	10.1
98/99 to 06/07	92.2		92.4		87.4		80.7		82.1	
Annual average	8.5		8.5		8.2		7.7		7.8	

	South East		South West		West Midlands		Y and H		range	
98/99	115.20		96.58		81.78		70.61		70.75	
99/00	113.90	-1.1	94.44	-2.2	76.60	-6.3	65.24	-7.6	80.27	11.4
00/01	135.40	18.9	109.69	16.1	83.17	8.6	68.08	4.4	108.61	20.0
01/02	134.41	-0.7	112.54	2.6	82.10	-1.3	61.76	-9.3	116.23	11.9
02/03	153.98	14.6	125.64	11.6	89.38	8.9	63.68	3.1	134.47	15.9
03/04	166.68	8.2	145.02	15.4	104.02	16.4	78.86	23.8	134.31	17.3
04/05	194.24	16.5	174.37	20.2	129.34	24.3	105.51	33.8	141.70	20.3
05/06	199.49	2.7	177.70	1.9	140.73	8.8	116.97	10.9	135.33	14.6
06/07	207.96	4.2	189.72	6.8	146.71	4.2	128.46	9.8	136.86	5.9
98/99 to 06/07	80.5		96.4		79.4		81.9		17.0	
Annual average	7.7		8.8		7.6		7.8		1.2	

Figure 3.1 OO costs by region: nominal, 1998/99 – 2006/07



3.3 OO costs for LA areas⁶***Range of the OO costs***

Tables 3.4 and 3.5 set out key statistics of OO costs for all LA areas from 1998/99 to 2006/07 and the following table is the equivalent in real terms.

Table 3.4 Range of OO costs across all LA areas: nominal price, 1998/99 – 2006/07

	Median	Std. Deviation	Minimum	Maximum	Range
1998/99	94.34	35.32	40.73	282.85	242.12
1999/00	83.59	31.10	36.37	249.59	213.22
2000/01	107.60	52.28	34.03	388.91	354.88
2001/02	113.42	52.98	29.33	374.19	344.86
2002/03	129.24	57.89	21.07	374.19	353.12
2003/04	155.85	58.62	30.50	380.08	349.58
2004/05	193.42	62.89	38.14	458.55	420.41
2005/06	204.58	63.17	56.76	503.97	447.21
2006/07	222.16	67.70	78.61	575.09	496.48
Change: 98/99 – 06/07	135.5%	91.7%	93.0%	103.3%	105.1%
Annual average	11.3%	8.5%	8.6%	9.3%	9.4%

Table 3.5 Range of OO costs across all LA areas : real price, 1998/99 – 2006/07

	Median	Std. Deviation	Minimum	Maximum	Range
1998/99	94.34	35.32	40.73	282.85	242.12
1999/00	82.68	30.76	35.97	246.87	210.90
2000/01	103.07	50.07	32.60	372.52	339.92
2001/02	106.80	49.89	27.62	352.34	324.72
2002/03	119.67	53.60	19.51	346.47	326.96
2003/04	140.41	52.81	27.48	342.41	314.93
2004/05	169.07	54.98	33.34	400.83	367.49
2005/06	174.11	53.76	48.31	428.91	380.60
2006/07	182.55	55.63	64.59	472.55	407.96
Change: 98/99 – 06/07	93.5%	57.5%	58.6%	67.1%	68.5%
Annual average	8.6%	5.8%	5.9%	6.6%	6.7%

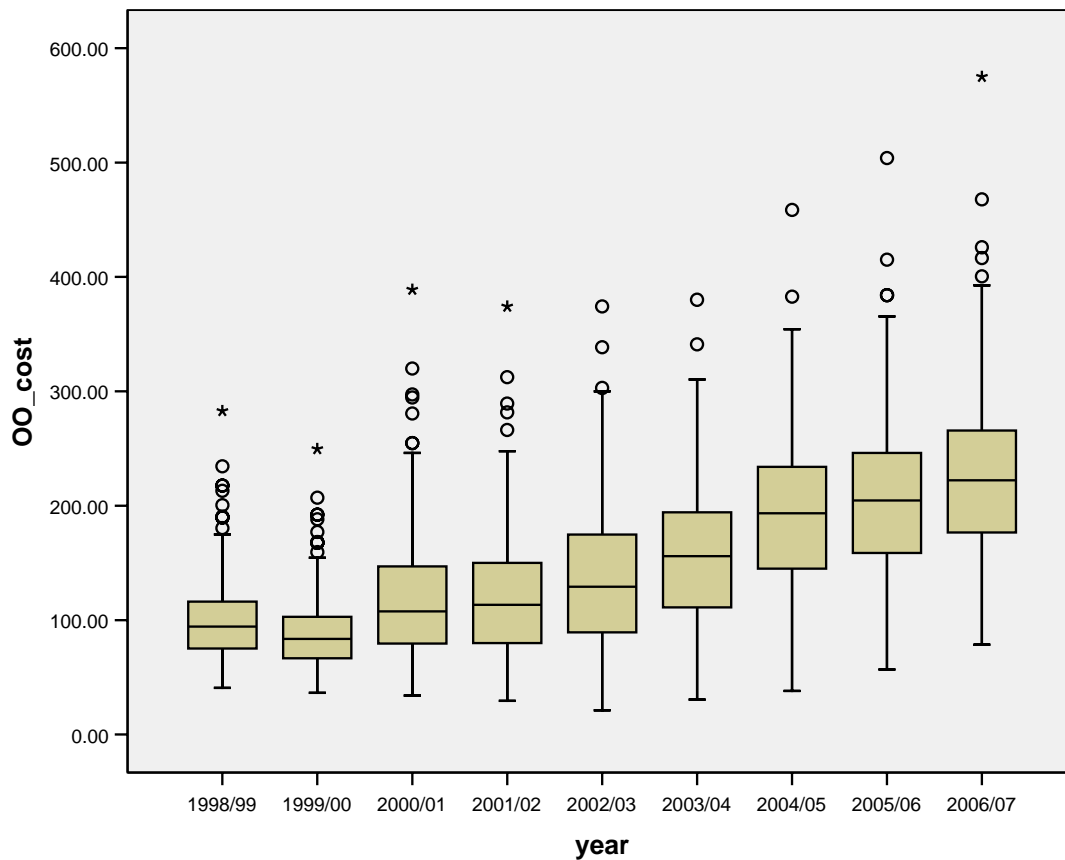
- In 2006/07, the median of OO costs was £222.16 per week, compared to £94.34 in 1998/99, providing growth of 135.5% or 11.3% for an annual average (in real terms 93.5% or 8.6%).
- For the observation period, the distribution of OO costs across LA areas has widened, except marginal setbacks in 1999/00 and 2001/02.
- In 1998/99, the lowest OO cost was £40.73, while the highest was £282.85, a range was, thus, £242.12. The standard deviation was £35.32.
- In 2006/07, the range had increased to £496.48 (in real terms £407.96) with the highest being £575.09 (£472.55) and the lowest £78.61 (£64.59). The latest standard deviation was £67.70 (£55.63).

Figure 3.2 illustrates the distribution of LA areas' OO costs from 1998/99 to 2006/07. In the figures, each box explains an inter-quartile (i.e. from the 25th to 75th percentile) range of the OO costs for LA areas across England, and a line in the boxes represents the median prices. The whiskers, which extend from the boxes, show the highest and lowest prices within a range of 1.5 times the box length. Values outside the ends of the whiskers are outliers of OO costs, which appear as circles (OO costs between 1.5 and 3 box lengths from the upper

⁶ Due to fewer cases for the cost calculation and/or some geographical or socio-economic peculiarity, the City of London and the Isles of Scilly are excluded from the analyses in this section. The LA areas are based on the boundaries as of April 1998.

or lower edge of the box) or asterisks (OO costs more than 3 box lengths from the upper or lower edge of the box).

Figure 3.2 Distribution of OO costs of LA areas: nominal price, 1998/99 – 2006/07



- The graph explains that in each year there was skewed to higher part, i.e., the range of the upper half of OO costs was broader than that of the lower half.
- 2006/07 saw an extreme high outlier (shown as an asterisk) for the first time since 2001/02, and key levels of median and lower and upper quartile rose from 1999/00.
- The range of the middle cohort (i.e., length of a box) expanded clearly in 2000/01.

LA areas with a high/low OO cost

Table 3.6 is a cross tabulation of the numbers and proportions of LA areas by region and high/low OO costs in 2006/07. The grouping of high/low group is based on the upper and lower quartiles of the OO costs.

- Almost all LA areas in London were in a high OO cost group (90.6%), and nearly half of LA areas in the South East (49.3%) belonged to the group. The East (29.2%) also had high-cost LA areas disproportionately but to lesser extent.
- By contrast, the great majority of LA areas in the North East (87.0%) were in a low group.
- The North West (65.1%), Yorkshire and the Humber (52.4%), the East Midlands (45.0%) and the West Midlands (29.4%) also had proportions of more than a quarter for the group.

Table 3.6 LA areas with high/low OO costs by region: 2006/07

Count		Low	Middle	High	Total
	East	1	33	14	48
	East Midlands	18	22	0	40
	London	0	3	29	32
	North East	20	3	0	23
	North West	28	15	0	43
	South East	0	34	33	67
	South West	0	35	9	44
	West Midlands	10	23	1	34
	Yorkshire & the Humber	11	10	0	21
	Total	88	178	86	352
Proportion					
	East	2.1	68.8	29.2	100.0
	East Midlands	45.0	55.0	0.0	100.0
	London	0.0	9.4	90.6	100.0
	North East	87.0	13.0	0.0	100.0
	North West	65.1	34.9	0.0	100.0
	South East	0.0	50.7	49.3	100.0
	South West	0.0	79.5	20.5	100.0
	West Midlands	29.4	67.6	2.9	100.0
	Yorkshire & the Humber	52.4	47.6	0.0	100.0
	Total	25.0	50.6	24.4	100.0

Note: Quartile thresholds are £176.36 (.25) and £265.78(.75). Over 25% in a high or low category is in bold.

Table 3.7 lists the ten LA areas with the highest OO costs among all LA areas in 1998/99 and 2006/07.

Table 3.7 Ten LA areas with the highest OO costs, 1998/99 – 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Kensington and Chelsea	Lon	Urban	282.85	Kensington and Chelsea	Lon	Urban	575.09
Westminster	Lon	Urban	234.44	Westminster	Lon	Urban	467.82
Hammersmith and Fulham	Lon	Urban	217.69	Hammersmith and Fulham	Lon	Urban	425.99
Richmond upon Thames	Lon	Urban	217.59	Camden	Lon	Urban	416.45
Camden	Lon	Urban	213.03	Richmond upon Thames	Lon	Urban	400.53
South Bucks	SE	Rural	200.47	Wandsworth	Lon	Urban	392.68
Chiltern	SE	Rural	190.46	South Bucks	SE	Rural	392.60
Islington	Lon	Urban	189.76	Elmbridge	SE	Urban	384.75
Windsor and Maidenhead	SE	Urban	189.76	Chiltern	SE	Rural	376.81
Elmbridge	SE	Urban	189.76	Islington	Lon	Urban	375.23

- In 1998/99, Kensington & Chelsea had the highest OO cost (£282.85 per week), followed by Westminster (£234.44) and Hammersmith & Fulham (£21.69).
- The order of the top-three LA areas was unchanged in 2006/07 – Kensington & Chelsea (£575.09), Westminster (£467.82) and Hammersmith & Fulham (£425.99).
- Including them, nine LA areas remained in the latest list. By region, seven were in London and three were in the South East.
- Eight were urban LA areas while two were rural by the classification of the Department for Environment, Food and Rural Affairs (DEFRA) 2005.⁷

⁷ DEFRA (2006) 'Rural Definition and Local Authority Classification', available from <http://www.defra.gov.uk/rural/ruralstats/rural-definition.htm#defn>. In this paper, all analysis based on the urban/rural classification uses this definition which is a snapshot as 2005.

Table 3.8 lists the ten LA areas with the lowest OO costs among all LA areas in 1998/99 and 2006/07.

- In 1998/99, Pendle had the lowest OO cost (£40.73 per week), followed by Easington and Hyndburn (£44.55 for each).
- Eight LA areas on the list in 1998/99 remained there in 2006/07.
- The latest figures show that Burnley (£78.61), Pendle (£96.06), Kingston upon Hull and Hyndburn (£105.58 for each) were the lowest four.
- By region, five were in the North West while three in the North East. Eight were urban while two were rural.

Table 3.8 Ten LA areas with the lowest OO costs, 1998/99 – 2006/07

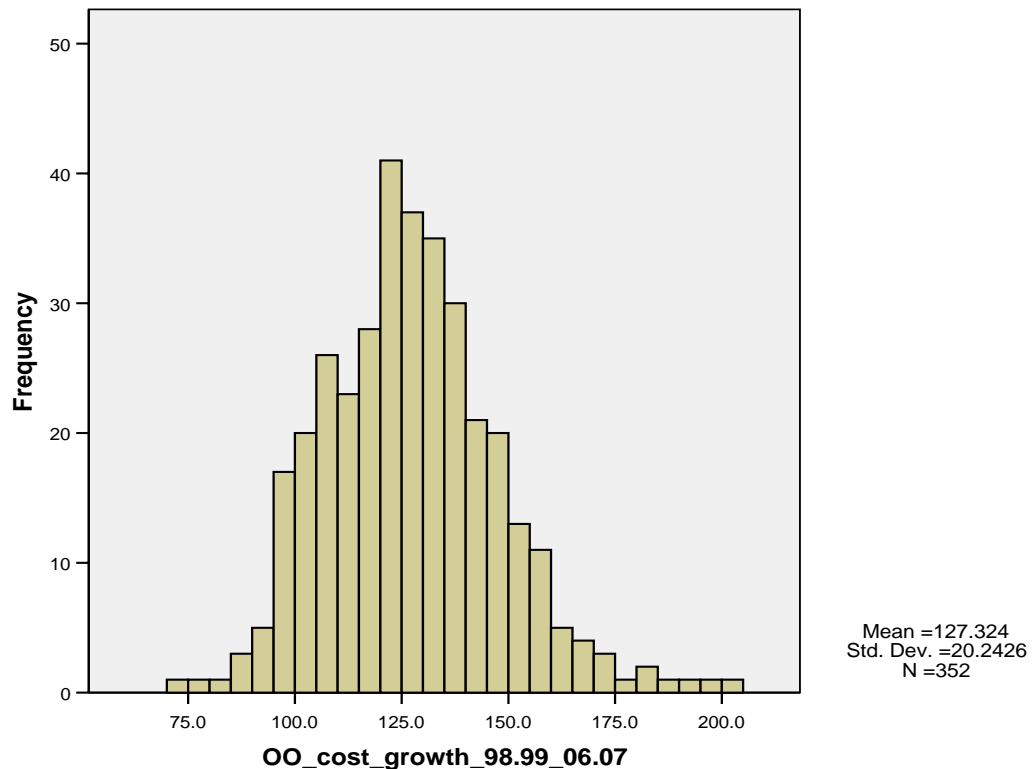
1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Pendle	NW	Urban	40.73	Burnley	NW	Urban	78.61
Easington	NE	Rural	44.45	Pendle	NW	Urban	96.06
Hyndburn	NW	Urban	44.55	Kingston upon Hull	Y & H	Urban	105.58
Burnley	NW	Urban	45.48	Hyndburn	NW	Urban	105.58
Barrow-in-Furness	NW	Urban	47.34	Barrow-in-Furness	NW	Urban	106.37
Blackburn with Darwen	NW	Urban	50.13	Hartlepool	NE	Urban	107.16
Kingston upon Hull	Y & H	Urban	50.13	Stoke-on-Trent	W Mid	Urban	110.33
Stoke-on-Trent	WM	Urban	50.13	Sedgefield	NE	Rural	110.33
Wansbeck	NE	Rural	50.13	Easington	NE	Rural	111.86
Derwentside	NE	Rural	52.93	Blackburn with Darwen	NW	Urban	113.51

LA areas with high /low increases in OO costs

All LA areas experienced increases in OO costs between 1998/99 and 2006/07. The average growth rate was 127.32% and the majority of LA areas had growth rates at around the average (Figure 3.3). Table 3.8 is a cross tabulation of the numbers and proportions of LA areas by region and high/low OO cost growth from 1998/99 to 2006/07. The grouping of high/low growth is based on the upper and lower quartiles of the OO cost growth rates.

- More than half of LA areas in the South West (54.5%) belonged to a high growth category.
- The East (35.4%), Yorkshire and the Humber (33.3%), the East Midlands (27.5%) also disproportionately had LA areas with high growth rates.
- By contrast, the other southern region, the South East (55.2%) kept more than half its LA areas in a low growth category.
- The proportions of the high group for the West Midlands and the North East were also above a quarter – 29.4% and 26.1% respectively.

Figure 3.3 Distribution of OO cost growths for all LA areas from 1998/99 to 2006/07:
nominal



Mean	Median	Upper quartile	Lower quartile
127.32	126.22	139.44	113.04

Table 3.8 LA areas with high/low OO cost growths from 1998/99 to 2006/07 by region: nominal

Count	Low	Middle	High	Total
East	11	20	17	48
East Midlands	1	28	11	40
London	7	17	8	32
North East	6	13	4	23
North West	9	28	6	43
South East	37	22	8	67
South West	4	16	24	44
West Midlands	10	21	3	34
Yorkshire & the Humber	3	11	7	21
Total	88	176	88	352
Proportion				
East	22.9	41.7	35.4	100.0
East Midlands	2.5	70.0	27.5	100.0
London	21.9	53.1	25.0	100.0
North East	26.1	56.5	17.4	100.0
North West	20.9	65.1	14.0	100.0
South East	55.2	32.8	11.9	100.0
South West	9.1	36.4	54.5	100.0
West Midlands	29.4	61.8	8.8	100.0
Yorkshire & the Humber	14.3	52.4	33.3	100.0
Total	25.0	50.0	25.0	100.0

Note: Over 25% in a high or low category is in bold.

Table 3.9 lists the ten LA areas with the highest increases in OO costs between 1998/99 to 2006/07.

- Manchester had the highest increase of 200.6% (in real terms 147.0%).
- The second highest was in Penwith (198.8%, in real terms 145.5%), followed by Newham (191.3%, in real terms 139.4%).
- By region, five LA areas were in the South West while two were in the South East. Six were urban LA areas while four were rural.

Table 3.9 Ten LA areas with the highest increases in OO costs: nominal (in parentheses, real terms based on 1998/99 figures), 1998/99 and 2006/07

	GOR	Rural/Urban	1998/99	2006/07		Change	
Manchester	NW	Urban	53.86	161.89	(133.02)	200.6%	(147.0%)
Penwith	SW	Rural	83.64	249.92	(205.36)	198.8%	(145.5%)
Newham	Lon	Urban	96.67	281.64	(231.42)	191.3%	(139.4%)
Kerrier	SW	Rural	78.66	226.13	(185.81)	187.5%	(136.2%)
Restormel	SW	Rural	83.62	235.56	(193.56)	181.7%	(131.5%)
Brighton and Hove	SE	Urban	94.81	265.78	(218.39)	180.3%	(130.3%)
Norwich	East	Urban	72.47	199.95	(164.30)	175.9%	(126.7%)
Weymouth and Portland	SW	Urban	88.30	241.99	(198.84)	174.1%	(125.2%)
Hastings	SE	Urban	65.03	177.75	(146.06)	173.3%	(124.6%)
Carrick	SW	Rural	98.54	268.95	(220.99)	172.9%	(124.3%)

Table 3.10 lists the ten LA areas with the lowest OO cost growth from 1998/99 to 2006/07.

- Burnley had the lowest increase rate of 72.8% for the period (in real terms 42.0%).
- The second lowest growth was observed in Surrey Heath (79.2% or 47.3%), followed by Richmond upon Thames (84.1% or 51.3%).
- The majority of LA areas in the list had already high costs at the beginning of the period, which compressed their growth rates in percentage terms.
- Of the ten LA areas on the list, six were in the South East and two were in the North West.
- Seven were categorised as urban while three were rural.

Table 3.10 Ten LA areas with the lowest increases in OO costs: nominal (in parentheses, real terms based on 1998/99 figures), 1998/99 and 2006/07

	GOR	Rural/Urban	1998/99	2006/07		Change	
Burnley	NW	Urban	45.48	78.61	(64.59)	72.8%	(42.0%)
Surrey Heath	SE	Urban	174.87	313.37	(257.49)	79.2%	(47.3%)
Richmond upon Thames	Lon	Urban	217.59	400.53	(329.11)	84.1%	(51.3%)
Bracknell Forest	SE	Urban	148.80	276.87	(227.50)	86.1%	(52.9%)
West Lancashire	NW	Rural	93.88	176.16	(144.75)	87.6%	(54.2%)
Hart	SE	Rural	165.56	313.37	(257.49)	89.3%	(55.5%)
Windsor and Maidenhead	SE	Urban	189.76	360.95	(296.59)	90.2%	(56.3%)
Wokingham	SE	Urban	174.77	333.19	(273.78)	90.6%	(56.7%)
Mole Valley	SE	Urban	180.45	349.85	(287.47)	93.9%	(59.3%)
Stratford-on-Avon	W Mid	Rural	137.63	267.57	(219.86)	94.4%	(59.8%)

OO costs of urban and rural LA areas

Tables 3.11 and 3.12 list the average of OO costs of urban and rural LA areas over the period between 1998/99 to 2006/07.

Table 3.11 OO costs for urban and rural LA areas: nominal, 1998/99 – 2006/07

	Urban		Rural		Urban – rural	
	OO cost	Change	OO cost	Change	OO cost	Change (%-point)
1998/99	100.79		100.57		0.22	
1999/00	89.26	-11.4	89.06	-11.4	0.20	0.0
2000/01	120.12	34.6	116.55	30.9	3.57	3.7
2001/02	121.04	0.8	117.75	1.0	3.29	-0.3
2002/03	134.10	10.8	132.14	12.2	1.96	-1.4
2003/04	152.53	13.7	154.74	17.1	-2.21	-3.4
2004/05	189.01	23.9	194.73	25.8	-5.72	-1.9
2005/06	204.11	8.0	207.37	6.5	-3.26	1.5
2006/07	224.25	9.9	226.65	9.3	-2.40	0.6
1998/99 – 2006/07		122.5		125.4		-2.9
Estimated annual change		10.5		10.7		-0.2

Note: Averages of constituent LA areas' OO costs.

Table 3.12 OO costs for urban and rural LA areas: real, 1998/99 – 2006/07

	Urban		Rural		Urban – rural	
	OO cost	Change	OO cost	Change	OO cost	Change (%-point)
1998/99	100.79		100.57		0.22	
1999/00	88.29	-12.4	88.09	-12.4	0.20	0.0
2000/01	115.06	30.3	111.64	26.7	3.42	3.6
2001/02	113.97	-0.9	110.88	-0.7	3.10	-0.3
2002/03	124.17	8.9	122.35	10.4	1.81	-1.4
2003/04	137.41	10.7	139.41	13.9	-1.99	-3.3
2004/05	165.22	20.2	170.22	22.1	-5.00	-1.9
2005/06	173.71	5.1	176.49	3.7	-2.77	1.5
2006/07	184.26	6.1	186.24	5.5	-1.97	0.6
1998/99 – 2006/07		82.8		85.2		-2.4
Estimated annual change				8.0		-0.2

- In 2006/07, the OO costs were £224.25 per week for the urban area and £226.65 for the rural area.
- Throughout the observation period, averages of both categories increased continuously except in 1999/00.
- The urban average rose by £123.46 or 122.5% between 1996/97 and 2006/07 (in real terms 82.8%, Table 3.12) while the rural equivalent increased by £126.08 or 125.4% (in real terms 85.2%).
- In the first half of the observation period, the urban average outperformed the rural one but in the recent four years the situation was reversed.

Tables 3.13 and 3.14 show averages of OO costs into six urban and rural sub-categories. The highest figures (both for OO costs and for annual changes) among the six sub-categories are highlighted in yellow while the lowest are in blue.

Table 3.13 OO costs by six urban/rural classifications (£ and %): nominal, 1998/99 – 2006/07

	Major Urban		Large Urban		Other Urban	
	OO cost	Change	OO cost	Change	OO cost	Change
1998/99	116.57		90.24		87.91	
1999/00	102.04	-12.5	79.10	-12.3	77.07	-12.33
2000/01	138.39	35.6	98.43	24.4	96.84	25.7
2001/02	136.70	-1.2	97.70	-0.7	96.29	-0.6
2002/03	147.40	7.8	107.81	10.3	105.87	9.9
2003/04	159.06	7.9	122.56	13.7	120.03	13.4
2004/05	188.68	18.6	149.67	22.1	145.95	21.6
2005/06	198.89	5.4	156.93	4.9	153.12	4.9
2006/07	210.86	6.0	166.38	6.0	162.62	6.2
98/99 – 06/07		80.9		84.4		85.0
Estimated annual		7.7		7.9		8.0

	Rural-26		Rural-50		Rural-80		Max – min	
	OO cost	Change	OO cost	Change	OO cost	Change	OO cost	Change(%-point)
1998/99	101.87		102.14		98.47		28.66	
1999/00	89.23	-12.4	89.46	-12.4	86.27	-12.4	24.97	0.1
2000/01	114.32	28.1	113.73	27.1	108.14	25.4	41.55	11.2
2001/02	113.32	-0.9	112.71	-0.9	107.75	-0.4	40.41	0.9
2002/03	124.21	9.6	123.90	9.9	119.87	11.2	41.53	3.4
2003/04	140.55	13.2	140.24	13.2	137.95	15.1	39.03	7.2
2004/05	169.29	20.4	169.59	20.9	171.36	24.2	42.73	5.6
2005/06	175.63	3.7	175.66	3.6	177.72	3.7	45.77	1.8
2006/07	185.52	5.6	185.57	5.6	187.25	5.4	48.24	0.8
98/99 – 06/07		82.1		81.7		90.2		9.3
Estimated annual		7.8		7.7		8.4		0.7

Note: Averages of constituent LA areas' OO costs.

Table 3.14 OO costs by six urban/rural classifications (£ and %): nominal, 1998/99 – 2006/07

	Major Urban		Large Urban		Other Urban	
	OO cost	Change	OO cost	Change	OO cost	Change
1998/99	116.57		90.24		87.91	
1999/00	100.93	-13.4	78.24	-13.3	76.23	-13.28
2000/01	132.56	31.3	94.28	20.5	92.76	21.7
2001/02	128.72	-2.9	92.00	-2.4	90.67	-2.3
2002/03	136.48	6.0	99.82	8.5	98.03	8.1
2003/04	143.30	5.0	110.41	10.6	108.14	10.3
2004/05	164.93	15.1	130.83	18.5	127.58	18.0
2005/06	169.27	2.6	133.56	2.1	130.31	2.1
2006/07	173.26	2.4	136.71	2.4	133.62	2.5
98/99 – 06/07		48.6		51.5		52.0
Estimated annual		5.1		5.3		5.4

	Rural-26		Rural-50		Rural-80		Max – min	
	OO cost	Change	OO cost	Change	OO cost	Change	OO cost	Change(%-point)
1998/99	101.87		102.14		98.47		28.66	
1999/00	88.26	-13.4	88.49	-13.4	85.33	-13.3	24.70	0.1
2000/01	109.50	24.1	108.94	23.1	103.58	21.4	39.80	10.8
2001/02	106.70	-2.6	106.13	-2.6	101.46	-2.0	38.05	0.8
2002/03	115.01	7.8	114.72	8.1	110.99	9.4	38.45	3.4
2003/04	126.62	10.1	126.34	10.1	124.28	12.0	35.16	7.0
2004/05	147.98	16.9	148.24	17.3	149.79	20.5	37.35	5.4
2005/06	149.47	1.0	149.50	0.8	151.25	1.0	38.95	1.8
2006/07	152.44	2.0	152.48	2.0	153.86	1.7	39.64	0.8
98/99 – 06/07		49.6		49.3		56.3		7.6
Estimated annual		5.2		5.1		5.7		0.7

- For the observation period, the most urban sub-category, Major Urban, has shown the highest OO costs, whereas Other Urban has kept the lowest costs.
- With respect to growth rates, Major Urban experienced the lowest increases (80.9% for the period or 7.7% for the annual average, in real terms 48.6% or 5.1%; Table 3.14). It was because the most urban area already had the highest figure at the initial stage.
- By contrast, the most rural sub-category, Rural-80, had the highest growth of 90.2% for the period or 8.4% for the annual average (in real terms, 56.3% or 5.7%).⁸

Table 3.15 is a cross tabulation of the numbers and proportions of LA areas by urban/rural classification and high/low OO costs for 2006/07. The grouping of high and low OO costs is based on the upper and lower quartiles.

- Urban LA areas belonged overly to both high and low groups. Their proportions were 28.6% and 33.77% respectively, resulting in a relatively modest presence of the middle zone.
- Major Urban had more than half of LA areas in the high group and 32% in the low group. The remaining two urban sub-categories held relatively large fractions of the low group – 37.8% for Large Urban and 32.7% for Other Urban.
- On the other hand, rural LA areas were more likely to be in the middle cohort. In particular, 77.2% of LA areas in the most rural sub-category, Rural-80, belonged to this zone.

Table 3.15 LA areas with high/low OO costs by urban/rural classification: 2006/07

Count		Low	Middle	High	Total
<i>Urban</i>		59	66	50	175
	Major Urban	24	12	39	75
	Large Urban	17	23	5	45
	Other Urban	18	31	6	55
<i>Rural</i>		29	112	36	177
	Rural-26	12	29	12	53
	Rural-50	10	31	11	52
	Rural-80	7	52	13	72
<i>Total</i>		88	178	86	352
Proportion					
<i>Urban</i>		33.7	37.7	28.6	100.0
	Major Urban	32.0	16.0	52.0	100.0
	Large Urban	37.8	51.1	11.1	100.0
	Other Urban	32.7	56.4	10.9	100.0
<i>Rural</i>		16.4	63.3	20.3	100.0
	Rural-26	22.6	54.7	22.6	100.0
	Rural-50	19.2	59.6	21.2	100.0
	Rural-80	9.7	72.2	18.1	100.0
<i>Total</i>		25.0	50.6	24.4	100.0

Table 3.16 is a cross tabulation of the numbers and proportions of LA areas by urban/rural classification and high/low OO cost growth from 1998/99 to 2006/07. The grouping of high

⁸ For reference, using a numerical variable representing urban/rural characteristics, rather than the categorical ones used above, the correlations between urban/rural features and OO costs across all LA areas are shown in the below table. The results failed to present the urban/rural features having a strong correlation with the costs as well as their growths.

The correlation coefficient with % of rural population in each LA	
OO costs in 2006/07	OO cost growth 98/99 – 06/07
-0.003	0.087

and low OO cost growth is based on the upper and lower quartiles of the OO cost growth rates.

Table 3.16 LA areas with high/low OO cost growths from 1998/99 to 2006/07 by urban/rural classification: nominal

Count		Low	Middle	High	Total
<i>Urban</i>		44	91	40	175
	Major urban	20	42	13	75
	Large urban	8	29	8	45
	Other urban	16	20	19	55
<i>Rural</i>		44	85	48	177
	Rural_26	13	31	9	53
	Rural_50	17	25	10	52
	Rural_80	14	29	29	72
Total		88	176	88	352
Proportion					
<i>Urban</i>		25.1	52.0	22.9	100.0
	Major urban	26.7	56.0	17.3	100.0
	Large urban	17.8	64.4	17.8	100.0
	Other urban	29.1	36.4	34.5	100.0
<i>Rural</i>		24.9	48.0	27.1	100.0
	Rural_26	24.5	58.5	17.0	100.0
	Rural_50	32.7	48.1	19.2	100.0
	Rural_80	19.4	40.3	40.3	100.0
Total		25.0	50.0	25.0	100.0

- At the aggregate categorical level, both urban and rural categories had reasonably even distributions across three growth groups. Nearly a quarter of LA areas of the both categories belonged to the high and low groups respectively.
- At the sub-categorical level, however, some disproportions were seen.
- Other Urban, the least urban LA areas among those classified as urban, had more than a quarter of LA areas both in the high and low groups – 34.5% and 29.1% respectively.
- Rural-80, the most rural sub-category, had a greater fraction of a high group (40.3%).

Section 4 Comparison with RSL rents

4.1 At the national level

Figure 4.1 presents OO costs, RSL rents and their differentials in percentage terms from 1998/99 to 2006/07 for England.

- The latest figures were £201.06 per week for the OO cost and £66.86 per week for the RSL rent, which means that the differential was 200.7%.
- The path of the differential for the observation period was upward except declines in 1999/00 and 2001/02.
- This is because while the RSL rent rose steadily, the OO cost inflated drastically. The exceptional two years saw marginal decreases in the cost.

Figure 4.1 OO costs, RSL rents (£; left scale) and their differential (%; right scale): nominal, 1998/99 – 2006/07

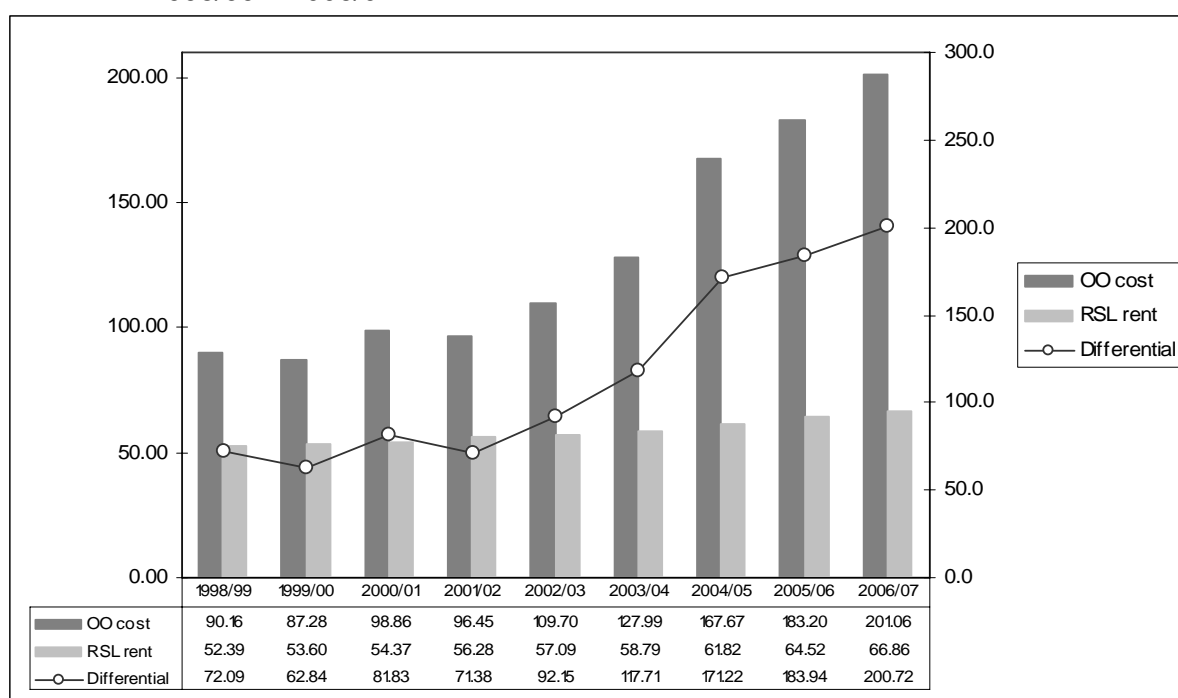


Table 4.1 sets out the differential in terms of pounds per week and percentages. Taking into account that entrants to OO markets from the social rented markets are unlikely to purchase huge properties, the table adds the differentials from RSL rents restricted to those of one to three bedroom properties. Table 4.2 is the equivalent in real terms based on 1998/99 prices. Recall that real differentials expressed by a percentage are the same as nominal figures, as the deflators are cancelled out in the calculations.

- In 2006/07, the absolute value of the differential was £134.20 per week and that from the one to three bedrooms RSL rent was £134.83 as the restricted RSL rent is slightly lower than the unrestricted one.
- Therefore, the restricted differential in percentage terms (203.6%) also appeared marginally large than the unrestricted one.
- For the observation period, the differential was by 96.4%. This means the annual average rate of 17.2% (in real terms, 192.0% and 14.3%). The differential in percentage terms expanded by 128.6 points for the period or annually 16.1 points.
- The growth rates for the restricted differentials appeared fairly close to those.

- The latest differentials by property type were £124.37 and 186.0% for flats, £140.23 and 209.7% for semi-detached; and £95.82 and 143.3% for terraced (for details, see Annex 4).

Table 4.1 Differential between OO costs and RSL rents: nominal, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	37.77		72.1		38.29		73.8	
1999/00	33.68	-10.8	62.8	-9.3	34.22	-10.6	64.5	-9.3
2000/01	44.49	32.1	81.8	19.0	45.05	31.6	83.7	19.2
2001/02	40.17	-9.7	71.4	-10.5	40.74	-9.6	73.1	-10.6
2002/03	52.61	31.0	92.2	20.8	53.17	30.5	94.1	20.9
2003/04	69.20	31.5	117.7	25.6	69.78	31.2	119.9	25.8
2004/05	105.85	53.0	171.2	53.5	106.51	52.6	174.1	54.3
2005/06	118.68	12.1	183.9	12.7	119.32	12.0	186.8	12.6
2006/07	134.20	13.1	200.7	16.8	134.83	13.0	203.6	16.8
98/99 – 06/07		255.3		128.6		252.1		129.8
Estimated annual		17.2		16.1		17.0		16.2

Table 4.2 Differential between OO costs and RSL rents: real, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	37.77		38.29	
1999/00	33.31	-11.8	33.85	-11.6
2000/01	42.61	27.9	43.15	27.5
2001/02	37.82	-11.2	38.36	-11.1
2002/03	48.71	28.8	49.23	28.3
2003/04	62.34	28.0	62.86	27.7
2004/05	92.53	48.4	93.10	48.1
2005/06	101.00	9.2	101.55	9.1
2006/07	110.27	9.2	110.79	9.1
98/99 – 06/07		192.0		189.3
Estimated annual		14.3		14.2

4.2 At the regional level

Figure 4.2 sets out pound-differentials for the nine regions for 2006/07. The regions are placed in a descending order.

- In 2006/07, London had the widest differential of £223.29 per week. This was followed by those of the South East (£175.38) and the South West (£157.02).
- The narrowest differential was seen in the North East (£82.91), followed by those of the North West (£93.25) and Yorkshire & the Humber (£101.36).
- The regional differentials were contracting from south to north.
- This pattern had been observed in 1998/99.

Figure 4.2 Differentials for 1998/99 and 2006/07 by region: nominal price

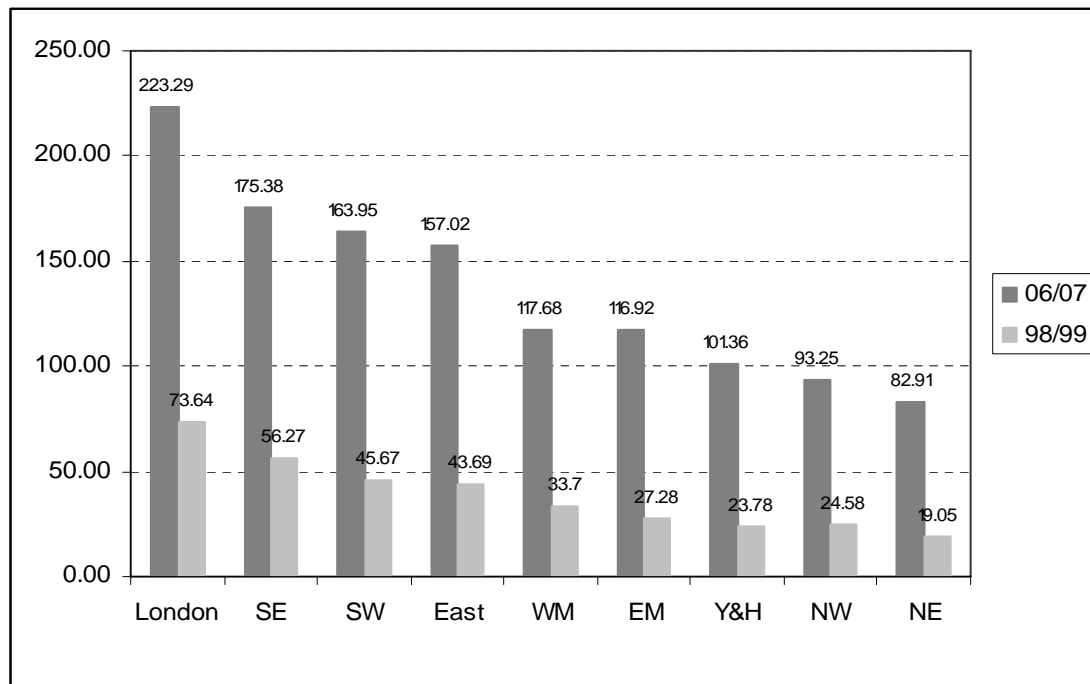


Figure 4.3 Differentials for 1998/99 and 2006/07 by region (%)

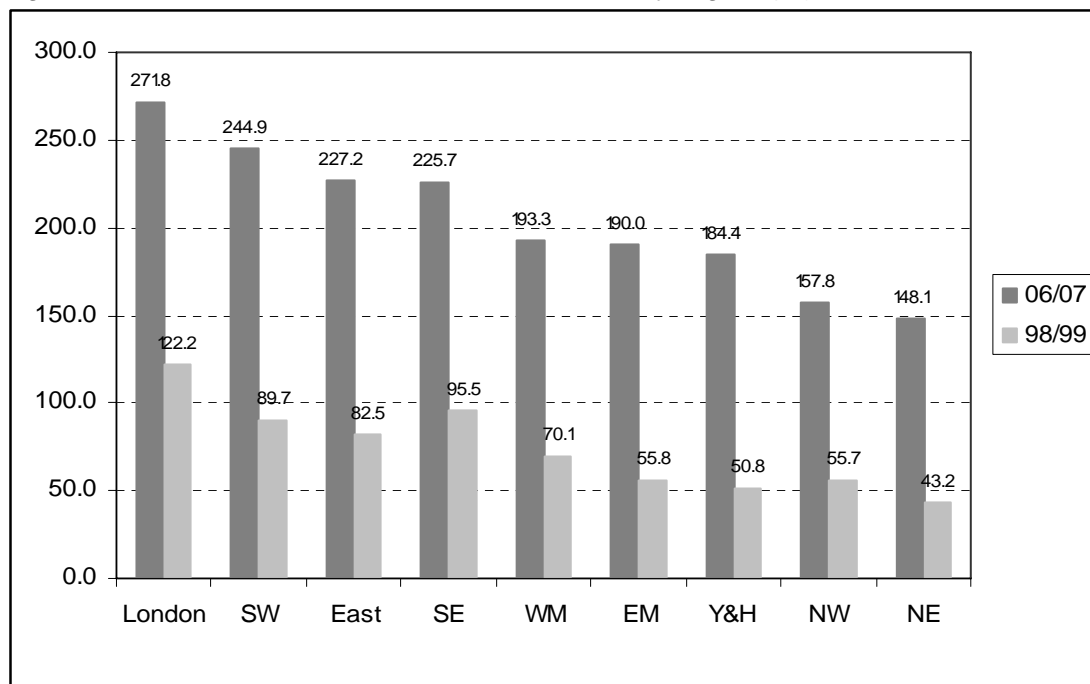


Figure 4.3 presents regional differentials in percentage terms.

- In 2006/07, London had the widest differential of £271.8%. This was followed by those of the South West (244.9%) and the East (227.2%).
- In absolute terms, the South East held the second widest, but the percentage measurement revealed that its differential was the fourth widest.
- The narrowest differential was seen in the North East (148.1%), followed by those of the North West (157.8%) and Yorkshire & the Humber (184.4%).
- The regional differentials were contracting from south to north.
- This pattern had been observed in 1998/99.

Tables 4.3 to 4.20 set out the regional differentials expressed by pounds per week and percentages from 1998/99 to 2006/07. They also show the differentials from RSL rents for one to three bedroom properties. Each table is followed by an equivalent in real terms based on the 1998/99 prices.

- For the observation period, the differential expanded most starkly in the North East – the growth rate was 335.2% or the annual average was 20.2% (in real terms, 257.6% or 17.3%). This was followed by the East Midlands – 328.6% or annually 20.0% (in real terms, 252.2% or 17.0), and Yorkshire and the Humber – 326.2% or 19.9% (in real terms, 205.2% or 17.0%).
- The lowest growth rate was observed in London – 203.2% for the period or annually 14.9% (in real terms, 149.2% or 12.1%). This is mainly because the most high-cost region already had a significant differential at the initial stage.
- However, London is only one region which has never experienced contractions in nominal terms for the period. All other regions narrowed differentials in 1999/00 and/or 2002/03.
- The second lowest growth was found in the South East – 211.7% or 15.3% (in real terms, 156.1% or 12.5%), followed by that in the West Midlands – 249.2% or 16.9% (in real terms, 186.9% or 14.1%).
- With respect to the percentage-differentials, the South West had the largest expansion of 155.2 percentage points for the observation period, which means the annual average of 19.4 points.
- This was followed by London (149.6 points or annually 18.7 points), and the East (144.8 points or 18.1 points).
- At the other extreme, the North West had the lowest growth (102.1 points or annually 12.8 points), followed by the North East (104.9 points or 13.1 points) and the West Midlands (123.2 points or 15.4 points).
- The differentials from one to three bedroom RSL rents were slightly wider than the unrestricted equivalents in terms both of pounds and percentages for all regions.
- The latest figures show that the gaps between restricted and unrestricted differentials was the broadest in London – £1.37 for the pound-differential and 5.3 percentage points for the percentage-differential.
- By property type, flats and terraced properties showed the negative differentials around 2001/02 in the North East and the North West. Yorkshire and the Humber also saw a negative figure but only for terraced properties in 2001/02 (for details, see Annex 4).

Table 4.3 Differential for the East: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	43.69		82.5		44.08		83.8	
1999/00	40.65	-7.0	74.3	-8.2	41.09	-6.8	75.7	-8.2
2000/01	57.36	41.1	101.9	27.6	57.81	40.7	103.5	27.8
2001/02	60.09	4.8	103.7	1.8	60.54	4.7	105.3	1.8
2002/03	76.08	26.6	127.6	23.9	76.53	26.4	129.4	24.1
2003/04	99.57	30.9	162.9	35.2	100.02	30.7	164.8	35.4
2004/05	132.51	33.1	207.2	44.4	133.00	33.0	209.6	44.9
2005/06	139.22	5.1	209.4	2.2	139.70	5.0	211.7	2.1
2006/07	157.02	12.8	227.2	17.8	157.52	12.8	229.6	17.9
98/99 – 06/07		259.4		144.8		257.4		145.8
Estimated annual		17.3		18.1		17.3		18.2

Table 4.4 Differential for the East: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	43.69		44.08	
1999/00	40.21	-8.0	40.64	-7.8
2000/01	54.94	36.6	55.37	36.2
2001/02	56.58	3.0	57.01	2.9
2002/03	70.44	24.5	70.86	24.3
2003/04	89.70	27.3	90.11	27.2
2004/05	115.83	29.1	116.26	29.0
2005/06	118.49	2.3	118.89	2.3
2006/07	129.02	8.9	129.43	8.9
98/99 – 06/07		195.3		193.6
Estimated annual		14.5		14.4

Table 4.5 Differential for the East Midlands: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	27.28		55.8		27.51		56.5	
1999/00	23.56	-13.6	48.1	-7.7	23.79	-13.5	48.8	-7.7
2000/01	30.96	31.4	62.2	14.1	31.20	31.1	62.9	14.1
2001/02	30.56	-1.3	60.6	-1.6	30.80	-1.3	61.3	-1.6
2002/03	41.96	37.3	81.2	20.7	42.19	37.0	82.0	20.7
2003/04	62.47	48.9	117.9	36.7	62.72	48.7	118.9	36.9
2004/05	91.72	46.8	163.1	45.2	92.03	46.7	164.5	45.6
2005/06	103.17	12.5	174.6	11.5	103.45	12.4	175.9	11.4
2006/07	116.92	13.3	190.0	15.4	117.21	13.3	191.4	15.5
98/99 – 06/07		328.6		134.2		326.1		134.9
Estimated annual		20.0		16.8		19.9		16.9

Table 4.6 Differential for the East Midlands: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	27.28		27.51	
1999/00	23.30	-14.6	23.53	-14.5
2000/01	29.66	27.3	29.89	27.0
2001/02	28.78	-3.0	29.00	-3.0
2002/03	38.85	35.0	39.06	34.7
2003/04	56.28	44.9	56.50	44.6
2004/05	80.17	42.5	80.45	42.4
2005/06	87.80	9.5	88.04	9.4
2006/07	96.07	9.4	96.31	9.4
98/99 – 06/07		252.2		250.1
Estimated annual				17.0

Table 4.7 Differential for London: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	73.64		122.2		74.76		126.4	
1999/00	78.24	6.2	125.6	3.4	79.43	6.2	130.0	3.5
2000/01	111.56	42.6	175.6	50.0	112.73	41.9	180.7	50.8
2001/02	115.15	3.2	174.0	-1.5	116.43	3.3	179.4	-1.3
2002/03	134.81	17.1	196.8	22.7	136.12	16.9	202.6	23.1
2003/04	151.77	12.6	214.0	17.2	153.11	12.5	220.0	17.5
2004/05	189.27	24.7	251.2	37.2	190.69	24.5	257.9	37.9
2005/06	203.00	7.3	257.9	6.7	204.41	7.2	264.4	6.5
2006/07	223.29	10.0	271.8	13.9	224.66	9.9	278.1	13.7
98/99 – 06/07		203.2		149.6		200.5		151.7
Estimated annual		14.9		18.7		14.7		19.0

Table 4.8 Differential for London: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	73.64		74.76	
1999/00	77.39	5.1	78.57	5.1
2000/01	106.86	38.1	107.98	37.4
2001/02	108.43	1.5	109.63	1.5
2002/03	124.82	15.1	126.04	15.0
2003/04	136.73	9.5	137.94	9.4
2004/05	165.45	21.0	166.69	20.8
2005/06	172.77	4.4	173.97	4.4
2006/07	183.48	6.2	184.60	6.1
98/99 – 06/07		149.2		146.9
Estimated annual		12.1		12.0

Table 4.9 Differential for the North East: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	19.05		43.2		19.22		43.8	
1999/00	14.22	-25.4	31.5	-11.7	14.40	-25.1	32.0	-11.8
2000/01	15.47	8.8	33.5	2.0	15.65	8.7	34.0	2.0
2001/02	11.23	-27.4	24.1	-9.4	11.37	-27.3	24.5	-9.5
2002/03	10.38	-7.6	21.8	-2.3	10.52	-7.5	22.1	-2.4
2003/04	24.42	135.3	49.7	27.9	24.55	133.4	50.1	28.0
2004/05	50.74	107.8	98.0	48.3	50.88	107.3	98.6	48.5
2005/06	68.15	34.3	125.0	27.0	68.31	34.3	125.6	27.1
2006/07	82.91	21.7	148.1	23.2	83.11	21.7	149.0	23.4
98/99 – 06/07		335.2		104.9		332.4		105.2
Estimated annual		20.2		13.1		20.1		13.2

Table 4.10 Differential for the North East: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	19.05		19.22	
1999/00	14.07	-26.2	14.24	-25.9
2000/01	14.82	5.4	14.99	5.2
2001/02	10.57	-28.6	10.71	-28.6
2002/03	9.61	-9.1	9.74	-9.0
2003/04	22.00	128.9	22.12	127.1
2004/05	44.35	101.6	44.48	101.1
2005/06	58.00	30.8	58.14	30.7
2006/07	68.13	17.5	68.29	17.5
98/99 – 06/07		257.6		255.3
Estimated annual				17.2

Table 4.11 Differential for the North West: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	24.58		55.7		24.93		56.9	
1999/00	18.28	-25.6	39.7	-16.0	18.64	-25.2	40.8	-16.1
2000/01	21.00	14.9	44.9	5.2	21.39	14.8	46.1	5.3
2001/02	16.04	-23.6	32.4	-12.5	16.42	-23.2	33.5	-12.7
2002/03	16.31	1.7	32.4	0.0	16.68	1.6	33.4	-0.1
2003/04	30.08	84.4	57.9	25.5	30.47	82.7	59.1	25.7
2004/05	59.82	98.9	109.1	51.2	60.30	97.9	111.0	51.9
2005/06	76.93	28.6	135.8	26.7	77.33	28.2	137.5	26.6
2006/07	93.25	21.2	157.8	21.9	93.65	21.1	159.5	21.9
98/99 – 06/07		279.4		102.1		275.7		102.6
Estimated annual		18.1		12.8		18.0		12.8

Table 4.12 Differential for the North West: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	24.58		24.93	
1999/00	18.08	-26.4	18.44	-26.0
2000/01	20.11	11.2	20.49	11.1
2001/02	15.10	-24.9	15.46	-24.5
2002/03	15.10	0.0	15.44	-0.1
2003/04	27.10	79.4	27.45	77.7
2004/05	52.29	93.0	52.71	92.0
2005/06	65.47	25.2	65.81	24.9
2006/07	76.62	17.0	76.95	16.9
98/99 – 06/07		211.7		208.7
Estimated annual				15.1

Table 4.13 Differential for the South East: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	56.27		95.5		56.60		96.6	
1999/00	54.35	-3.4	89.4	-6.1	54.71	-3.3	90.5	-6.1
2000/01	79.30	45.9	127.8	38.4	79.68	45.6	129.2	38.7
2001/02	78.20	-1.4	121.2	-6.6	78.60	-1.4	122.6	-6.6
2002/03	99.93	27.8	150.6	29.4	100.35	27.7	152.1	29.6
2003/04	117.33	17.4	173.3	22.8	117.75	17.3	175.1	22.9
2004/05	150.35	28.1	209.2	35.9	150.80	28.1	211.2	36.1
2005/06	159.39	6.0	212.5	3.3	159.85	6.0	214.4	3.2
2006/07	175.38	10.0	225.7	13.2	175.85	10.0	227.7	13.3
98/99 – 06/07		211.7		130.2		210.7		131.1
Estimated annual		15.3		16.3		15.2		16.4

Table 4.14 Differential for the South East: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	56.27		56.60	
1999/00	53.76	-4.5	54.11	-4.4
2000/01	75.96	41.3	76.32	41.0
2001/02	73.63	-3.1	74.01	-3.0
2002/03	92.53	25.7	92.92	25.5
2003/04	105.70	14.2	106.08	14.2
2004/05	131.42	24.3	131.82	24.3
2005/06	135.65	3.2	136.04	3.2
2006/07	144.11	6.2	144.49	6.2
98/99 – 06/07		156.1		155.3
Estimated annual				12.4

Table 4.15 Differential for the South West: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	45.67		89.7		45.88		90.5	
1999/00	42.90	-6.1	81.6	-8.1	43.12	-6.0	82.4	-8.1
2000/01	60.95	42.1	113.8	32.2	61.20	41.9	114.8	32.4
2001/02	63.69	4.5	114.1	0.3	63.97	4.5	115.2	0.4
2002/03	78.20	22.8	136.0	21.9	78.49	22.7	137.2	22.1
2003/04	102.20	30.7	173.9	37.9	102.49	30.6	175.3	38.0
2004/05	137.19	34.2	220.3	46.4	137.53	34.2	222.0	46.8
2005/06	144.04	5.0	222.4	2.2	144.39	5.0	224.2	2.2
2006/07	163.95	13.8	244.9	22.5	164.30	13.8	246.7	22.6
98/99 – 06/07		259.0		155.2		258.1		156.2
Estimated annual		17.3		19.4		17.3		19.5

Table 4.16 Differential for the South West: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	45.67		45.88	
1999/00	42.43	-7.1	42.65	-7.0
2000/01	58.38	37.6	58.62	37.4
2001/02	59.97	2.7	60.24	2.8
2002/03	72.41	20.7	72.68	20.7
2003/04	92.07	27.2	92.33	27.0
2004/05	119.92	30.2	120.22	30.2
2005/06	122.59	2.2	122.89	2.2
2006/07	134.72	9.9	135.00	9.9
98/99 – 06/07		195.0		194.3
Estimated annual				14.4

Table 4.17 Differential for the West Midlands: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	33.70		70.1		34.13		71.6	
1999/00	29.50	-12.5	61.5	-8.6	29.92	-12.3	63.0	-8.7
2000/01	38.92	31.9	81.2	19.7	39.33	31.5	82.8	19.8
2001/02	37.00	-4.9	73.7	-7.5	37.44	-4.8	75.2	-7.6
2002/03	45.42	22.8	88.9	15.1	45.82	22.4	90.3	15.1
2003/04	62.75	38.2	119.1	30.2	63.17	37.9	120.8	30.5
2004/05	92.23	47.0	165.5	46.4	92.70	46.7	167.7	46.9
2005/06	107.04	16.1	183.5	18.1	107.53	16.0	185.9	18.2
2006/07	117.68	9.9	193.3	9.8	118.17	9.9	195.7	9.8
98/99 – 06/07		249.2		123.2		246.2		124.1
Estimated annual		16.9		15.4		16.8		15.5

Table 4.18 Differential for the West Midlands: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	33.70		34.13	
1999/00	29.18	-13.4	29.59	-13.3
2000/01	37.28	27.8	37.67	27.3
2001/02	34.84	-6.5	35.25	-6.4
2002/03	42.06	20.7	42.43	20.3
2003/04	56.53	34.4	56.91	34.1
2004/05	80.62	42.6	81.03	42.4
2005/06	91.10	13.0	91.51	12.9
2006/07	96.70	6.1	97.10	6.1
98/99 – 06/07		186.9		184.5
Estimated annual				14.0

Table 4.19 Differential for Yorkshire and the Humber: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	23.78		50.8		24.38		52.7	
1999/00	17.09	-28.1	35.0	-15.8	17.76	-27.2	36.8	-15.9
2000/01	23.06	34.9	48.0	13.1	23.73	33.6	50.1	13.3
2001/02	15.81	-31.4	31.8	-16.3	16.51	-30.4	33.6	-16.5
2002/03	19.51	23.4	39.6	7.8	20.11	21.8	41.3	7.7
2003/04	36.59	87.5	71.8	32.2	37.19	84.9	73.9	32.5
2004/05	69.39	89.6	135.2	63.4	70.15	88.6	138.8	64.9
2005/06	83.39	20.2	154.3	19.1	83.98	19.7	157.1	18.3
2006/07	101.36	21.5	184.4	30.1	101.96	21.4	187.5	30.4
98/99 – 06/07		326.2		133.6		318.2		134.8
Estimated annual		19.9		16.7		19.6		16.8

Table 4.20 Differential for Yorkshire and the Humber: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	23.78		24.38	
1999/00	16.90	-28.9	17.57	-27.9
2000/01	22.09	30.7	22.73	29.4
2001/02	14.89	-32.6	15.55	-31.6
2002/03	18.06	21.3	18.62	19.8
2003/04	32.96	82.5	33.50	79.9
2004/05	60.66	84.0	61.32	83.0
2005/06	70.97	17.0	71.47	16.6
2006/07	83.29	17.4	83.78	17.2
98/99 – 06/07		250.2		243.6
Estimated annual				16.7

4.3 LA areas

Figure 4.4 sets out the distribution of the percentage-differentials of LA areas across England in 2006/07. The following figure divides the distributions into three regions – the North, Midlands, and the South. As in the previous section, the City of London and Isles of Scilly are excluded from the analyses.

- The great majority of LA areas have the differentials in a range from 175% to 300%.
- The distribution appeared slightly skewed to higher part due to extremely high-cost areas in London.
- Looking at three regions, the median of the distributions grew from north to south via Midlands.
- The majority of LA areas in the southern region had the differentials over 200% but many of the northern LA areas held the differentials below this level.
- In Midlands, the frequency of the LA areas peaked at around the key level.

Figure 4.4 Distribution of the differentials (%) across all LA areas: 2006/07

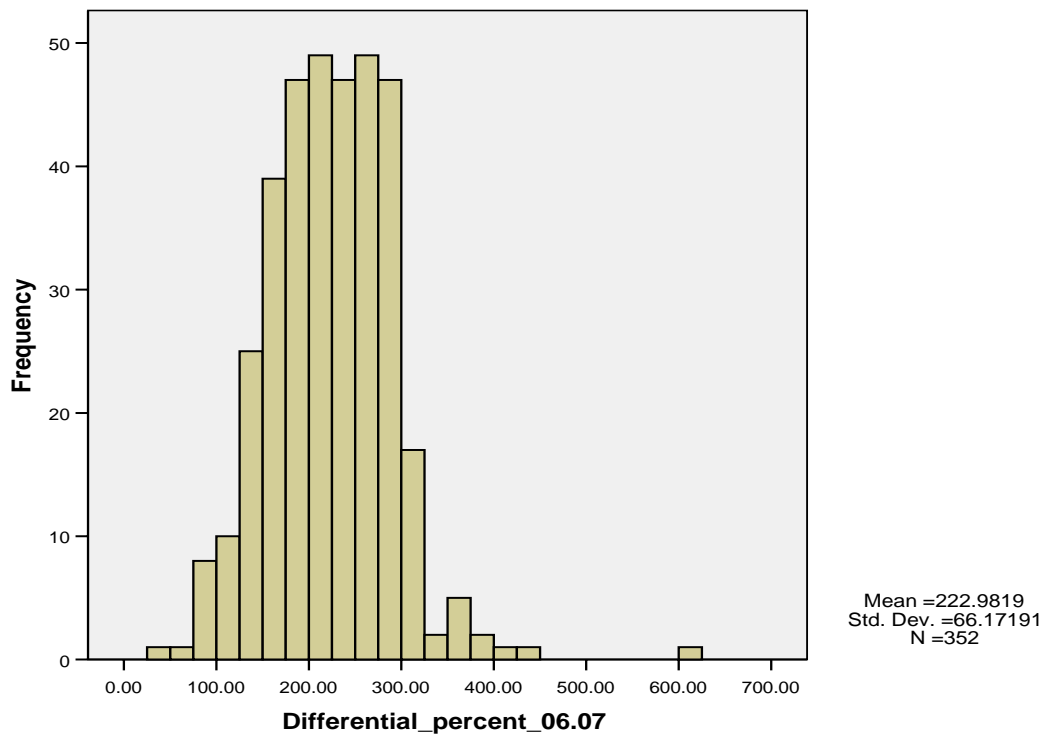


Figure 4.5 Distribution of differentials (%) for three regions: 2006/07

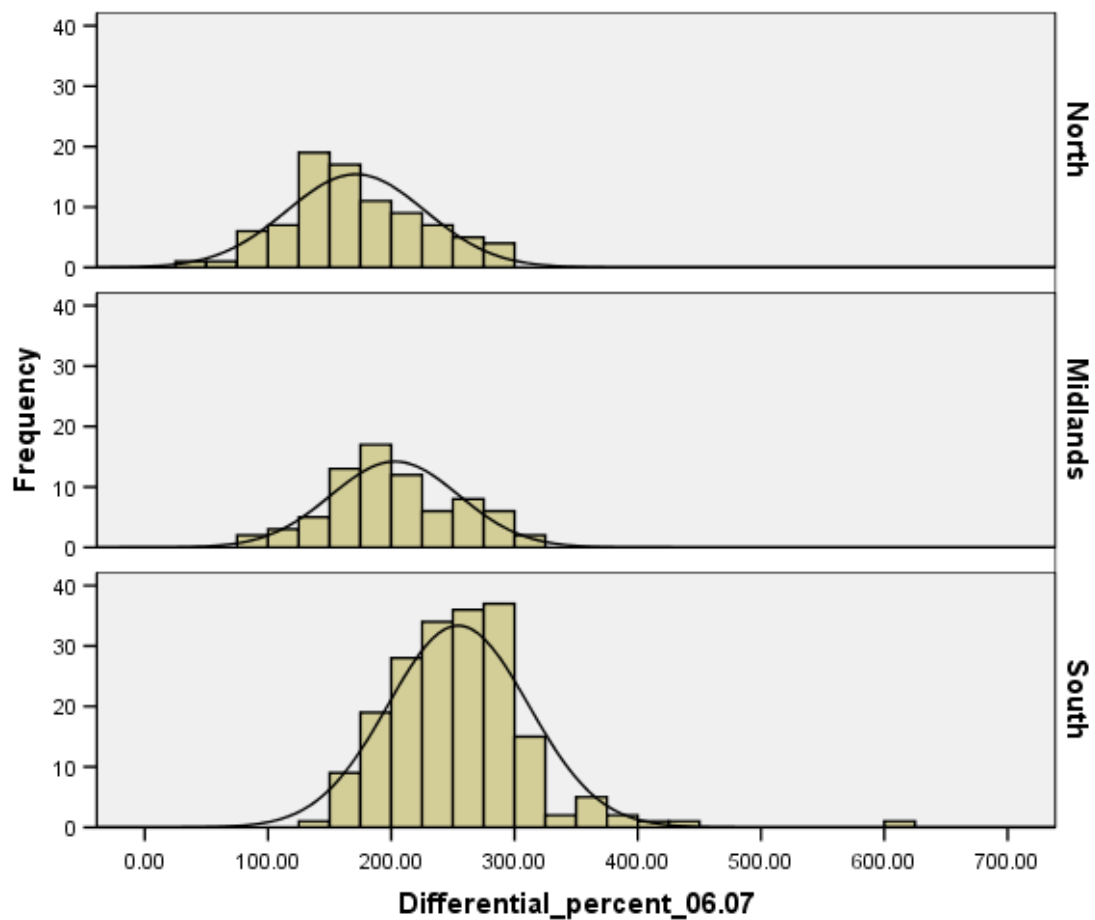


Table 4.21 sets out statistics for the differentials in terms both of pounds and percentages from 1998/99 to 2006/07. Figure 4.6 illustrates the statistics for percentage-differentials in a form of boxplot. Table 4.22 is the equivalent for the differentials based on one to three bedroom RSL rents.

- With respect to the pound-differentials, the latest median was £154.39 per week.
- Compared to £41.11 in 1998/99, the median grew by 275.6% for the period and thus the annual average growth rate was 18.0%.
- The median increased through the period except in 1999/00.
- The distribution of differentials widened over the nine years. The latest standard deviation was £60.19, compared to £31.48 in 1998/99. The latest range was £475.83, which had been £235.90 at the beginning.
- Overall the trends of the distribution broadened for the period. Exceptionally the standard deviation declined in 1999/00 and 2005/06 while the range dropped in 1999/00, 2001/02 and 2006/07.
- The latest mean of the percentage-differentials was 222.8%.
- Compared to 76.6% in 1998/99, it grew by 146.2 percentage points and on average 18.3 points annually.
- Comparing to the 1998/99 figures, the latest standard deviation and range increased but the two statistics frequently declined from the previous years. In particular, the standard deviation has decreased since 2003/04.

Table 4.21 Differentials across LA areas: nominal price, 1998/99 – 2006/07

Table 12.7 Differential across ER areas: Nominal price, 1998/99 – 2006/07											
		Differential (£)					Differential (%)				
		Median	Std. Dev.	Max.	Min.	Range	Median	Std. Dev.	Max.	Min.	Range
		41.11	31.48	228.07	-7.83	235.90	76.6	53.5	416.3	-16.1	432.4
		28.38	27.13	193.16	-13.77	206.93	52.8	45.2	342.3	-27.5	369.8
		54.00	47.60	331.02	-13.09	344.11	96.8	75.4	571.8	-25.4	597.3
		55.65	47.90	313.95	-23.53	337.48	95.5	73.6	521.2	-44.5	565.7
		71.89	52.16	310.92	-29.26	340.18	119.8	77.2	491.4	-58.1	549.6
		94.86	52.59	313.24	-21.47	334.71	151.8	74.5	468.7	-41.3	510.0
		129.06	56.37	386.71	-22.95	409.66	195.7	72.7	538.3	-37.6	575.9
		138.34	56.18	427.91	-1.52	429.43	204.1	66.7	562.6	-2.6	565.2
		154.39	60.19	494.47	18.64	475.83	222.8	66.2	613.3	31.1	582.3
Change	98/99 – 06/07	275.6	91.2	116.8	n.a	101.7	146.2	12.7	197.0	47.2	149.8
(% or %-point)	Estimated annual	18.0	8.4	10.2	n.a	9.2	18.3	1.6	24.6	5.9	18.7

Table 4.22 Differentials from 1 to 3 bedroom RSL rents across LA areas: nominal price, 1998/99 – 2006/07

		Differential (£)					Differential (%)				
		Median	Std. Dev.	Max.	Min.	Range	Median	Std. Dev.	Max.	Min.	Range
1998/99		41.33	31.55	229.02	-7.24	236.26	77.2	54.1	425.5	-15.1	440.6
1999/00		28.68	27.21	194.13	-13.17	207.30	53.1	45.8	350.0	-26.6	376.6
2000/01		54.13	47.70	332.01	-12.52	344.53	98.3	76.4	583.5	-24.6	608.1
2001/02		55.98	48.02	314.97	-23.16	338.13	97.5	74.5	531.9	-44.1	576.0
2002/03		72.22	52.28	311.94	-28.74	340.68	121.6	78.2	501.1	-57.7	558.8
2003/04		95.28	52.70	314.37	-21.02	335.39	153.6	75.3	478.4	-40.8	519.2
2004/05		129.50	56.45	387.76	-22.42	410.18	196.5	73.3	547.8	-37.0	584.8
2005/06		138.54	56.29	428.99	-1.03	430.02	205.1	67.4	572.1	-1.8	573.9
2006/07		154.56	60.31	495.44	19.14	476.30	225.0	66.8	622.0	32.2	589.9
Change	98/99 – 06/07	274.0	91.2	116.3	n.a	101.6	147.8	12.7	196.6	47.3	149.3
(% or %-point)	Estimated annual	17.9	8.4	10.1	n.a	9.2	18.5	1.6	24.6	5.9	18.7

Figure 4.6 Distribution of the differentials (%) by year, 1998/99 – 2006/07

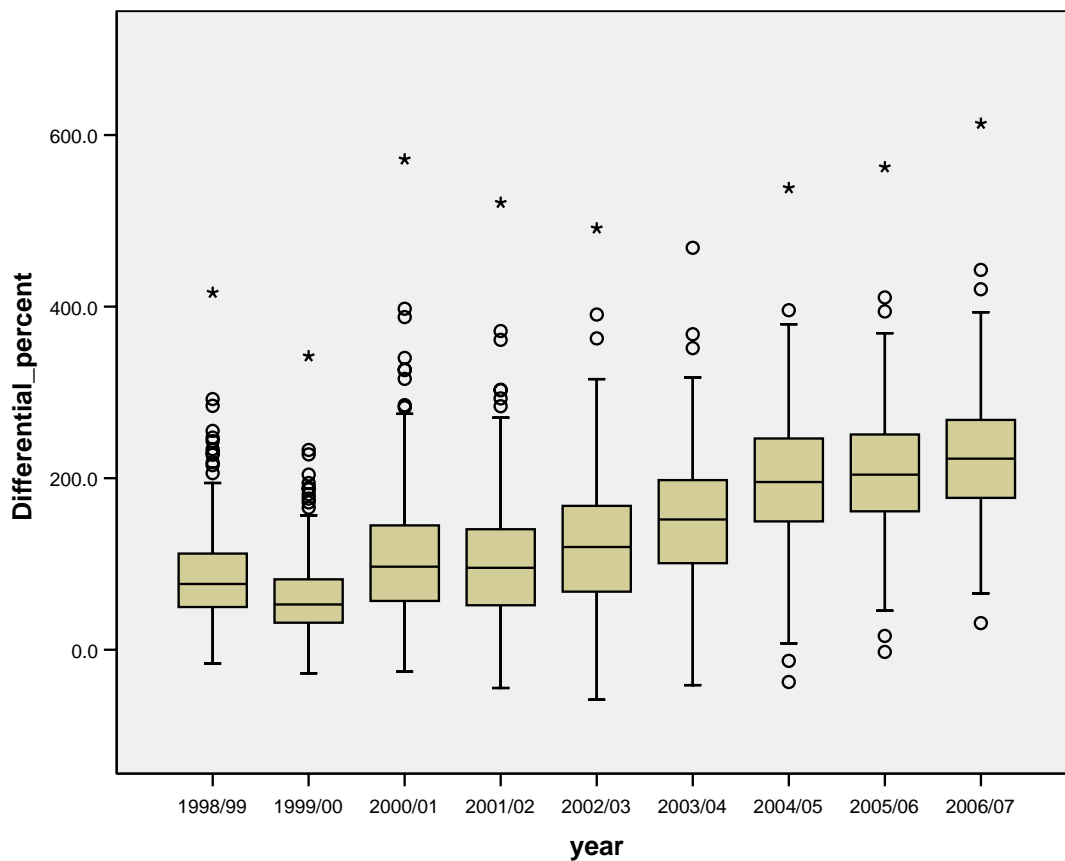


Table 4.23 lists the 20 LA areas with the widest differentials in pound-terms for 1998/99 and 2006/07.

- In 1996/97, Kensington & Chelsea had the widest differential (£228.07 per week), followed by Westminster (£174.67) and Hammersmith & Fulham (£161.05).
- In 2006/07, the widest three were the same LA areas in London. The differential in Kensington & Chelsea nearly reached to a level of £500 per week. Westminster and Hammersmith & Fulham held gaps of £381.62 and £344.10.
- Including them, 15 LA areas remained in the list from 1998/99.
- By region, 11 were in London, seven were in the South East, and the remaining three were in the East.
- Sixteen were urban LA areas while four were rural.

Table 4.23 Twenty LA areas with the widest differentials, 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA	GOR	Rural/ Urban	
Kensington and Chelsea	Lon	Urban	228.07	Kensington and Chelsea	Lon	Urban	494.47
Westminster	Lon	Urban	174.67	Westminster	Lon	Urban	381.62
Hammersmith and Fulham	Lon	Urban	161.05	Hammersmith and Fulham	Lon	Urban	344.10
Richmond upon Thames	Lon	Urban	154.93	Camden	Lon	Urban	328.33
Camden	Lon	Urban	149.21	Richmond upon Thames	Lon	Urban	319.11
South Bucks	SE	Rural	144.01	South Bucks	SE	Rural	313.06
Chiltern	SE	Rural	134.97	Wandsworth	Lon	Urban	305.89
Islington	Lon	Urban	131.80	Elmbridge	SE	Urban	301.43
Windsor and Maidenhead	SE	Urban	125.29	Chiltern	SE	Rural	296.60
Elmbridge	SE	Urban	124.65	Islington	Lon	Urban	294.50
Surrey Heath	SE	Urban	121.81	St. Albans	East	Rural	278.73
Epsom and Ewell	SE	Urban	115.57	Windsor and Maidenhead	SE	Urban	274.00
Mole Valley	SE	Urban	114.57	Mole Valley	SE	Urban	261.11
St. Albans	East	Rural	111.86	Waverley	SE	Rural	261.01
Hart	SE	Rural	106.15	Epsom and Ewell	SE	Urban	258.38
Waverley	SE	Rural	104.62	Kingston upon Thames	Lon	Urban	253.51
Runnymede	SE	Urban	104.61	Harrow	Lon	Urban	253.13
Wokingham	SE	Urban	102.19	Barnet	Lon	Urban	250.72
Three Rivers	East	Urban	101.91	Tower Hamlets	Lon	Urban	250.51
Hertsmere	East	Rural	100.24	Three Rivers	East	Urban	245.80

Table 4.24 Twenty LA areas with the widest differentials (%), 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Kensington and Chelsea	Lon	Urban	416.31	Kensington and Chelsea	Lon	Urban	613.33
Westminster	Lon	Urban	292.21	Westminster	Lon	Urban	442.71
Hammersmith and Fulham	Lon	Urban	284.33	Hammersmith and Fulham	Lon	Urban	420.20
South Bucks	SE	Rural	255.09	South Bucks	SE	Rural	393.59
Richmond upon Thames	Lon	Urban	247.23	Richmond upon Thames	Lon	Urban	391.93
Chiltern	SE	Rural	243.20	Camden	Lon	Urban	372.59
Camden	Lon	Urban	233.80	Chiltern	SE	Rural	369.78
Surrey Heath	SE	Urban	229.56	Islington	Lon	Urban	364.80
Islington	Lon	Urban	227.39	Elmbridge	SE	Urban	361.77
Stratford-on-Avon	WM	Rural	218.47	Wandsworth	Lon	Urban	352.45
Epsom and Ewell	SE	Urban	215.15	St. Albans	East	Rural	339.01
Vale of White Horse	SE	Rural	205.88	East Dorset	SW	Rural	337.29
Windsor and Maidenhead	SE	Urban	194.32	Chichester	SE	Rural	321.76
Hertsmere	E	Rural	191.68	Derbyshire Dales	EM	Rural	319.19
Elmbridge	SE	Urban	191.44	Carrick	SW	Rural	318.73
East Dorset	SW	Rural	189.24	Tower Hamlets	Lon	Urban	318.23
St. Albans	East	Rural	188.68	Waverley	SE	Rural	316.41
Hart	SE	Rural	178.66	Windsor and Maidenhead	SE	Urban	315.12
Hambleton	Y & H	Rural	174.37	Lambeth	Lon	Urban	312.49
Bath and North East Somerset	SW	Rural	174.34	Rushcliffe	E Mid	Rural	310.71

Table 4.24 presents the 20 LA areas with the widest differentials in percentage-terms for 1998/99 and 2006/07.

- The top three LA areas were the same as those in pound-terms for both years.
- In 2006/07, Kensington & Chelsea had the differential of 613.33%. This was followed by Westminster (442.71%) and Hammersmith & Fulham (420.20%). Such wide differentials practically mean that it is impossible for the social renters in those areas to enter OO markets in their neighbourhoods.
- Including them, twelve LA areas remained in the list from 1998/99 and 2006/07.
- By region, nine were in London, six were in the South East, and one was in the East. Unlike in the pound-termed list, the South West and the East Midlands had two LA areas for each.

- Eleven were urban LA areas while nine were rural.

Table 4.25 is a list of 20 LA areas with the narrowest differentials for 1998/99 and 2006/07.

- In 1996/97, four LA areas (Pendle, Hyndburn, Burnley and Barrow-in-Furness) had negative differentials.
- In 2006/07, there was no LA area showing negative differentials.
- The narrowest differential was observed in Burnley (£18.64). This was followed by that in Barrow-in-Furness (£42.18) and Pendle (£42.24).
- Including them, 15 LA areas remained in the list from 1998/99.
- By region, seven were in the North West; six were in the North East; three in Yorkshire & the Humber and the remaining two in the East Midlands.
- Thirteen were urban LA areas while seven were rural.

Table 4.25 Twenty LA areas with the narrowest differentials, 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		1998/99 LA area	GOR	Rural/ Urban	
Pendle	NW	Urban	-7.83	Burnley	NW	Urban	18.64
Hyndburn	NW	Urban	-3.04	Barrow-in-Furness	NW	Urban	42.18
Burnley	NW	Urban	-1.86	Pendle	NW	Urban	42.24
Barrow-in-Furness	NW	Urban	-0.46	Kingston upon Hull	Y & H	Urban	46.97
Easington	NE	Rural	0.09	Hyndburn	NW	Urban	49.90
Blackburn with Darwen	NW	Urban	1.99	Stoke-on-Trent	W Mid	Urban	51.48
Stoke-on-Trent	W Mid	Urban	2.66	Hartlepool	NE	Urban	51.69
Corby	E Mid	Urban	3.23	Blackburn with Darwen	NW	Urban	52.38
Mansfield	E Mid	Urban	3.55	Sedgefield	NE	Rural	53.14
Kingston upon Hull	Y & H	Urban	4.65	Easington	NE	Rural	56.50
Bolsover	E Mid	Rural	4.84	Middlesbrough	NE	Urban	58.53
Derwentside	NE	Rural	6.58	Bolsover	E Mid	Rural	63.39
Middlesbrough	NE	Urban	7.13	Wear Valley	NE	Rural	64.09
Manchester	NW	Urban	7.27	North East Lincolnshire	Y & H	Urban	66.56
Hartlepool	NE	Urban	8.02	Mansfield	E Mid	Urban	67.24
Wansbeck	NE	Rural	8.30	Wansbeck	NE	Rural	67.37
Doncaster	Y & H	Rural	9.68	Barnsley	Y & H	Rural	67.63
Barnsley	Y & H	Rural	10.16	Copeland	NW	Rural	71.24
Liverpool	NW	Urban	11.04	Oldham	NW	Urban	71.68
Sedgefield	NE	Rural	11.44	Rossendale	NW	Urban	71.93

Table 4.26 sets out 20 LA areas with the narrowest differentials in percentage-terms for 1998/99 and 2006/07.

- In 1996/97, the widest negative differential was seen in Pendle (-16.13%). This was followed by that in Hyndburn (-6.40%) and Burnley (-3.93%).
- In 2006/07, the differential in Burnley turned positive but it was the narrowest (31.08%) in England and far below the successors. The second narrowest was observed in Barrow-in-Furness (65.71%) and the third was in Pendle (78.48%).
- Fourteen LA areas remained in the list from 1998/99.
- By region, eight were in the North West, five were in the North East, four were in the East Midlands, two in Yorkshire & the Humber, and one in the West Midlands.
- Fifteen were urban LA areas while five were rural.

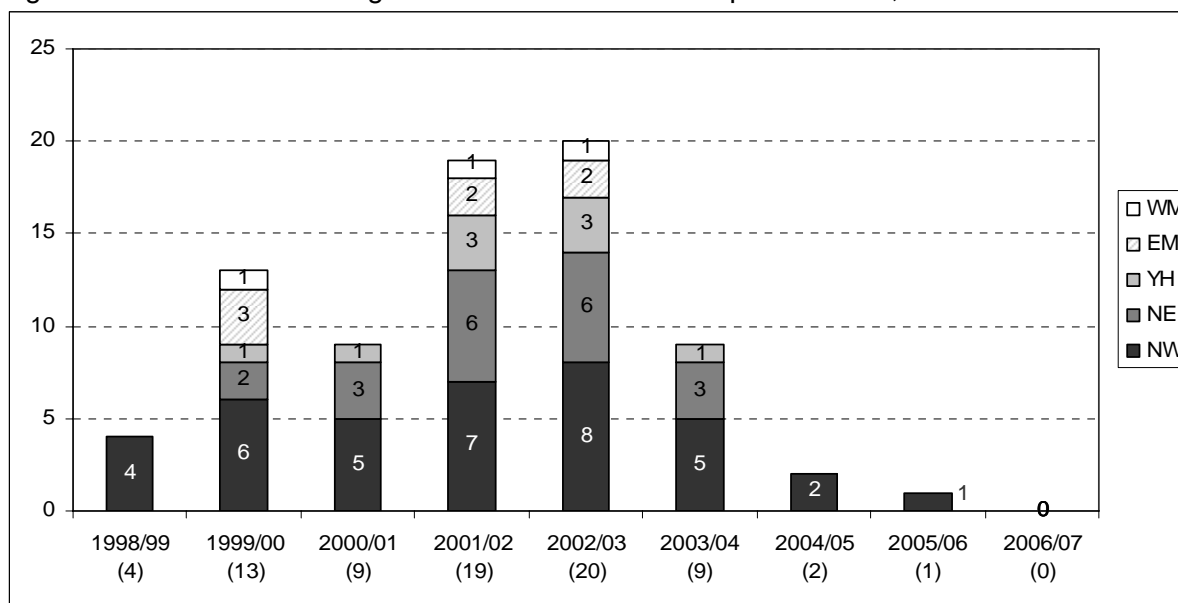
Table 4.26 Twenty LA areas with the narrowest differentials (%), 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		1998/99 LA area	GOR	Rural/ Urban	
Pendle	NW	Urban	-16.13	Burnley	NW	Urban	31.08
Hyndburn	NW	Urban	-6.40	Barrow-in-Furness	NW	Urban	65.71
Burnley	NW	Urban	-3.93	Pendle	NW	Urban	78.48
Barrow-in-Furness	NW	Urban	-0.96	Kingston upon Hull	Y & H	Urban	80.14
Easington	NE	Rural	0.21	Blackburn with Darwen	NW	Urban	85.69
Blackburn with Darwen	NW	Urban	4.12	Stoke-on-Trent	W Mid	Urban	87.48
Stoke-on-Trent	W Mid	Urban	5.59	Hyndburn	NW	Urban	89.62
Corby	E Mid	Urban	5.66	Sedgefield	NE	Rural	92.92
Mansfield	E Mid	Urban	6.80	Hartlepool	NE	Urban	93.19
Bolsover	E Mid	Rural	9.51	Bolsover	E Mid	Rural	96.07
Kingston upon Hull	Y & H	Urban	10.23	Easington	NE	Rural	102.06
Derwentside	NE	Rural	14.19	Middlesbrough	NE	Urban	103.48
Middlesbrough	NE	Urban	15.25	Mansfield	E Mid	Urban	105.52
Manchester	NW	Urban	15.62	Barnsley	Y & H	Rural	106.81
Hartlepool	NE	Urban	17.49	Wear Valley	NE	Rural	108.76
Doncaster	Y & H	Rural	19.45	Rochdale	NW	Urban	118.95
Wansbeck	NE	Rural	19.83	Ashfield	E Mid	Urban	119.03
Barnsley	Y & H	Rural	20.67	Oldham	NW	Urban	120.92
Gosport	SE	Urban	23.05	Bolton	NW	Urban	121.99
Ashfield	E Mid	Urban	23.55	Nottingham	E Mid	Urban	123.71

Figure 4.7 sets out the number of LA areas who showed negative differentials for each year of the observation period.

- Compared to the previous years, the number rose in 1999/00 and 2001/02. This is partly because the two years saw declines in OO costs (see Table 4.1).
- 2002/03 added one LA area from the previous year, showing the peak of 20 LA areas.
- Since 2003/04, the number has decreased and currently no LA area has negative differentials.

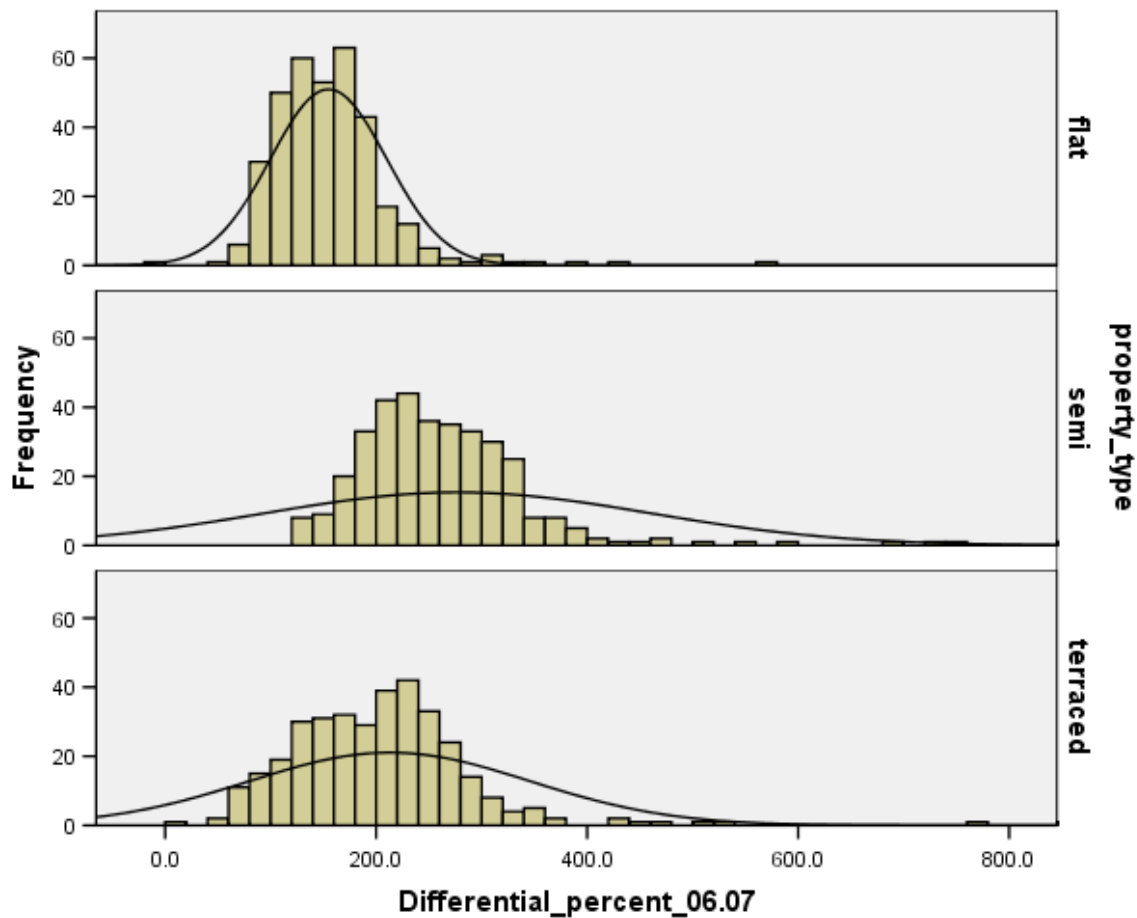
Figure 4.7 LA areas with negative differentials: totals in parentheses, 1998/99 – 2006/07



More detailed statistics on differentials including those from one to three bedroom RSL rents and those by property are presented in Annex 5. As summary, Figure 4.8 sets out the distribution of LA areas' differentials (%) by property type in 2006/07. Recall that the property types apply only for OO costs.

- In ascending order, the medians of differentials moved from flats to terraced and semi-detached.
- All distributions, in particular that of semi-detached properties, were skewed to upper part.
- Semi-detached properties had wide variations and terraced properties also show a similar pattern but to lesser extent.
- By contrast, differentials of flats concentrated in a range from 150% to 200%.

Figure 4.8 Distribution of differentials (%) by property type in 2006/07



Note: Several high outliers for semi-detached and terraced are not presented but reflected into frequency curves.

Box 1. LA areas with low OO costs but wide differentials

The analyses of this paper have assumed that OO costs indicate difficulty/easiness for low income households to be home-owners and thus the differential from RSL rents is the indicator for social renters. Comparing the latest statistics, there were 21 LA areas whose OO costs were relatively low but differentials were relatively wide. Of the 20, six had wide differentials. They are listed as below.

LA area		OO cost	Rank	Differential		Differential	
				%	Rank	(£)	Rank
East Staffordshire	W Mid	170.61	(79)	217.2	(167)		
Chorley	NW	171.40	(82)	216.5	(165)		
Newcastle upon Tyne	NE	174.58	(84)	226.1	(183)		
Staffordshire Moorlands	W Mid	181.71	(97)	221.0	(172)		
Sefton	NW	183.30	(99)	222.7	(176)		
Warrington	NW	183.30	(99)	212.1	(156)		
East Lindsey	E Mid	184.09	(101)	221.7	(174)		
Scarborough	Y & H	186.47	(102)	210.1	(150)		
Broxtowe	E Mid	186.47	(102)	213.3	(159)		
Plymouth	SW	188.06	(107)	216.6	(166)		
North West Leicestershire	E Mid	194.40	(117)	211.0	(153)		
Stockport	NW	194.40	(117)	213.4	(160)		
Castle Morpeth	NE	194.40	(117)	245.4	(220)	138.12	(144)
Oswestry	W Mid	195.10	(122)	212.4	(157)		
South Kesteven	E Mid	195.99	(123)	210.6	(152)		
King's Lynn and West Norfolk	East	196.78	(124)	229.3	(187)	137.03	(142)
Stafford	W Mid	197.58	(126)	259.6	(249)	142.63	(151)
Wyre Forest	W Mid	198.37	(127)	233.1	(194)	138.81	(145)
Norwich	East	199.95	(130)	215.0	(163)	136.48	(139)
Charnwood	E Mid	200.75	(131)	212.9	(158)	136.60	(140)

4.4 Urban and rural LA areas

Figure 4.9 and Table 4/27 show the distribution of LA areas' differentials (%) by urban/rural classification in 2006/07. Table 4.28 is the equivalent for the differentials in terms of percentages and Figure 4.10 illustrates the statistics in the table.

- The latest medians of differential were £144.36 per week for urban LA areas and £158.98 for the rural LA areas.
- Compared to £36.76 and £43.07 for each group in 1998/99, the urban median grew by 292.7% for the period (the annual average was 18.6%) and the growth rate for the rural group was 269.1% or annually 17.7%.
- The both median increased overall through the period. Exceptionally the urban median decreased in 1999/00 and 2001/02 but the rural equivalent dropped only in 1999/00.
- The distribution of differentials was broader in the urban area than in the rural area. The latest standard deviations were £71.61 for the urban group and £46.25 for the rural group. Ranges were £475.83 and £259.92 respectively.
- The distribution expanded more in the urban area than in rural area over the nine years. The standard deviation for the urban group grew by 94.9% for the period while the growth rate of the rural group was 83.0%.
- The latest means of the percentage-differentials were 202.8% for the urban LA areas and 242.1% for the rural ones.
- Compared to 67.7% and 82.6% for each group in 1998/99, they grew by 135.0 percentage points for the urban group and 159.5 points for the rural group.

- The urban percentage-differentials ranged more broadly than the rural equivalents. The latest standard deviations were 74.9% and 53.9% for each group.
- Comparing to 1998/99, the latest standard deviations and ranges increased for both group but the statistics frequently declined from the previous years. In particular, the standard deviation for the urban LA areas decreased from 2003/04 to 2005/06 and almost unchanged in 2006/07. The equivalent for the rural group has declined since 2004/05.

Figure 4.9 Distribution of differentials (%) by rural/urban classification: 2006/07

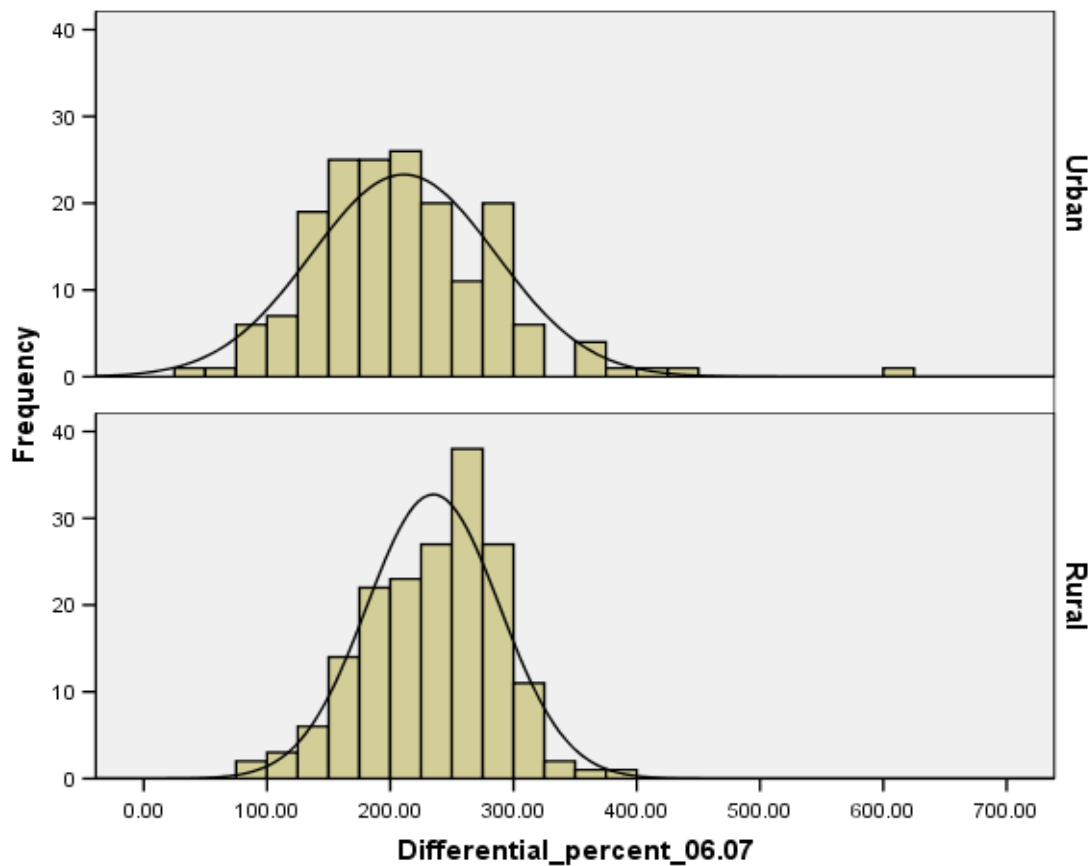


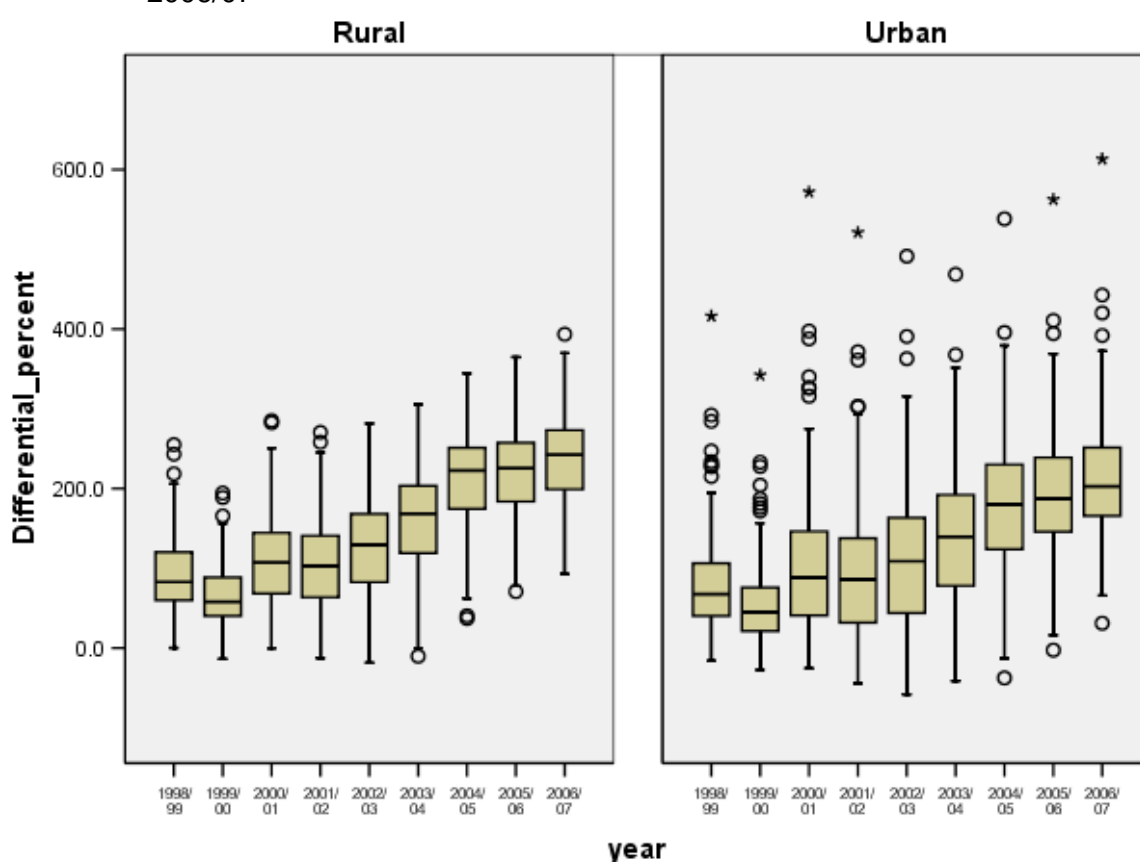
Table 4.27 Differentials across LA areas by urban/rural classification: nominal price, 1998/99 – 2006/07

	Urban					Rural				
	Median	Std. Dev.	Max.	Min.	Range	Median	Std. Dev.	Max.	Min.	Range
1998/99	36.76	36.75	228.07	-7.83	235.90	43.07	25.28	144.01	0.09	143.92
1999/00	25.43	31.72	193.16	-13.77	206.93	31.10	21.71	116.90	-6.34	123.24
2000/01	49.51	57.15	331.02	-13.09	344.11	55.88	35.89	182.18	-0.05	182.23
2001/02	49.28	56.88	313.95	-23.53	337.48	58.68	37.12	171.84	-6.98	178.82
2002/03	66.32	61.56	310.92	-29.26	340.18	73.75	40.98	192.06	-10.27	202.33
2003/04	91.17	60.94	313.24	-21.47	334.71	98.65	42.78	213.77	-5.27	219.04
2004/05	120.17	66.13	386.71	-22.95	409.66	134.61	44.45	257.86	19.89	237.97
2005/06	128.32	66.65	427.91	-1.52	429.43	143.37	43.38	277.14	39.59	237.55
2006/07	144.36	71.61	494.47	18.64	475.83	158.98	46.25	313.06	53.14	259.92
Change	98/99 – 06/07									
(% or %-point)		292.7	94.9	116.8	n.a	101.7	83.0	117.4	58944.4	80.6
Estimated annual		18.6	8.7	10.2	n.a	9.2	17.7	7.8	10.2	7.7

Table 4.28 Differentials (%) across LA areas by urban/rural classification: real price, 1998/99 – 2006/07

		Urban					Rural				
		Median	Std. Dev.	Max.	Min.	Range	Median	Std. Dev.	Max.	Min.	Range
1998/99		67.7	60.3	416.3	-16.1	432.4	82.6	45.5	255.1	0.2	254.9
1999/00		44.9	51.4	342.3	-27.5	369.8	58.0	38.0	194.4	-13.8	208.2
2000/01		88.0	89.2	571.8	-25.4	597.3	107.1	58.9	285.1	-0.1	285.2
2001/02		86.2	85.8	521.2	-44.5	565.7	103.3	59.1	270.5	-12.6	283.1
2002/03		108.9	89.0	491.4	-58.1	549.6	129.5	63.2	281.5	-18.4	299.9
2003/04		139.8	82.8	468.7	-41.3	510.0	168.6	63.7	305.4	-10.3	315.7
2004/05		179.9	81.0	538.3	-37.6	575.9	222.5	60.5	344.5	36.9	307.5
2005/06		187.8	74.7	562.6	-2.6	565.2	225.3	55.3	364.9	70.8	294.2
2006/07		202.8	74.9	613.3	31.1	582.3	242.1	53.9	393.6	92.9	300.7
Change	98/99 – 06/07	135.0	14.5	197.0	47.2	149.8	159.5	8.4	138.5	92.7	45.8
(% or %-point)	Estimated annual	16.9	1.8	24.6	5.9	18.7	19.9	1.0	17.3	11.6	5.7

Figure 4.10 Distribution of differentials (%) by rural/urban classification: from 1998/99 to 2006/07



4.5 Changes in the differentials at the LA level

Figure 4.11 sets out the distribution of changes in the differential in percentage terms between 1998/99 and 2006/07 for all LA areas. The following two figures are breakdowns by broad region and by urban/rural classification.

- From 1998/99 to 2006, the great majority of LA areas raised their differentials by 130 to 150 percentage points.
- The median of changes was 136.9 percentage points.
- Overall the changes were greater in the southern region than in the northern region.

- In the northern region, the majority of LA areas had changes less than 125 points, whereas the southern LA areas were most likely to have changes with around 140 points.
- The median for rural LA areas was marginally greater than that for urban LA areas.
- With respect to distributions of growth rates, the two groups displayed fairly similar pictures.

Figure 4.11 Distributions of differential (%) changes from 1998/99 to 2006/07

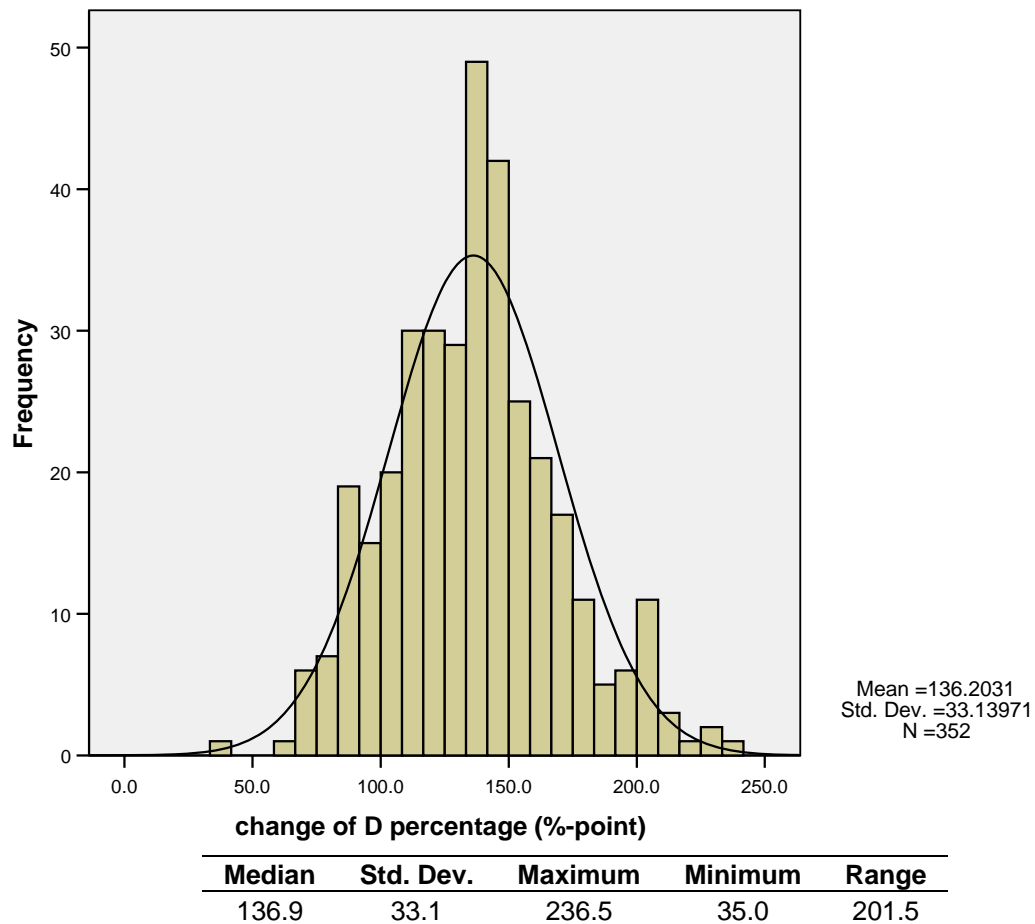


Figure 4.12 Distributions of differential changes from 1998/99 to 2006/07 for three regions

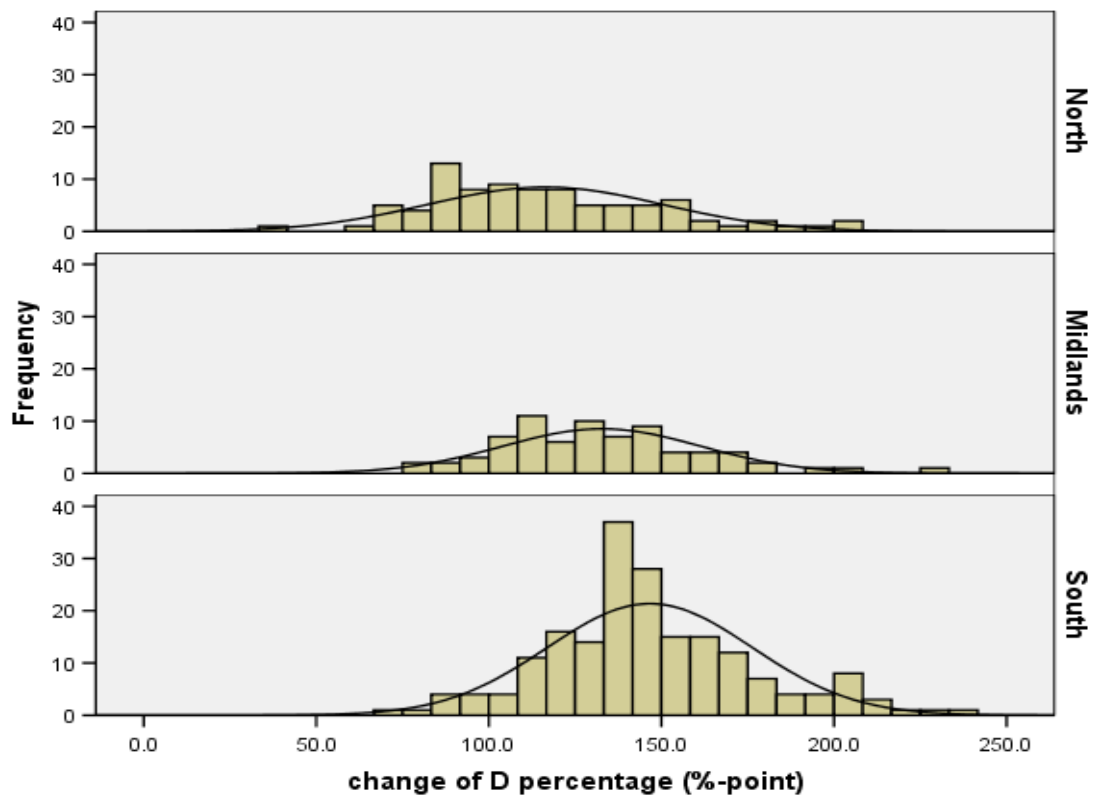


Figure 4.13 Distributions of differential changes from 1998/99 to 2006/07 by urban/rural classification

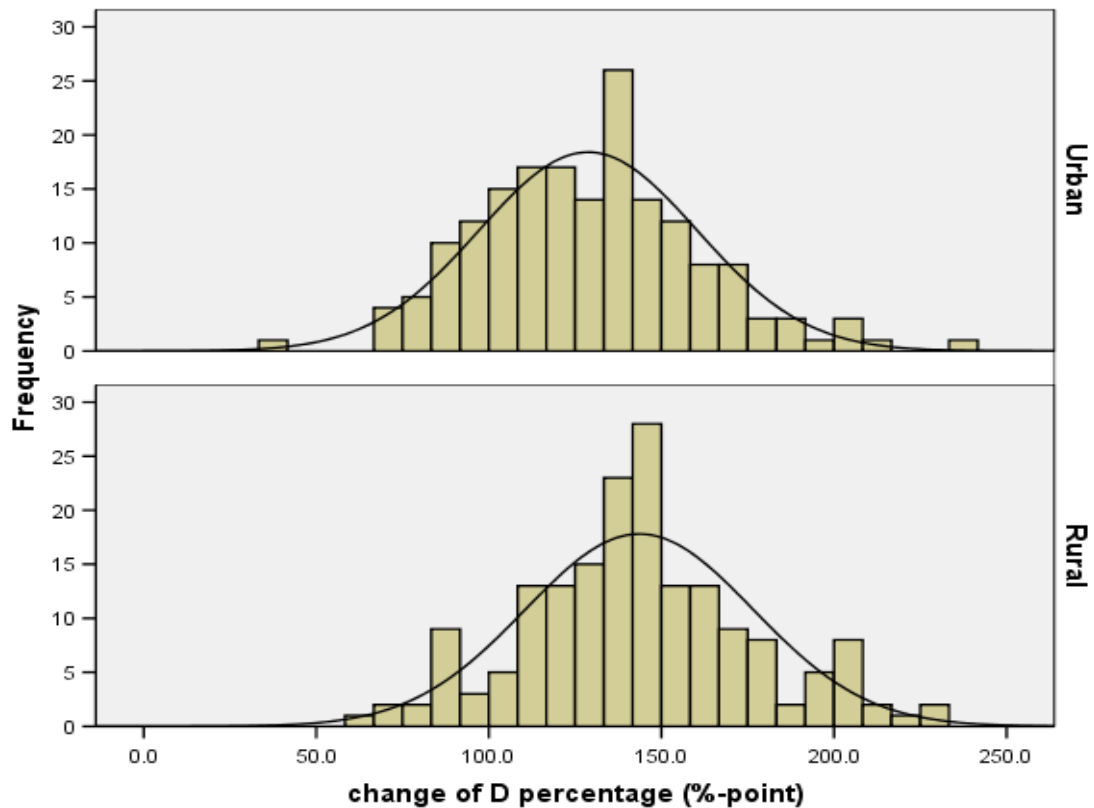


Table 4.29 lists the 20 LA areas with the highest growth of the differentials in percentage terms from 1998/99 to 2006/07. For the lists by property size, see Annex 5.

- Weymouth & Portland had the highest growth of 236.5 percentage points from 50.6% in 1998/99 to 287.1% in 2006/07. This was followed by those of Carrick (231.5 points from 87.2% to 318.7%) and Derbyshire Dales (231.2 points from 88.0% to 319.2%).
- All LA areas in the table presently have differentials greater than 250%.
- The 20 LA areas in the list spread across all the nine regions. Half of them were in the South West; three were in the East Midlands and two in the East. The remaining six regions had one LA area for each.
- Fourteen rural authorities while six were rural.

Table 4.29 Twenty LA areas with the highest growth of the differential (%), 1998/99 and 2006/07

LA area	GOR	Rural/Urban	%-point	1998/99 (%)	2006/07(%)
Weymouth and Portland	SW	Urban	236.5	50.6	287.1
Carrick	SW	Rural	231.5	87.2	318.7
Derbyshire Dales	E Mid	Rural	231.2	88.0	319.2
North Norfolk	E	Rural	221.3	54.8	276.1
Restormel	SW	Rural	215.7	54.1	269.9
South Gloucestershire	SW	Urban	211.7	69.1	280.8
North Cornwall	SW	Rural	210.2	75.7	285.9
Maidstone	SE	Rural	207.6	71.6	279.2
Tynedale	NE	Rural	205.3	83.4	288.7
Brighton and Hove	SE	Urban	204.6	59.0	263.6
West Devon	SW	Rural	204.4	101.0	305.5
Penwith	SW	Rural	204.1	78.7	282.8
Exeter	SW	Urban	203.7	76.9	280.6
Fylde	NW	Urban	203.3	62.3	265.6
South Norfolk	East	Rural	203.0	89.7	292.7
South Hams	SW	Rural	202.9	100.6	303.4
Purbeck	SW	Rural	202.2	95.3	297.5
Shrewsbury and Atcham	W Mid	Rural	201.1	82.6	283.7
Chichester	SE	Rural	198.3	123.5	321.8
Kensington and Chelsea	Lon	Urban	197.0	416.3	613.3

Table 4.29 sets out the 20 LA areas with the lowest growth of the differentials in percentage terms from 1998/99 to 2006/07. For the lists by property size, see Annex 5.

- Burnley had the lowest growth of 35.0 percentage points from -3.9% in 1998/99 to 31.1% in 2006/07. This was followed by those of West Lancashire (58.8 points from 100.4% to 159.2%) and Barrow-in-Furness (66.7 points from -1.0% to 65.7%).
- By region, nine LA areas were in the North West, four were in the North East, three were in the South East, and two each in Yorkshire & the Humber and the West Midlands.
- Unlike the highest growth list, the urban LA areas constituted the majority of 13. The remaining seven were classified as rural.

Table 4.30 Twenty LA areas with the lowest growth of the differential (%), 1998/99 and 2006/07

LA area	GOR	Rural/Urban	%-point	1998/99 (%)	2006/07(%)
Burnley	NW	Urban	35.0	-3.9	31.1
West Lancashire	NW	Rural	58.8	100.4	159.2
Barrow-in-Furness	NW	Urban	66.7	-1.0	65.7
Sedgefield	NE	Rural	67.1	25.8	92.9
Ellesmere Port and Neston	NW	Urban	68.8	102.2	171.0
Kingston upon Hull	Y & H	Urban	69.9	10.2	80.1
Surrey Heath	SE	Urban	70.1	229.6	299.6
Allerdale	NW	Rural	74.7	66.3	141.0
Hartlepool	NE	Urban	75.7	17.5	93.2
Stratford-on-Avon	W Mid	Rural	76.0	218.5	294.5
Wyre	NW	Urban	81.3	93.6	175.0
Blackburn with Darwen	NW	Urban	81.6	4.1	85.7
Stoke-on-Trent	W Mid	Urban	81.9	5.6	87.5
Wear Valley	NE	Rural	82.2	26.5	108.8
Bracknell Forest	SE	Urban	82.7	155.4	238.1
Halton	NW	Urban	85.3	58.7	143.9
Stockton-on-Tees	NE	Urban	85.3	55.6	141.0
Knowsley	NW	Urban	85.9	65.9	151.8
Basingstoke and Deane	SE	Rural	86.1	120.2	206.3
Barnsley	Y & H	Rural	86.1	20.7	106.8

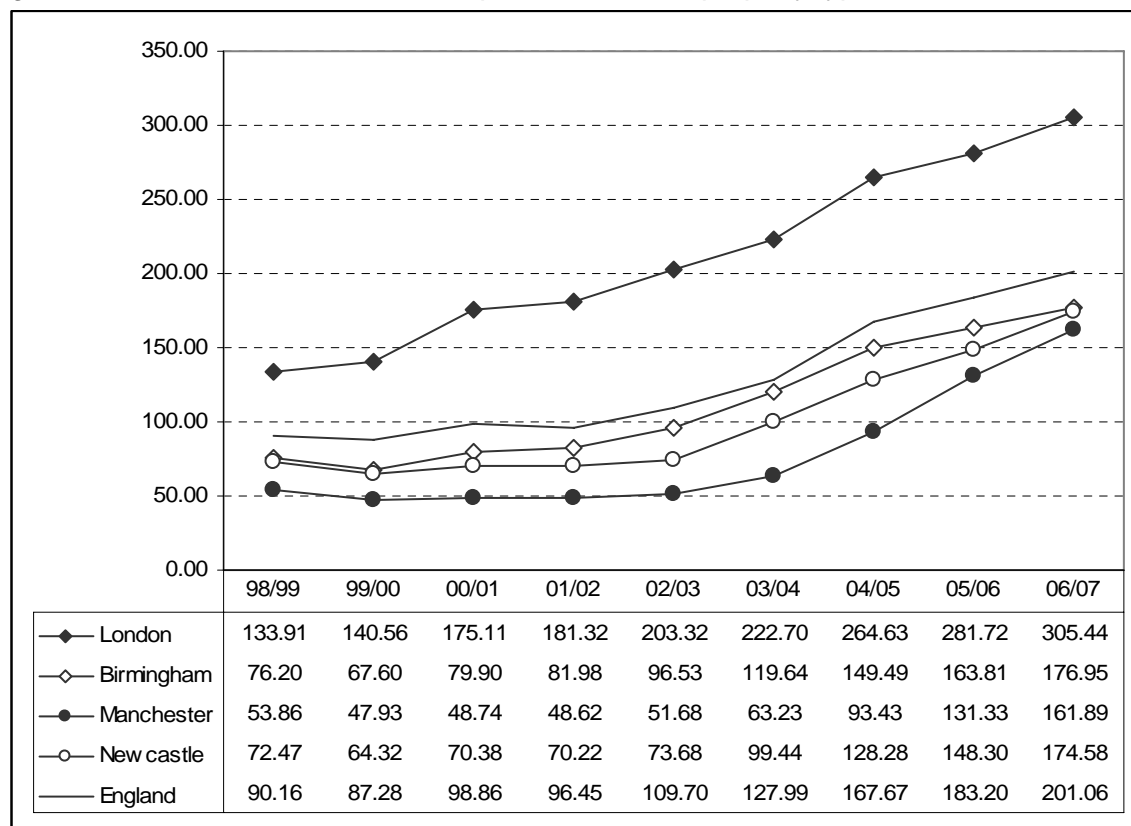
Section 5 OO costs and their comparisons with RSL rents for the four metropolitan areas

This section extends the analyses of urban LA areas in the previous section to four metropolitan areas, London, Birmingham, Manchester and Newcastle-upon-Tyne (henceforth Newcastle) from 1998/99 to 2006/07. The main reason for this analysis is to understand whether different environments in our major cities generate different outcomes in OO markets and degrees of difficulty (or easiness) in accessing to the markets and to identify possible knock-on effects on their surrounding vicinities. The geographical unit to be examined for those cities is a LA area, except London, where the defined area is a region.

Figure 5.1 sets out OO costs for the four metropolitan areas and England from 1998/99 to 2006/07.

- In 2006/07, the OO cost for London was £305.44 per week – the highest among the four cities. It was also far above the English average of £201.06.
- The other three cities' costs were slightly below the national level – £176.95 Birmingham, £174.58 for Newcastle and £161.89 for Manchester.
- Throughout the observation period, London continuously raised its OO cost, keeping it much higher than the national average.
- The remaining cities had overall increasing trends except around 1999/00. Particularly, Manchester experienced a consecutive three-year decline until 2001/02.
- All of the three have placed their costs marginally below the national level for the period, and kept their order has been unchanged – in a descending way Birmingham, Newcastle and Manchester.

Figure 5.1 OO costs of the four metropolitan areas: all property types, 1998/99 – 2006/07



Figures 5.2 to 5.4 are the breakdowns of the previous figure by property type.

- Overall the trends of OO costs for each property type are in line with those for all properties. OO costs of the four cities have increasing patterns particularly in latter half of the observation period.
- Regardless of property types, OO costs of London have been the highest and well above the national averages.
- The remaining three cities have kept their OO costs fairly close to the national standard for semi-detached properties but only two cities (Birmingham and Newcastle) have done so for terraced properties, leaving Manchester noticeably below the national level.
- For flats, however, Manchester has placed its OO cost at around the national average and the other two cities have shown underperforming figures.

Figure 5.2 OO costs of the four metropolitan areas: flat, 1998/99 and 2006/07

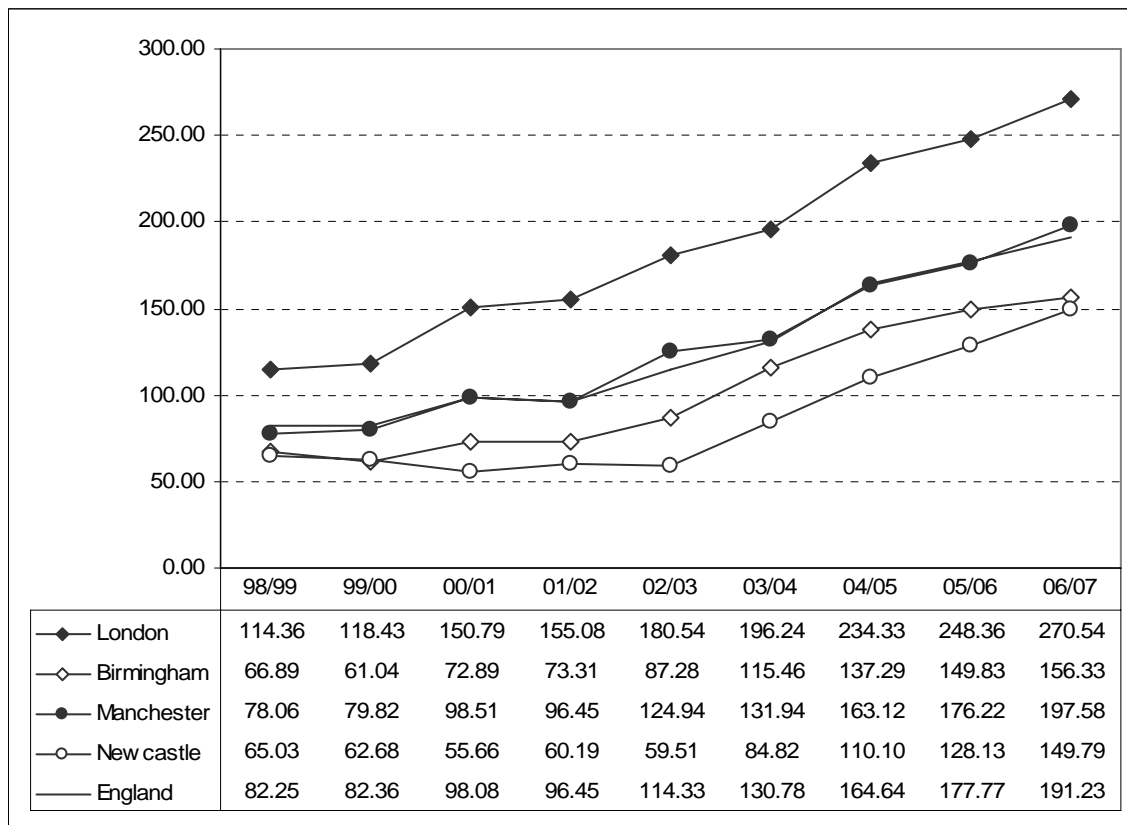


Figure 5.3 OO costs of the four metropolitan areas: semi-detached, 1998/99 and 2006/07

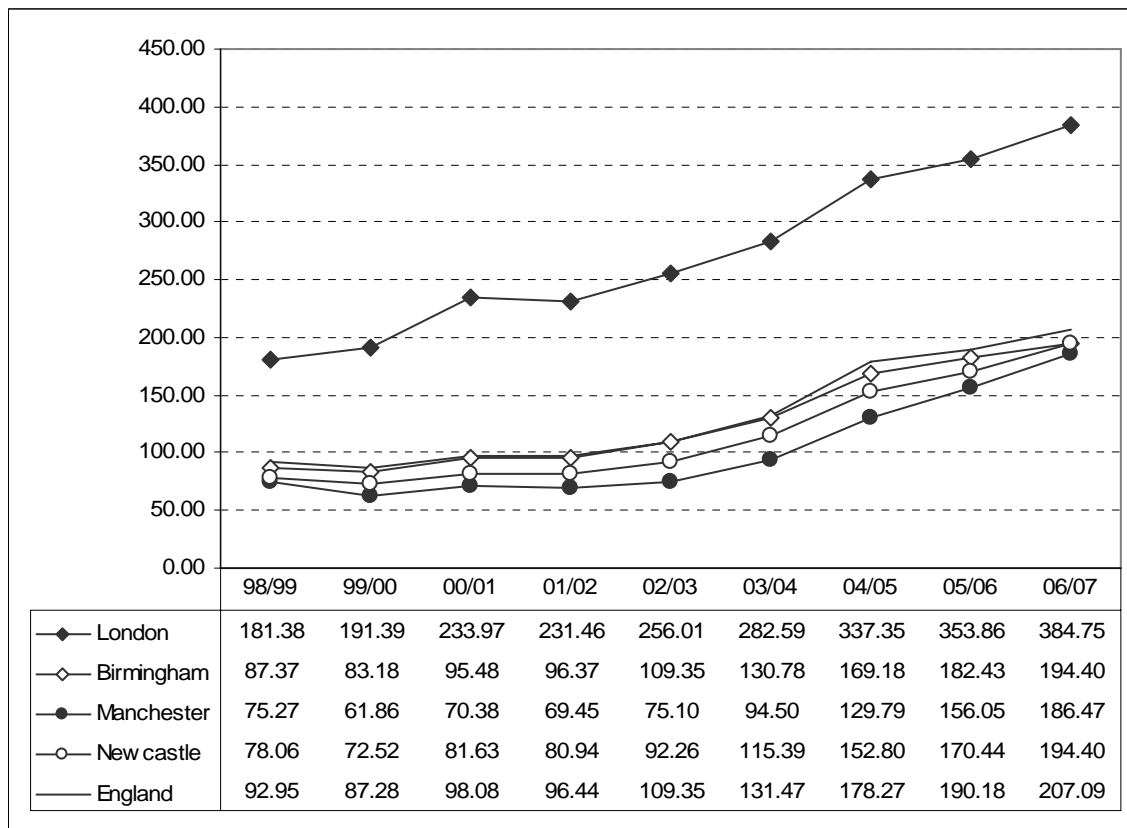


Figure 5.4 OO costs of the four metropolitan areas: terraced, 1998/99 and 2006/07

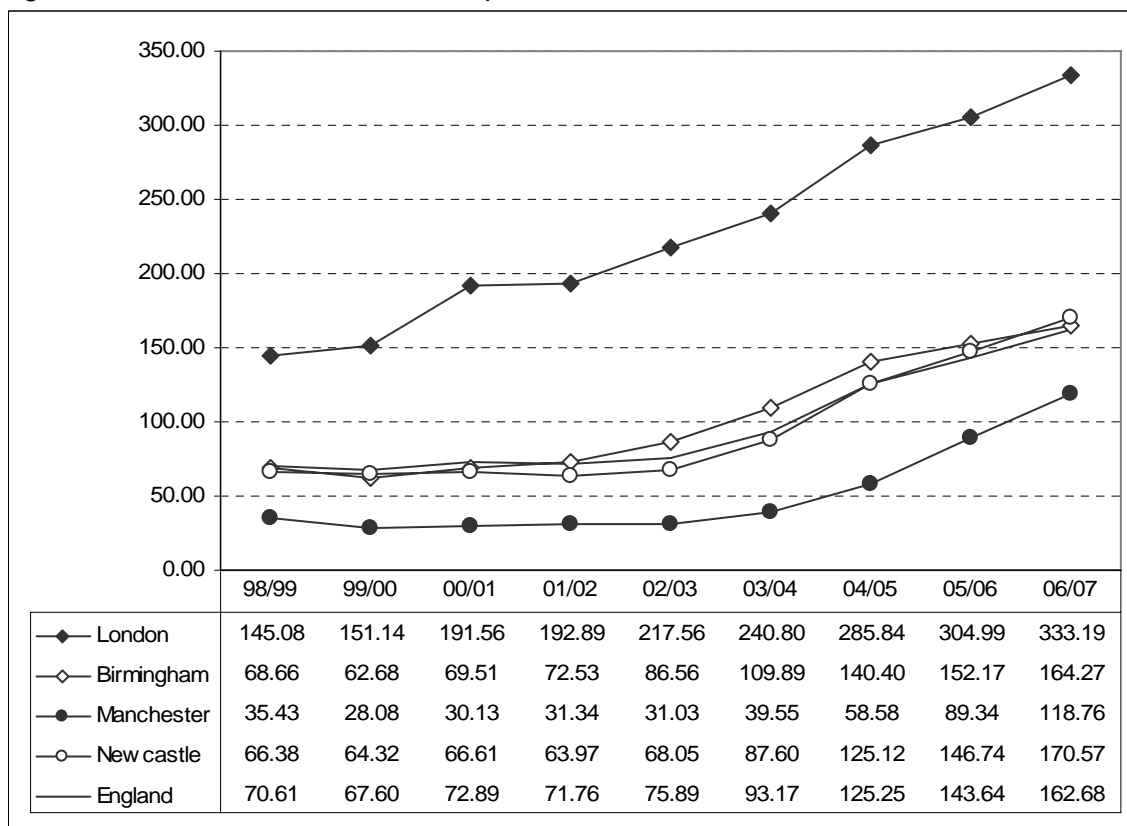


Figure 5.5 sets out changes in OO costs between the beginning and the end of the observation period.

- Compared with 1998/99, OO costs for all properties of the four cities increased in 2006/07 and their growth rates were above the national average of 123.0%.
- Manchester showed the highest rate of 200.6%, which is much greater than the second highest observed in Newcastle (140.9%). Rates of Birmingham and London were 132.2% and 128.1% respectively.
- One possible explanation for the outstanding performance of Manchester was that the city's initial OO cost was fairly modest. On the other hand, London already had high cost which gives less room to develop in percentage terms.
- For flats, three cities (Manchester, London and Birmingham) showed growth rates higher than the national average, whereas Newcastle held the rate marginally below the standard.
- For semi-detached properties, growth rates of Newcastle and Manchester were above the English average.
- For terraced properties, London held its growth rate around the national level, and the other three cities had theirs above the standard. In particular, Manchester showed a significant growth rate of 235.2%.

Figure 5.5 Changes in OO costs of the four metropolitan areas (%) between 1998/99 and 2006/07

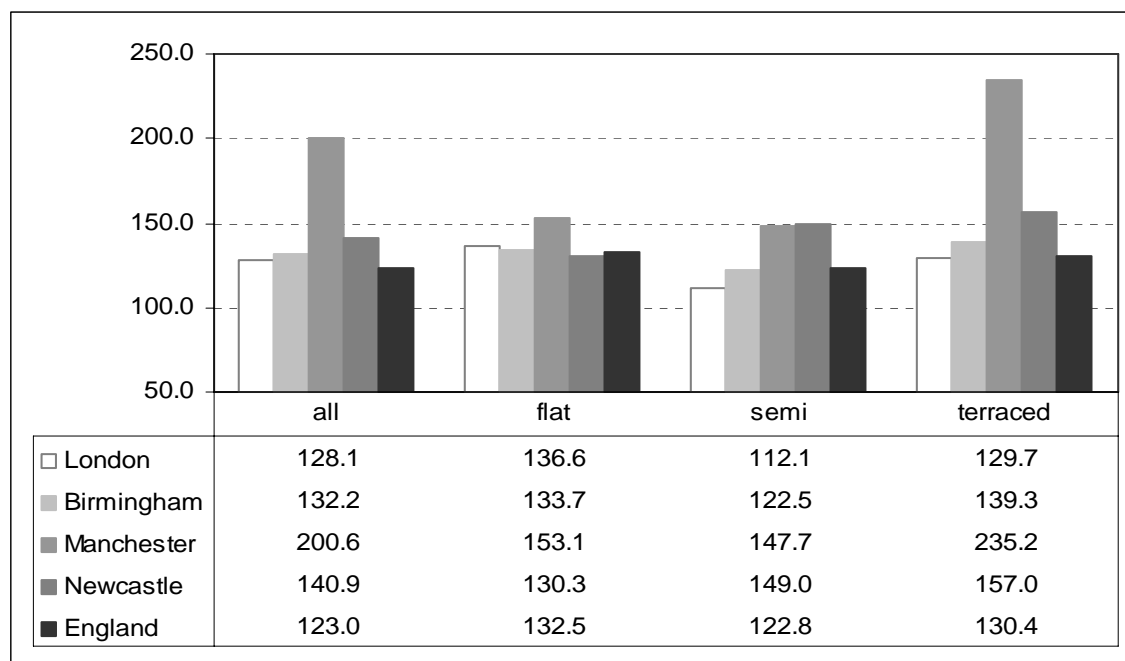
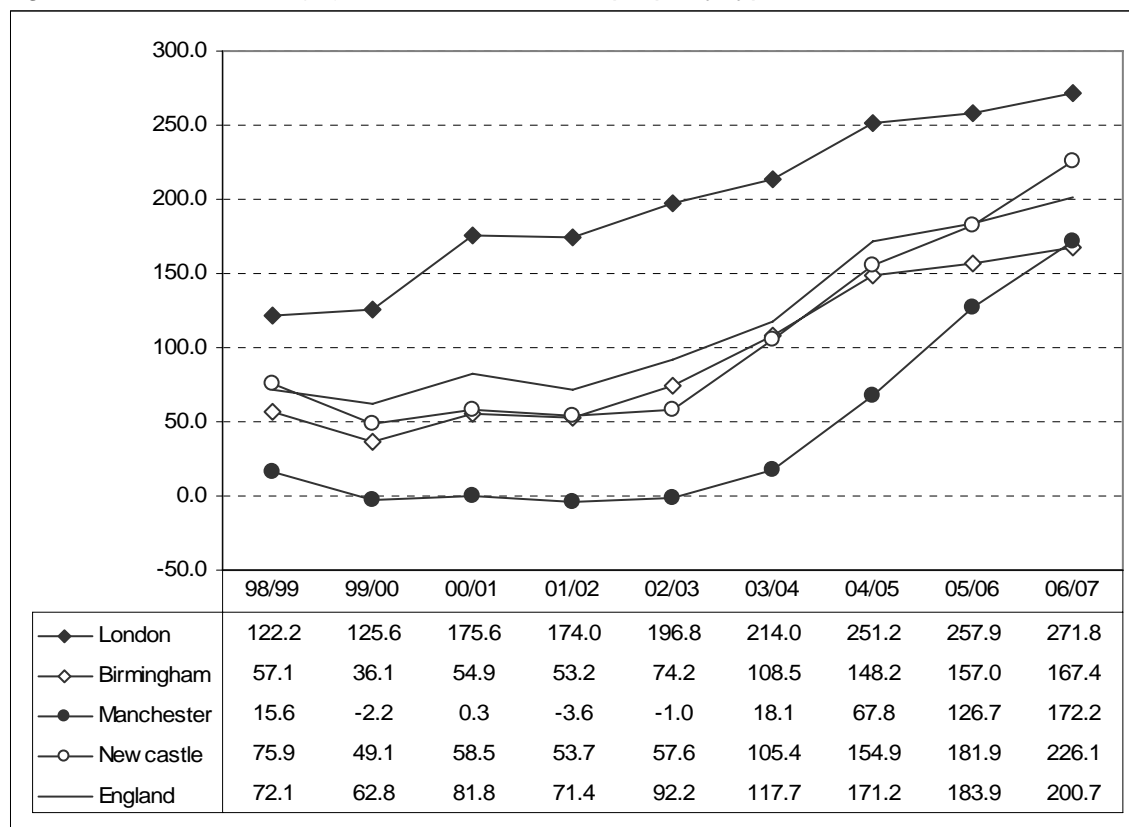


Figure 5.6 set outs the four cities' differentials of OO costs and RSL rents in percentage terms from 1998/99 to 2006/07.

- In 2006/07, differentials of Manchester (172.2%) and Birmingham (167.4%) were below the national average of 200.7% whereas London (271.8%) and Newcastle (226.1%) exceeded the national standard.
- London has done so for the observation period but Newcastle outperformed for the first time since the beginning of the period.
- Considering the latest OO cost of Newcastle was below the national average.

Figure 5.6 Differential (%) of the four cities: all property types, 1998/99 and 2006/07



Figures 5.7 to 5.9 are the breakdowns of the previous figure by property type. Recall that the disaggregation applies only to the OO cost portion.

- Regardless of property type, London's differentials have outperformed the national averages for the observation period.
- For flats, Manchester has kept its differential far above the national standard. Moreover, the city's latest figure (232.2%) exceeded London's equivalent (229.3%). By contrast, the differential for terraced properties has been below the national average, and until the latest year that for semi-detached also stayed moderate.
- Overall, Newcastle's differentials for semi-detached and terraced properties have developed above the national levels. The city's differential for flats was close to the national average at the beginning and the end of the observation period but in-between it was below the standard.
- Birmingham has placed its differentials for semi-detached and terraced properties at around the national average but the city has kept underperforming figure for flats.

Figure 5.7 Differential (%) of the four cities: flat, 1998/99 and 2006/07

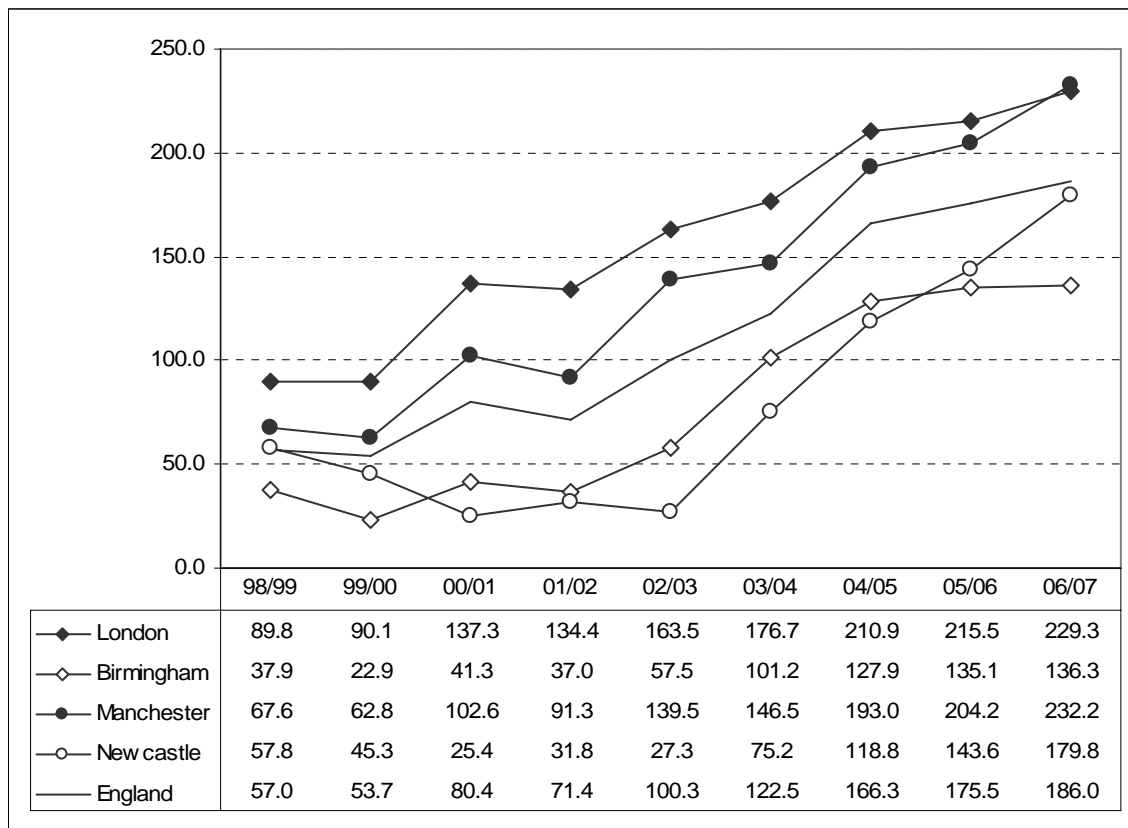


Figure 5.8 Differential (%) of the four cities: semi-detached, 1998/99 and 2006/07

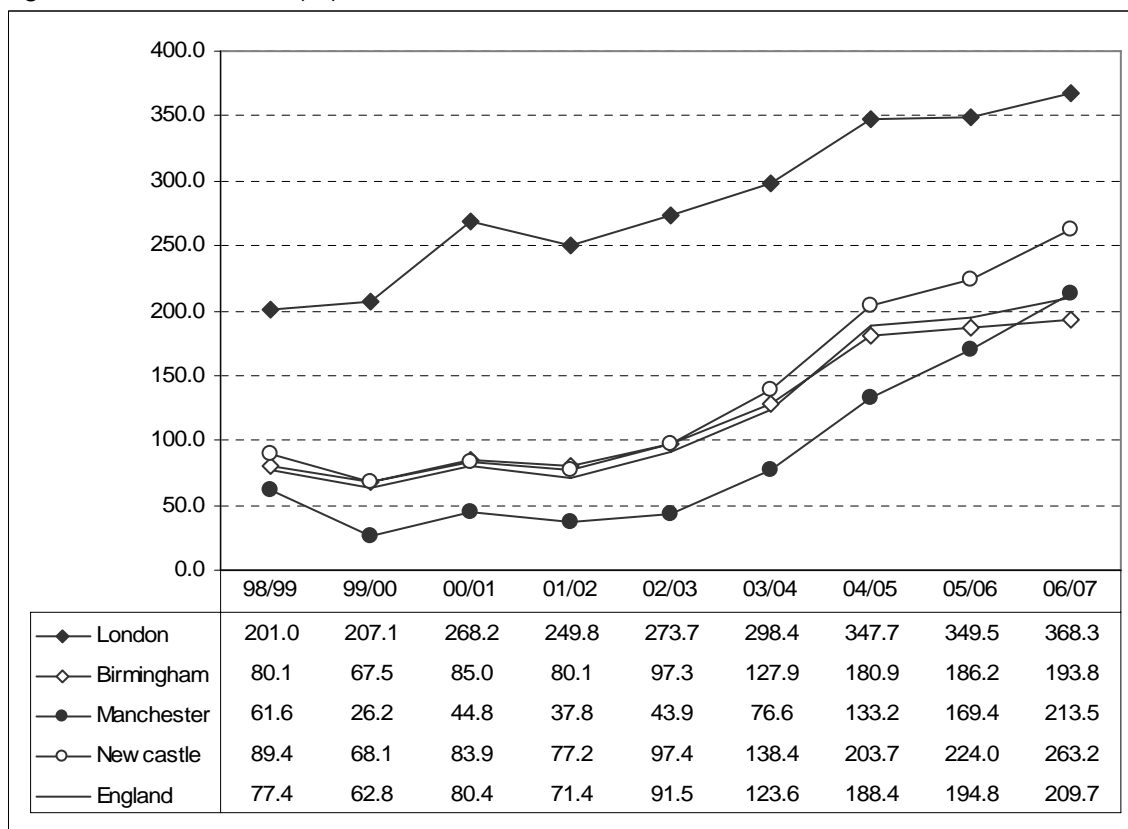


Figure 5.9 Differential (%) of the four cities: terraced, 1998/99 and 2006/07

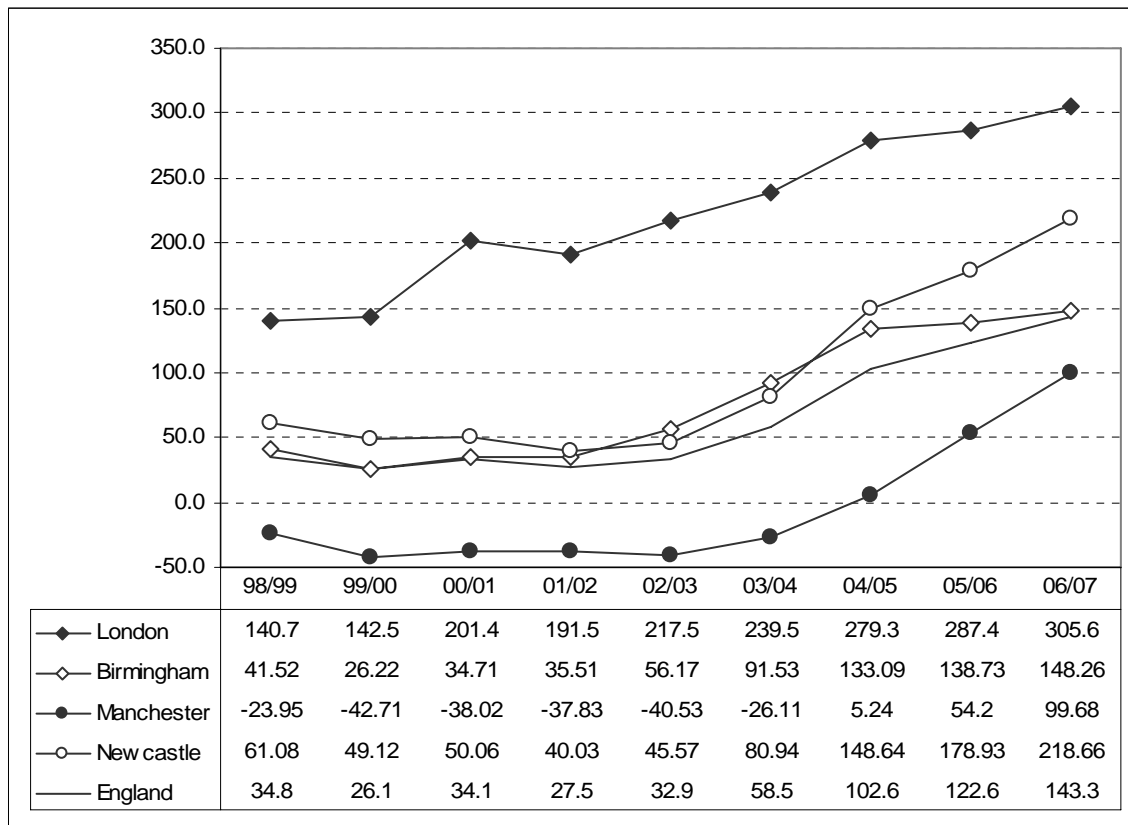
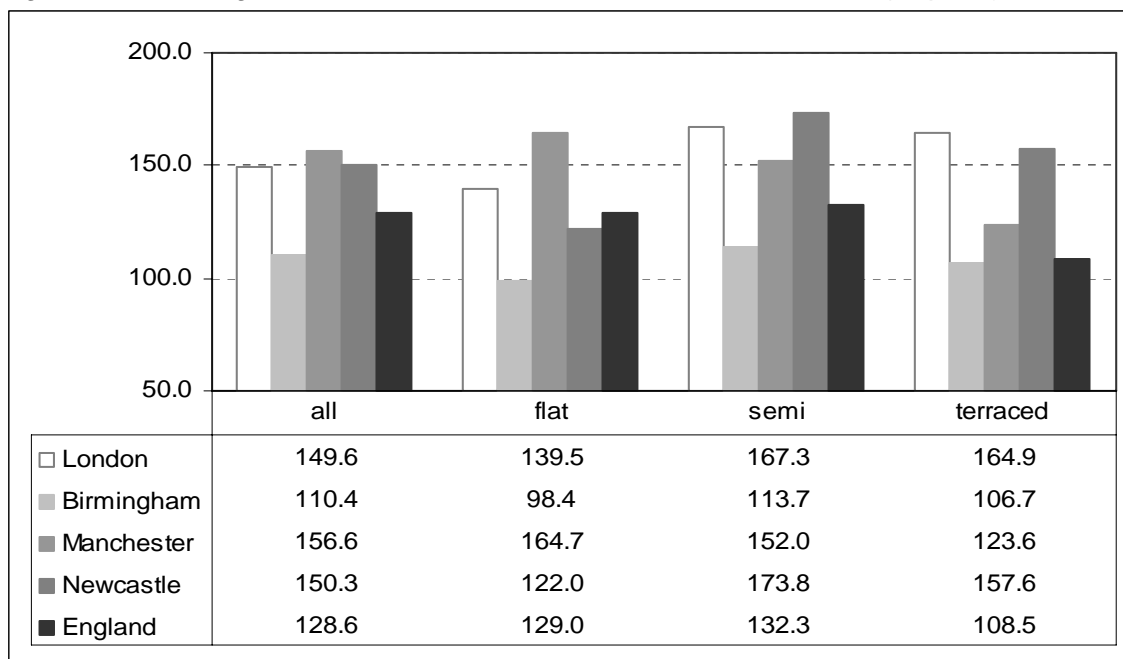


Figure 5.10 sets out changes in differentials between the beginning and the end of the observation period.

- Manchester's changes were above the national growth rates for all properties as well as for each property type.
- London outperformed the national averages except semi-detached. This is mainly because the differential for this property type was already significantly high in the base year.
- Newcastle's changes exceeded the national standards for all properties and terraced houses.
- Birmingham was the only one city whose growth rate for all properties underperformed the national average. In particular, the change for flats was obviously below the national figure.

Figure 5.10 Changes in differentials between 1998/99 and 2006/07 (%-point)



Conclusion

In England, user costs of owner-occupation (OO costs) rapidly increased even at low priced property markets from 1998/99 to 2006/07, particularly in the second half of the period. Differentials between OO costs and RSL rents expanded for the period, making OO costs more than double RSL rents in all regions by 2006/07. On the other hand, RSL rents rose slowly (but steadily).

When the analysis is put in the context of local housing markets, the distribution of differentials across LA areas has narrowed for the recent few years. This means that the magnitude of difficulty of home-ownership for social renters is becoming less varied spatially. One possible explanation for the repressed variation is the rent restructuring regime, which is currently showing a measurable improvement in terms of rents related to capital values and spatial variations, both of which OO costs automatically reflect. In this context, the regulatory framework appears to be reducing complexity of the relationship between OO costs and RSL rents.

The other issue in the spatial analysis is that there are some LA areas whose differentials are ranked inversely according to their OO costs. Among the four metropolitan areas, Newcastle has this feature. It has the differential higher than the national average while keeping its OO cost below the national level. This indicates that the access to owner-occupation market in the city is easy relative to the national standard for low income households overall but not for social renters.

Reference

Baddeley, M (2005) *Behavioural Complexity in British Housing Markets: An Analysis of Neighbourhood Statistics for England and Wales, 2002*. CEPP Working Paper no.09/05. Cambridge: CEPP.

Council of Mortgage Lenders (CML) (2006) *Housing tenure choices by the young*. Housing Finance Issue 07. London: CML.

Department of Communities and Local Government (DCLG) (2007) *Housing in England 2005/06*. London: DCLG.

Hills, John (2007) Ends and Means: *The Future Roles of Social Housing in England*. CASE paper, London: The ESRC Centre for Analysis of Social Exclusion.

Kiddle, C (2001) *Comparing Costs of Owner Occupation with RSL Rents: A Geographical Analysis*. Dataspring Discussion Paper. Cambridge: CCHPR.

Sinai, Todd and Souleles, Nicholas S (2005) Owner-Occupied Housing as a Hedge against Rent Risk. *Quarterly Journal of Economics*.

Whitehead, C (2008) *Data and Their Quality for Guide to Local Rents Part I*. Internal document.

Whitehead and Cao (2007) *Comparing Rents and User Costs*. Dataspring Discussion Paper. Cambridge: CCHPR.

Annex 1: Owner occupation weekly cost

These data estimate the weekly costs of owner-occupation for first-time buyers. The data are only presented for all dwelling sizes combined. The costs have been calculated by Dataspring⁹ using the following variables:

(1) Average size of loan

The size of the loan is calculated by multiplying the lower quartile house price for each LA area by the (UK) average percentage advance for first-time buyers.

Example:

Lower quartile house price for Southampton in 2006/07 = £127,988

UK average percentage advance for first-time buyers in 2006/07 = 90%

Size of loan for Southampton = £115,189

The lower quartile house price is used to reflect the assumption that first-time buyers enter the lower end of the housing market.

The average percentage advance for first-time buyers is the unweighted 12-month (April 2006 – March 2007) average of median percentage advances for UK.¹⁰ The definition of 'first-time buyer' is based on the applicant's last tenure and covers any type of tenure other than owner-occupier.

(2) Weekly repayment of loan

The weekly cost of repaying the loan is based on a repayment mortgage (covering interest and capital) spread over 25 years.

The rate of interest used (6.70%) is the unweighted 12-month (April 2006 – March 2007) average.¹¹ This particular rate of interest was selected because it is derived from data for both building societies and banks.¹²

Thus, the annual repayment on a loan of £115,189 is £9,618.76, i.e., the weekly equivalent is £184.98.

(3) Buildings insurance premium

The average premium across all regions and for all property sizes is £210.87 per annum – the unweighted average of four quarters ending in April 2007.¹³ Therefore the weekly cost included in the weekly cost of owner-occupation is £4.06. This is likely to be a slightly over estimate because of the size of property purchased by first time buyers.

⁹ The *Guide to Local Rents: Parts I, II & III* are produced on behalf of the HC by Dataspring, a team of researchers based in the Cambridge Centre for Housing and Planning Research, University of Cambridge.

¹⁰ Council of Mortgage Lenders (CML) Statistics, First-time buyers, lending and affordability, Table ML2 (www.cml.org.uk).

¹¹ The Office for National Statistics (ONS), 'Building society & bank basic mortgage rate', ONS, *Financial Statistics* No.547 2007, (www.statistics.gov.uk/STATBASE/Product.asp?vlnk=376, Table 13.12).

¹² However, there are other interest rates that could have been used, e.g., the building society average mortgage rate. However, because the weekly repayment is sensitive to changes in the rate of interest. If the average building society rate (5.23%) is used then the weekly repayment on a loan of £111,600 would be £154.88, a difference of £24.17 per week.

¹³ According to the AA *British Insurance Premium Index (home building premiums)*.

(4) Mortgage payment protection insurance (MPPI)

This cost has been included in the calculation to cover the costs of the mortgage repayment in the event of loss of earnings arising from accident, sickness or unemployment. An owner-occupier does not have entitlement to Housing Benefit, as an LA or HA tenant would, nor is income support for mortgage interest payable straight away. To achieve a reasonable safety net to cover mortgage costs the insurance premium included in the calculation (based on 12 months' benefit) is £5.20 per £100 of monthly mortgage payment at the end of 2006.¹⁴ Thus, on a weekly repayment of £184.98 the MPPI premium is £9.62.

(5) Loss of imputed interest on the deposit

The average size of the deposit is 10% (derived from the average percentage advance of 90%). If the money used as the deposit for house purchase had been lodged in a savings account instead, then it would have accrued interest. The loss of interest is thus included as a cost in the calculation. The rate of interest used (4.28%) is the unweighted 12-month average of the ONS, 'Building society retail shares and deposits average rate (gross)'. It is assumed that interest is paid net of the basic rate of income tax of 20% according to the HM Revenue & Customs.

Example:

Lower quartile house price for Southampton in 2006/07 = £127,988

Average percentage deposit for first-time buyers in 2006/07 = 10%

Average size of deposit for Southampton = £12,798.80

Weekly loss of interest (net of income tax) on the deposit (3.42%) = £8.42.

Total weekly costs¹⁵

Using Southampton as an example, the average weekly costs of owner-occupation are:

Repayment of loan	£184.98
Building insurance	£ 4.06
Mortgage payment protection insurance	£ 9.62
Loss of interest on the deposit	<u>£ 8.42</u>
Total	<u>£207.07</u>

This figure provides a guideline only: an owner-occupier has to bear other costs, such as repairs and renovations, and the risk of property prices falling. On the other hand, as the loan is repaid the owner-occupier gains an asset and, if house prices rise, makes a capital gain.

¹⁴ CML Statistics, First-time buyers, lending and affordability, Table PPI3.

¹⁵ Due to rounding at various stages of data processing, errors at a 2-decimal place level might be allowed.

Annex 2: OO costs by property type: England**Detached**

	Nominal		Real	
	OO cost	Change (%)	OO cost	Change (%)
1998/99	150.57		150.57	
1999/00	143.02	-5.0	141.46	-6.0
2000/01	164.73	15.2	157.79	11.5
2001/02	168.96	2.6	159.10	0.8
2002/03	189.08	11.9	175.07	10.0
2003/04	223.39	18.1	201.25	15.0
2004/05	276.75	23.9	241.91	20.2
2005/06	298.79	8.0	254.29	5.1
2006/07	321.30	7.5	264.01	3.8
98/99 to 06/07		113.4		75.3
Annual average		9.9		7.3

Flats

	Nominal		Real	
	OO cost	Change (%)	OO cost	Change (%)
1998/99	82.25		82.25	
1999/00	82.36	0.1	81.46	-1.0
2000/01	98.08	19.1	93.95	15.3
2001/02	96.45	-1.7	90.82	-3.3
2002/03	114.33	18.5	105.86	16.6
2003/04	130.78	14.4	117.82	11.3
2004/05	164.64	25.9	143.92	22.1
2005/06	177.77	8.0	151.29	5.1
2006/07	191.23	7.6	157.13	3.9
98/99 to 06/07		132.5		91.0
Annual average		11.1		8.4

Semis

	Nominal		Real	
	OO cost	Change (%)	OO cost	Change (%)
1998/99	92.95		92.95	
1999/00	87.28	-6.1	86.33	-7.1
2000/01	98.08	12.4	93.95	8.8
2001/02	96.44	-1.7	90.81	-3.3
2002/03	109.35	13.4	101.25	11.5
2003/04	131.47	20.2	118.44	17.0
2004/05	178.27	35.6	155.83	31.6
2005/06	190.18	6.7	161.86	3.9
2006/07	207.09	8.9	170.16	5.1
98/99 to 06/07		122.8		83.1
Annual average		10.5		7.9

Terraced

	Nominal		Real	
	OO cost	Change (%)	OO cost	Change (%)
1998/99	70.61		70.61	
1999/00	67.60	-4.3	66.86	-5.3
2000/01	72.89	7.8	69.82	4.4
2001/02	71.76	-1.6	67.57	-3.2
2002/03	75.89	5.8	70.27	4.0
2003/04	93.17	22.8	83.94	19.5
2004/05	125.25	34.4	109.48	30.4
2005/06	143.64	14.7	122.25	11.7
2006/07	162.68	13.3	133.67	9.3
98/99 to 06/07		130.4		89.3
Annual average		11.0		8.3

Annex 3 LA areas with OO costs above the estimated bearable level: 2006/07

	All		Flat		Semi		Terraced	
	Count	%	Count	%	Count	%	Count	%
East	33	68.8	8	16.7	6	12.5	26	54.2
East Midlands	6	15.0	0	0.0	37	92.5	1	2.5
London	32	100.0	28	87.5	32	100.0	32	100.0
North East	0	0.0	0	0.0	0	0.0	0	0.0
North West	5	11.6	0	0.0	6	14.0	0	0.0
South East	55	82.1	22	32.8	67	100.0	54	80.6
South West	34	77.3	1	2.3	41	93.2	19	43.2
West Midlands	9	26.5	0	0.0	11	32.4	2	5.9
Yorkshire & Humber	4	19.0	0	0.0	5	23.8	1	4.8
Total	178	50.6	59	16.8	205	58.2	135	38.4

Annex 4 Differential between OO costs and RSL rents by property type

NB: Property types apply only to OO costs.

England

Table A.4.1 Flat: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	29.86		57.0		30.38		58.6	
1999/00	28.76	-3.7	53.7	-3.3	29.30	-3.6	55.2	-3.3
2000/01	43.71	52.0	80.4	26.7	44.27	51.1	82.3	27.1
2001/02	40.17	-8.1	71.4	-9.0	40.74	-8.0	73.1	-9.1
2002/03	57.24	42.5	100.3	28.9	57.80	41.9	102.2	29.1
2003/04	71.99	25.8	122.5	22.2	72.57	25.6	124.7	22.4
2004/05	102.82	42.8	166.3	43.9	103.48	42.6	169.2	44.5
2005/06	113.25	10.1	175.5	9.2	113.89	10.1	178.3	9.1
2006/07	124.37	9.8	186.0	10.5	125.00	9.8	188.7	10.4
98/99 – 06/07		316.5		129.0		311.5		130.2
Estimated annual		19.5		16.1		19.3		16.3

Table A.4.2 Flat: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	29.86		30.38	
1999/00	28.45	-4.7	28.98	-4.6
2000/01	41.87	47.2	42.40	46.3
2001/02	37.82	-9.7	38.36	-9.5
2002/03	53.00	40.1	53.52	39.5
2003/04	64.86	22.4	65.38	22.2
2004/05	89.88	38.6	90.45	38.4
2005/06	96.38	7.2	96.93	7.2
2006/07	102.19	6.0	102.71	6.0
98/99 – 06/07		242.2		238.1
Estimated annual		16.6		16.4

Table A.4.3 Semi-detached: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	40.56		77.4		41.08		79.2	
1999/00	33.68	-17.0	62.8	-14.6	34.22	-16.7	64.5	-14.7
2000/01	43.71	29.8	80.4	17.6	44.27	29.4	82.3	17.8
2001/02	40.16	-8.1	71.4	-9.0	40.73	-8.0	73.1	-9.2
2002/03	52.26	30.1	91.5	20.2	52.82	29.7	93.4	20.3
2003/04	72.68	39.1	123.6	32.1	73.26	38.7	125.9	32.4
2004/05	116.45	60.2	188.4	64.7	117.11	59.9	191.5	65.6
2005/06	125.66	7.9	194.8	6.4	126.30	7.8	197.7	6.2
2006/07	140.23	11.6	209.7	15.0	140.86	11.5	212.7	15.0
98/99 – 06/07		245.7		132.3		242.9		133.5
Estimated annual		16.8		16.5		16.7		16.7

Table A.4.4 Semi-detached: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	40.56		41.08	
1999/00	33.31	-17.9	33.85	-17.6
2000/01	41.87	25.7	42.40	25.3
2001/02	37.82	-9.7	38.35	-9.6
2002/03	48.39	28.0	48.91	27.5
2003/04	65.48	35.3	66.00	34.9
2004/05	101.79	55.5	102.37	55.1
2005/06	106.94	5.1	107.49	5.0
2006/07	115.23	7.7	115.74	7.7
98/99 – 06/07		184.1		181.8
Estimated annual				13.8

Table A.4.5 Terraced: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	18.22		34.8		18.74		36.1	
1999/00	14.00	-23.2	26.1	-8.7	14.54	-22.4	27.4	-8.7
2000/01	18.52	32.3	34.1	7.9	19.08	31.2	35.5	8.1
2001/02	15.48	-16.4	27.5	-6.6	16.05	-15.9	28.8	-6.6
2002/03	18.80	21.4	32.9	5.4	19.36	20.6	34.2	5.4
2003/04	34.38	82.9	58.5	25.5	34.96	80.6	60.1	25.8
2004/05	63.43	84.5	102.6	44.1	64.09	83.3	104.8	44.7
2005/06	79.12	24.7	122.6	20.0	79.76	24.4	124.9	20.1
2006/07	95.82	21.1	143.3	20.7	96.45	20.9	145.6	20.8
98/99 – 06/07		425.9		108.5		414.7		109.5
Estimated annual		23.1		13.6		22.7		13.7

Table A.4.6 Terraced: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	18.22		18.74	
1999/00	13.85	-24.0	14.38	-23.3
2000/01	17.74	28.1	18.28	27.1
2001/02	14.58	-17.8	15.11	-17.3
2002/03	17.41	19.4	17.93	18.6
2003/04	30.97	77.9	31.50	75.7
2004/05	55.45	79.0	56.02	77.9
2005/06	67.34	21.4	67.88	21.2
2006/07	78.73	16.9	79.25	16.8
98/99 – 06/07		332.1		322.9
Estimated annual				19.8

The East

Table A.4.7 Flat: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	14.83		28.0		15.22		29.0	
1999/00	12.04	-18.8	22.0	-6.0	12.48	-18.0	23.0	-6.0
2000/01	25.33	110.4	45.0	23.0	25.78	106.6	46.2	23.2
2001/02	25.37	0.2	43.8	-1.2	25.82	0.2	44.9	-1.3
2002/03	41.91	65.2	70.3	26.5	42.36	64.1	71.6	26.7
2003/04	58.49	39.6	95.7	25.4	58.94	39.1	97.1	25.5
2004/05	84.03	43.7	131.4	35.7	84.52	43.4	133.2	36.1
2005/06	96.55	14.9	145.2	13.8	97.03	14.8	147.0	13.8
2006/07	109.43	13.3	158.4	13.1	109.93	13.3	160.2	13.2
98/99 – 06/07		637.9		130.4		622.3		131.3
Estimated annual		28.4		16.3		28.0		16.4

Table A.4.8 Flat: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	14.83		15.22	
1999/00	11.91	-19.7	12.34	-18.9
2000/01	24.26	103.7	24.69	100.0
2001/02	23.89	-1.5	24.31	-1.5
2002/03	38.81	62.4	39.22	61.3
2003/04	52.69	35.8	53.10	35.4
2004/05	73.45	39.4	73.88	39.1
2005/06	82.17	11.9	82.58	11.8
2006/07	89.92	9.4	90.33	9.4
98/99 – 06/07		506.3		493.5
Estimated annual				24.9

Table A.4.9 Semi: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	49.27		93.0		49.66		94.4	
1999/00	44.83	-9.0	81.9	-11.1	45.27	-8.8	83.4	-11.1
2000/01	65.15	45.3	115.7	33.8	65.60	44.9	117.4	34.1
2001/02	69.27	6.3	119.5	3.8	69.72	6.3	121.2	3.8
2002/03	85.33	23.2	143.1	23.6	85.78	23.0	145.0	23.7
2003/04	110.02	28.9	179.9	36.8	110.47	28.8	182.0	37.0
2004/05	144.63	31.5	226.2	46.2	145.12	31.4	228.7	46.7
2005/06	154.73	7.0	232.8	6.6	155.21	7.0	235.2	6.5
2006/07	172.80	11.7	250.0	17.3	173.30	11.7	252.6	17.4
98/99 – 06/07		250.7		157.1		249.0		158.1
Estimated annual		17.0		19.6		16.9		19.8

Table A.4.10 Semi: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	49.27		49.66	
1999/00	44.34	-10.0	44.78	-9.8
2000/01	62.40	40.7	62.84	40.3
2001/02	65.23	4.5	65.65	4.5
2002/03	79.01	21.1	79.43	21.0
2003/04	99.12	25.5	99.52	25.3
2004/05	126.42	27.6	126.85	27.5
2005/06	131.69	4.2	132.09	4.1
2006/07	141.99	7.8	142.40	7.8
98/99 – 06/07		188.2		186.7
Estimated annual				14.1

Table A.4.11 Terraced: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	31.58		59.6		31.97		60.8	
1999/00	27.62	-12.5	50.5	-9.1	28.06	-12.2	51.7	-9.1
2000/01	43.74	58.4	77.7	27.2	44.19	57.5	79.1	27.4
2001/02	46.21	5.6	79.7	2.0	46.66	5.6	81.1	2.0
2002/03	61.84	33.8	103.7	24.0	62.29	33.5	105.3	24.1
2003/04	82.09	32.7	134.3	30.5	82.54	32.5	136.0	30.7
2004/05	117.36	43.0	183.5	49.3	117.85	42.8	185.8	49.8
2005/06	123.70	5.4	186.1	2.6	124.18	5.4	188.2	2.4
2006/07	139.57	12.8	202.0	15.9	140.07	12.8	204.1	16.0
98/99 – 06/07		342.0		142.4		338.1		143.4
Estimated annual		20.4		17.8		20.3		17.9

Table A.4.12 Terraced: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	31.58		31.97	
1999/00	27.32	-13.5	27.75	-13.2
2000/01	41.90	53.4	42.33	52.5
2001/02	43.51	3.9	43.94	3.8
2002/03	57.26	31.6	57.68	31.3
2003/04	73.95	29.2	74.36	28.9
2004/05	102.59	38.7	103.02	38.5
2005/06	105.28	2.6	105.69	2.6
2006/07	114.68	8.9	115.09	8.9
98/99 – 06/07		263.2		260.0
Estimated annual				17.4

The East Midlands

Table A.4.13 Flat: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	5.87		12.0		6.10		12.5	
1999/00	3.07	-47.7	6.3	-5.7	3.30	-45.9	6.8	-5.8
2000/01	9.32	203.6	18.7	12.5	9.56	189.7	19.3	12.5
2001/02	8.96	-3.9	17.8	-0.9	9.20	-3.8	18.3	-1.0
2002/03	20.68	130.8	40.0	22.3	20.91	127.3	40.7	22.3
2003/04	40.18	94.3	75.8	35.8	40.43	93.4	76.7	36.0
2004/05	68.24	69.8	121.3	45.5	68.55	69.6	122.5	45.9
2005/06	75.24	10.3	127.4	6.0	75.52	10.2	128.4	5.9
2006/07	81.23	8.0	132.0	4.6	81.52	7.9	133.1	4.7
98/99 – 06/07		1283.8		120.0		1236.4		120.6
Estimated annual		38.9		15.0		38.3		15.1

Table A.4.14 Flat: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	5.87		6.10	
1999/00	3.04	-48.3	3.26	-46.5
2000/01	8.93	194.0	9.16	180.5
2001/02	8.44	-5.5	8.66	-5.4
2002/03	19.15	127.0	19.36	123.5
2003/04	36.20	89.0	36.42	88.1
2004/05	59.65	64.8	59.92	64.5
2005/06	64.03	7.3	64.27	7.3
2006/07	66.75	4.2	66.98	4.2
98/99 – 06/07		1037.1		998.1
Estimated annual				34.9

Table A.4.15 Semi: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	28.21		57.7		28.44		58.4	
1999/00	23.48	-16.8	48.0	-9.7	23.71	-16.6	48.6	-9.8
2000/01	31.74	35.2	63.7	15.8	31.98	34.9	64.5	15.9
2001/02	30.56	-3.7	60.6	-3.2	30.80	-3.7	61.3	-3.2
2002/03	41.32	35.2	80.0	19.4	41.55	34.9	80.8	19.5
2003/04	62.47	51.2	117.9	37.9	62.72	51.0	118.9	38.1
2004/05	92.48	48.0	164.4	46.5	92.79	47.9	165.9	47.0
2005/06	107.82	16.6	182.5	18.1	108.10	16.5	183.8	18.0
2006/07	120.09	11.4	195.1	12.6	120.38	11.4	196.5	12.7
98/99 – 06/07		325.7		137.5		323.3		138.1
Estimated annual		19.8		17.2		19.8		17.3

Table A.4.16 Semi: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	28.21		28.44	
1999/00	23.22	-17.7	23.45	-17.5
2000/01	30.40	30.9	30.63	30.6
2001/02	28.78	-5.3	29.00	-5.3
2002/03	38.26	33.0	38.47	32.7
2003/04	56.28	47.1	56.50	46.9
2004/05	80.84	43.6	81.11	43.5
2005/06	91.76	13.5	92.00	13.4
2006/07	98.68	7.5	98.92	7.5
98/99 – 06/07		249.8		247.8
Estimated annual				16.9

Table A.4.17 Terraced: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	9.03		18.5		9.26		9.03	
1999/00	5.53	-38.8	11.3	-7.2	5.76	-37.8	5.53	-38.8
2000/01	11.48	107.6	23.1	11.8	11.72	103.5	11.48	107.6
2001/02	9.73	-15.2	19.3	-3.8	9.97	-14.9	9.73	-15.2
2002/03	19.25	97.8	37.3	18.0	19.48	95.4	19.25	97.8
2003/04	38.79	101.5	73.2	35.9	39.04	100.4	38.79	101.5
2004/05	65.97	70.1	117.3	44.1	66.28	69.8	65.97	70.1
2005/06	76.79	16.4	130.0	12.7	77.07	16.3	76.79	16.4
2006/07	85.28	11.1	138.6	8.6	85.57	11.0	85.28	11.1
98/99 – 06/07		844.4		120.1		824.1		844.4
Estimated annual		32.4		15.0		32.0		15.1

Table A.4.18 Terraced: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	9.03		9.26	
1999/00	5.47	-39.4	5.70	-38.5
2000/01	11.00	101.0	11.23	97.0
2001/02	9.16	-16.7	9.39	-16.4
2002/03	17.82	94.5	18.04	92.1
2003/04	34.95	96.1	35.17	95.0
2004/05	57.67	65.0	57.94	64.7
2005/06	65.35	13.3	65.59	13.2
2006/07	70.07	7.2	70.31	7.2
98/99 – 06/07		676.0		659.3
Estimated annual				28.8

London

Table A.4.19 Flat: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	54.09		89.8		55.21		93.4	
1999/00	56.11	3.7	90.1	0.3	57.30	3.8	93.8	0.4
2000/01	87.24	55.5	137.3	47.2	88.41	54.3	141.7	48.0
2001/02	88.91	1.9	134.4	-2.9	90.19	2.0	139.0	-2.7
2002/03	112.03	26.0	163.5	29.1	113.34	25.7	168.7	29.7
2003/04	125.31	11.9	176.7	13.2	126.65	11.7	182.0	13.4
2004/05	158.97	26.9	210.9	34.3	160.39	26.6	216.9	34.9
2005/06	169.64	6.7	215.5	4.6	171.05	6.6	221.3	4.3
2006/07	188.39	11.1	229.3	13.8	189.76	10.9	234.9	13.6
98/99 – 06/07		248.3		139.6		243.7		141.5
Estimated annual		16.9		17.4		16.7		17.7

Table A.4.20 Flat: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	54.09		55.21	
1999/00	55.50	2.6	56.68	2.7
2000/01	83.56	50.6	84.68	49.4
2001/02	83.72	0.2	84.92	0.3
2002/03	103.73	23.9	104.94	23.6
2003/04	112.89	8.8	114.10	8.7
2004/05	138.96	23.1	140.20	22.9
2005/06	144.37	3.9	145.57	3.8
2006/07	154.80	7.2	155.92	7.1
98/99 – 06/07		186.2		182.4
Estimated annual				13.9

Table A.4.21 Semi: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	121.11		201.0		122.23		206.7	
1999/00	129.07	6.6	207.1	6.2	130.26	6.6	213.1	6.5
2000/01	170.42	32.0	268.2	61.1	171.59	31.7	275.1	62.0
2001/02	165.29	-3.0	249.8	-18.4	166.57	-2.9	256.7	-18.4
2002/03	187.50	13.4	273.7	23.8	188.81	13.4	281.0	24.3
2003/04	211.66	12.9	298.4	24.7	213.00	12.8	306.1	25.1
2004/05	261.99	23.8	347.7	49.3	263.41	23.7	356.3	50.2
2005/06	275.14	5.0	349.5	1.9	276.55	5.0	357.7	1.5
2006/07	302.60	10.0	368.3	18.8	303.97	9.9	376.3	18.5
98/99 – 06/07		149.9		167.4		148.7		169.6
Estimated annual		12.1		20.9		12.1		21.2

Table A.4.22: Semi: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	change (%)
1998/99	121.11		122.23	
1999/00	127.67	5.4	128.84	5.4
2000/01	163.24	27.9	164.36	27.6
2001/02	155.64	-4.7	156.85	-4.6
2002/03	173.61	11.5	174.82	11.5
2003/04	190.68	9.8	191.89	9.8
2004/05	229.01	20.1	230.25	20.0
2005/06	234.16	2.2	235.36	2.2
2006/07	248.64	6.2	249.77	6.1
98/99 – 06/07		105.3		104.3
Estimated annual				9.3

Table A.4.23 Terraced: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	84.81		140.7		85.93		145.3	
1999/00	88.82	4.7	142.5	1.8	90.01	4.7	147.3	2.0
2000/01	128.01	44.1	201.4	58.9	129.18	43.5	207.1	59.8
2001/02	126.72	-1.0	191.5	-9.9	128.00	-0.9	197.3	-9.8
2002/03	149.05	17.6	217.5	26.0	150.36	17.5	223.7	26.5
2003/04	169.87	14.0	239.5	22.0	171.21	13.9	246.0	22.3
2004/05	210.48	23.9	279.3	39.8	211.90	23.8	286.6	40.6
2005/06	226.27	7.5	287.4	8.1	227.68	7.4	294.5	7.9
2006/07	251.04	10.9	305.6	18.2	252.41	10.9	312.4	17.9
98/99 – 06/07		196.0		164.9		193.7		167.2
Estimated annual		14.5		20.6		14.4		20.9

Table A.4.24 Terraced: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	84.81		85.93	
1999/00	87.85	3.6	89.03	3.6
2000/01	122.61	39.6	123.74	39.0
2001/02	119.32	-2.7	120.53	-2.6
2002/03	138.01	15.7	139.22	15.5
2003/04	153.04	10.9	154.24	10.8
2004/05	183.99	20.2	185.23	20.1
2005/06	192.57	4.7	193.77	4.6
2006/07	206.28	7.1	207.40	7.0
98/99 – 06/07		143.2		141.4
Estimated annual				11.6

The North East

Table A.4.25 Flat: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	6.02		13.6		6.19		14.1	
1999/00	1.10	-81.7	2.4	-11.2	1.28	-79.3	2.8	-11.3
2000/01	2.49	126.4	5.4	3.0	2.67	108.6	5.8	3.0
2001/02	-1.20	-148.2	-2.6	-8.0	-1.06	-139.7	-2.3	-8.1
2002/03	-1.01	n.a	-2.1	0.5	-0.87	n.a	-1.8	0.4
2003/04	17.52	n.a	35.6	37.7	17.65	n.a	36.0	37.8
2004/05	43.17	146.4	83.4	47.7	43.31	145.4	83.9	47.9
2005/06	58.06	34.5	106.5	23.1	58.22	34.4	107.1	23.2
2006/07	71.80	23.7	128.3	21.8	72.00	23.7	129.1	22.0
98/99 – 06/07		1092.7		114.6		1063.2		115.0
Estimated annual		36.3		14.3		35.9		14.4

Table A.4.26 Flat: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	6.02		6.19	
1999/00	1.09	-81.9	1.27	-79.5
2000/01	2.39	119.2	2.56	102.0
2001/02	-1.13	-147.3	-1.00	-139.1
2002/03	-0.94	n.a	-0.81	n.a
2003/04	15.78	n.a	15.90	n.a
2004/05	37.74	139.1	37.86	138.1
2005/06	49.41	30.9	49.55	30.9
2006/07	59.00	19.4	59.16	19.4
98/99 – 06/07		880.0		855.8
Estimated annual				32.6

Table A.4.27 Semi: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	33.02		74.9		33.19		75.6	
1999/00	25.69	-22.2	56.8	-18.0	25.87	-22.1	57.5	-18.1
2000/01	30.19	17.5	65.3	8.4	30.37	17.4	65.9	8.4
2001/02	25.11	-16.8	53.8	-11.4	25.25	-16.9	54.3	-11.6
2002/03	27.39	9.1	57.4	3.6	27.53	9.0	57.9	3.6
2003/04	48.16	75.8	97.9	40.5	48.29	75.4	98.4	40.6
2004/05	78.01	62.0	150.6	52.7	78.15	61.8	151.4	52.9
2005/06	93.75	20.2	171.9	21.3	93.91	20.2	172.7	21.3
2006/07	109.55	16.9	195.7	23.8	109.75	16.9	196.8	24.1
98/99 – 06/07		231.8		120.9		230.7		121.2
Estimated annual		16.2		15.1		16.1		15.2

Table A.4.28 Semi: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	change (%)
1998/99	33.02		33.19	
1999/00	25.41	-23.0	25.59	-22.9
2000/01	28.92	13.8	29.09	13.7
2001/02	23.64	-18.2	23.78	-18.3
2002/03	25.36	7.3	25.49	7.2
2003/04	43.39	71.1	43.50	70.7
2004/05	68.19	57.2	68.31	57.0
2005/06	79.79	17.0	79.92	17.0
2006/07	90.02	12.8	90.18	12.8
98/99 – 06/07		172.6		171.7
Estimated annual				13.3

Table A.4.29 Terraced: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	6.02		13.6		6.19		14.1	
1999/00	1.10	-81.7	2.4	-11.2	1.28	-79.3	2.8	-11.3
2000/01	1.62	47.3	3.5	1.1	1.80	40.6	3.9	1.1
2001/02	-1.20	-174.1	-2.6	-6.1	-1.06	-158.9	-2.3	-6.2
2002/03	-2.44	-103.3	-5.1	-2.5	-2.30	-91.5	-4.8	-2.6
2003/04	4.99	n.a	10.2	15.3	5.12	n.a	10.4	15.3
2004/05	28.02	461.5	54.1	44.0	28.16	450.0	54.6	44.1
2005/06	48.33	72.5	88.6	34.5	48.49	72.2	89.2	34.6
2006/07	62.29	28.9	111.3	22.7	62.49	28.9	112.0	22.9
98/99 – 06/07		934.7		97.6		909.5		97.9
Estimated annual		33.9		12.2		33.5		12.2

Table A.4.30 Terraced: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	6.02		6.19	
1999/00	1.09	-81.9	1.27	-79.5
2000/01	1.55	42.6	1.72	36.2
2001/02	-1.13	-172.8	-1.00	-157.9
2002/03	-2.26	-100.0	-2.13	-113.0
2003/04	4.50	n.a	4.61	n.a
2004/05	24.49	444.8	24.62	433.7
2005/06	41.13	67.9	41.27	67.7
2006/07	51.18	24.4	51.35	24.4
98/99 – 06/07		750.2		729.5
Estimated annual				30.3

The North West

Table A.4.31 Flat: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	20.86		47.2		21.21		48.4	
1999/00	15.00	-28.1	32.6	-14.7	15.36	-27.6	33.6	-14.8
2000/01	22.21	48.1	47.5	14.9	22.60	47.1	48.7	15.1
2001/02	18.05	-18.7	36.5	-11.0	18.43	-18.5	37.6	-11.2
2002/03	28.41	57.4	56.5	20.0	28.78	56.2	57.6	20.1
2003/04	46.10	62.3	88.7	32.3	46.49	61.5	90.2	32.5
2004/05	80.96	75.6	147.7	59.0	81.44	75.2	149.9	59.7
2005/06	94.77	17.1	167.3	19.6	95.17	16.9	169.3	19.4
2006/07	104.14	9.9	176.2	8.8	104.54	9.8	178.0	8.8
98/99 – 06/07		399.2		128.9		392.9		129.6
Estimated annual		22.3		16.1		22.1		16.2

Table A.4.32 Flat: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	20.86		21.21	
1999/00	14.84	-28.9	15.19	-28.4
2000/01	21.27	43.4	21.65	42.5
2001/02	17.00	-20.1	17.35	-19.8
2002/03	26.31	54.8	26.65	53.6
2003/04	41.53	57.9	41.88	57.2
2004/05	70.77	70.4	71.19	70.0
2005/06	80.66	14.0	81.00	13.8
2006/07	85.57	6.1	85.90	6.1
98/99 – 06/07		310.2		305.0
Estimated annual				19.1

Table A.4.33 Semi: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	40.40		91.5		40.75		93.0	
1999/00	31.89	-21.1	69.3	-22.2	32.25	-20.9	70.6	-22.4
2000/01	39.18	22.9	83.8	14.5	39.57	22.7	85.3	14.7
2001/02	33.86	-13.6	68.4	-15.3	34.24	-13.5	69.8	-15.6
2002/03	39.02	15.2	77.6	9.1	39.39	15.0	78.9	9.1
2003/04	59.33	52.1	114.2	36.7	59.72	51.6	115.8	37.0
2004/05	93.15	57.0	169.9	55.7	93.63	56.8	172.3	56.5
2005/06	117.96	26.6	208.3	38.3	118.36	26.4	210.5	38.2
2006/07	133.70	13.3	226.2	17.9	134.10	13.3	228.4	17.9
98/99 – 06/07		230.9		134.7		229.1		135.3
Estimated annual		16.1		16.8		16.1		16.9

Table A.4.34 Semi: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	40.40		40.75	
1999/00	31.54	-21.9	31.90	-21.7
2000/01	37.53	19.0	37.90	18.8
2001/02	31.88	-15.0	32.24	-14.9
2002/03	36.13	13.3	36.47	13.1
2003/04	53.45	47.9	53.80	47.5
2004/05	81.42	52.3	81.84	52.1
2005/06	100.39	23.3	100.73	23.1
2006/07	109.86	9.4	110.19	9.4
98/99 – 06/07		171.9		170.4
Estimated annual				13.2

Table A.4.35 Terraced: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	5.03		11.4		5.38		12.3	
1999/00	-1.39	-127.6	-3.0	-14.4	-1.03	-119.1	-2.3	-14.6
2000/01	0.23	n.a	0.5	3.5	0.62	-160.2	1.4	3.6
2001/02	-3.45	-1600.0	-7.0	-7.5	-3.07	-595.2	-6.3	-7.6
2002/03	-3.69	-7.0	-7.3	-0.4	-3.32	-8.1	-6.7	-0.4
2003/04	3.62	n.a	7.0	14.3	4.01	n.a	7.8	14.4
2004/05	28.01	673.8	51.1	44.1	28.49	610.5	52.4	44.7
2005/06	48.22	72.2	85.1	34.0	48.62	70.7	86.5	34.1
2006/07	63.90	32.5	108.1	23.0	64.30	32.3	109.5	23.0
98/99 – 06/07		1170.4		96.7		1095.2		97.2
Estimated annual		37.4		12.1		36.4		12.2

Table A.4.36 Terraced: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	5.03		5.38	
1999/00	-1.37	-127.3	-1.02	-118.9
2000/01	0.22	n.a	0.59	n.a
2001/02	-3.25	-1574.6	-2.89	-586.8
2002/03	-3.42	-5.2	-3.07	-6.2
2003/04	3.26	n.a	3.61	n.a
2004/05	24.48	650.8	24.90	589.4
2005/06	41.04	67.6	41.38	66.2
2006/07	52.51	27.9	52.83	27.7
98/99 – 06/07		943.9		882.1
Estimated annual				33.1

The South East

Table A.4.37 Flat: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	19.13		32.5		19.46		33.2	
1999/00	18.28	-4.4	30.1	-2.4	18.64	-4.2	30.8	-2.4
2000/01	35.15	92.3	56.6	26.6	35.53	90.6	57.6	26.8
2001/02	38.08	8.3	59.0	2.4	38.48	8.3	60.0	2.4
2002/03	51.51	35.3	77.6	18.6	51.93	35.0	78.7	18.7
2003/04	67.26	30.6	99.4	21.8	67.68	30.3	100.6	21.9
2004/05	93.54	39.1	130.2	30.8	93.99	38.9	131.6	31.0
2005/06	104.31	11.5	139.1	8.9	104.77	11.5	140.5	8.9
2006/07	115.11	10.4	148.1	9.1	115.58	10.3	149.7	9.1
98/99 – 06/07		501.7		115.7		493.9		116.5
Estimated annual		25.1		14.5		24.9		14.6

Table A.4.38 Flat: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	19.13		19.46	
1999/00	18.08	-5.5	18.44	-5.3
2000/01	33.67	86.2	34.03	84.6
2001/02	35.86	6.5	36.23	6.5
2002/03	47.69	33.0	48.08	32.7
2003/04	60.59	27.0	60.97	26.8
2004/05	81.77	34.9	82.16	34.7
2005/06	88.77	8.6	89.17	8.5
2006/07	94.59	6.5	94.97	6.5
98/99 – 06/07		394.4		388.0
Estimated annual				21.9

Table A.4.39 Semi: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	73.12		124.1		73.45		125.3	
1999/00	70.66	-3.4	116.2	-7.9	71.02	-3.3	117.5	-7.8
2000/01	99.21	40.4	159.9	43.7	99.59	40.2	161.5	44.0
2001/02	101.35	2.2	157.0	-2.8	101.75	2.2	158.7	-2.8
2002/03	119.87	18.3	180.6	23.6	120.29	18.2	182.4	23.7
2003/04	143.17	19.4	211.5	30.9	143.59	19.4	213.5	31.1
2004/05	180.65	26.2	251.4	39.9	181.10	26.1	253.6	40.2
2005/06	189.64	5.0	252.8	1.4	190.10	5.0	255.0	1.4
2006/07	208.69	10.0	268.6	15.7	209.16	10.0	270.8	15.8
98/99 – 06/07		185.4		144.5		184.8		145.5
Estimated annual		14.0		18.1		14.0		18.2

Table A.4.40 Semi: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	73.12		73.45	
1999/00	69.89	-4.4	70.25	-4.4
2000/01	95.03	36.0	95.39	35.8
2001/02	95.43	0.4	95.81	0.4
2002/03	110.99	16.3	111.38	16.3
2003/04	128.98	16.2	129.36	16.1
2004/05	157.91	22.4	158.30	22.4
2005/06	161.40	2.2	161.79	2.2
2006/07	171.48	6.2	171.87	6.2
98/99 – 06/07		134.5		134.0
Estimated annual				11.2

Table A.4.41 Terraced: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	47.05		79.8		47.38		80.9	
1999/00	41.23	-12.4	67.8	-12.0	41.59	-12.2	68.8	-12.0
2000/01	66.23	60.6	106.7	38.9	66.61	60.2	108.0	39.2
2001/02	65.86	-0.6	102.1	-4.7	66.26	-0.5	103.3	-4.7
2002/03	82.84	25.8	124.8	22.8	83.26	25.7	126.2	22.9
2003/04	103.48	24.9	152.9	28.1	103.90	24.8	154.5	28.2
2004/05	136.71	32.1	190.2	37.4	137.16	32.0	192.1	37.6
2005/06	143.10	4.7	190.8	0.5	143.56	4.7	192.6	0.5
2006/07	159.52	11.5	205.3	14.5	159.99	11.4	207.2	14.6
98/99 – 06/07		239.0		125.4		237.7		126.3
Estimated annual		16.5		15.7		16.4		15.8

Table A.4.42 Terraced: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	47.05		47.38	
1999/00	40.78	-13.3	41.14	-13.2
2000/01	63.44	55.6	63.80	55.1
2001/02	62.02	-2.2	62.39	-2.2
2002/03	76.70	23.7	77.09	23.6
2003/04	93.23	21.5	93.60	21.4
2004/05	119.50	28.2	119.90	28.1
2005/06	121.79	1.9	122.18	1.9
2006/07	131.08	7.6	131.46	7.6
98/99 – 06/07		178.6		177.5
Estimated annual				13.6

The South West

Table A.4.43 Flat: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	17.84		35.1		18.05		35.6	
1999/00	15.02	-15.8	28.6	-6.5	15.24	-15.6	29.1	-6.5
2000/01	28.06	86.8	52.4	23.8	28.31	85.8	53.1	24.0
2001/02	30.59	9.0	54.8	2.4	30.87	9.0	55.6	2.5
2002/03	42.60	39.3	74.1	19.3	42.89	38.9	75.0	19.4
2003/04	59.47	39.6	101.2	27.1	59.76	39.3	102.2	27.2
2004/05	85.68	44.1	137.6	36.4	86.02	43.9	138.9	36.7
2005/06	95.95	12.0	148.2	10.6	96.30	12.0	149.5	10.7
2006/07	111.60	16.3	166.7	18.6	111.95	16.3	168.1	18.6
98/99 – 06/07		525.6		131.7		520.2		132.5
Estimated annual		25.8		16.5		25.6		16.6

Table A.4.44 Flat: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	17.84		18.05	
1999/00	14.86	-16.7	15.07	-16.5
2000/01	26.88	80.9	27.12	79.9
2001/02	28.80	7.2	29.07	7.2
2002/03	39.44	36.9	39.71	36.6
2003/04	53.58	35.8	53.84	35.6
2004/05	74.90	39.8	75.19	39.7
2005/06	81.66	9.0	81.96	9.0
2006/07	91.70	12.3	91.99	12.2
98/99 – 06/07		414.0		409.6
Estimated annual				22.6

Table A.4.45 Semi: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	54.98		108.0		55.19		108.9	
1999/00	49.45	-10.1	94.0	-14.0	49.67	-10.0	94.9	-14.0
2000/01	71.25	44.1	133.0	39.0	71.50	44.0	134.1	39.2
2001/02	71.48	0.3	128.0	-5.0	71.76	0.4	129.2	-4.9
2002/03	87.45	22.3	152.1	24.1	87.74	22.3	153.4	24.2
2003/04	114.49	30.9	194.8	42.7	114.78	30.8	196.3	42.9
2004/05	151.59	32.4	243.4	48.6	151.93	32.4	245.2	49.0
2005/06	162.66	7.3	251.2	7.8	163.01	7.3	253.1	7.8
2006/07	182.98	12.5	273.4	22.2	183.33	12.5	275.3	22.2
98/99 – 06/07		232.8		165.3		232.2		166.4
Estimated annual		16.2		20.7		16.2		20.8

Table A.4.46 Semi: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	54.98		55.19	
1999/00	48.91	-11.0	49.13	-11.0
2000/01	68.25	39.5	68.49	39.4
2001/02	67.31	-1.4	67.57	-1.3
2002/03	80.97	20.3	81.24	20.2
2003/04	103.14	27.4	103.41	27.3
2004/05	132.51	28.5	132.81	28.4
2005/06	138.43	4.5	138.73	4.5
2006/07	150.35	8.6	150.64	8.6
98/99 – 06/07		173.5		172.9
Estimated annual				13.4

Table A.4.47 Terraced: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	34.50		67.8		34.71		68.5	
1999/00	31.42	-8.9	59.8	-8.0	31.64	-8.8	60.4	-8.0
2000/01	48.84	55.4	91.2	31.4	49.09	55.2	92.1	31.6
2001/02	51.34	5.1	92.0	0.8	51.62	5.2	92.9	0.8
2002/03	67.45	31.4	117.3	25.4	67.74	31.2	118.4	25.5
2003/04	87.33	29.5	148.6	31.3	87.62	29.3	149.8	31.4
2004/05	123.48	41.4	198.3	49.7	123.82	41.3	199.9	50.0
2005/06	130.08	5.3	200.9	2.6	130.43	5.3	202.5	2.6
2006/07	148.08	13.8	221.2	20.4	148.43	13.8	222.9	20.4
98/99 – 06/07		329.2		153.4		327.6		154.4
Estimated annual		20.0		19.2		19.9		19.3

Table A.4.48 Terraced: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	34.50		34.71	
1999/00	31.08	-9.9	31.30	-9.8
2000/01	46.78	50.5	47.02	50.2
2001/02	48.34	3.3	48.61	3.4
2002/03	62.45	29.2	62.72	29.0
2003/04	78.68	26.0	78.94	25.9
2004/05	107.94	37.2	108.23	37.1
2005/06	110.71	2.6	111.00	2.6
2006/07	121.68	9.9	121.96	9.9
98/99 – 06/07		252.7		251.4
Estimated annual				17.0

The West Midlands

Table A.4.49 Flat: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	16.02		33.3		16.45		34.5	
1999/00	9.83	-38.6	20.5	-12.8	10.25	-37.7	21.6	-12.9
2000/01	18.14	84.5	37.9	17.3	18.55	81.0	39.0	17.5
2001/02	15.40	-15.1	30.7	-7.2	15.84	-14.6	31.8	-7.2
2002/03	24.06	56.2	47.1	16.4	24.46	54.4	48.2	16.4
2003/04	44.64	85.5	84.7	37.6	45.06	84.2	86.2	38.0
2004/05	71.02	59.1	127.4	42.7	71.49	58.7	129.4	43.2
2005/06	82.22	15.8	141.0	13.5	82.71	15.7	143.0	13.7
2006/07	89.13	8.4	146.4	5.5	89.62	8.4	148.5	5.4
98/99 – 06/07		456.4		113.1		444.8		113.9
Estimated annual		23.9		14.1		23.6		14.2

Table A.4.50 Flat: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	16.02		16.45	
1999/00	9.72	-39.3	10.14	-38.4
2000/01	17.38	78.7	17.77	75.3
2001/02	14.50	-16.5	14.92	-16.1
2002/03	22.28	53.6	22.65	51.8
2003/04	40.22	80.5	40.59	79.2
2004/05	62.08	54.4	62.49	53.9
2005/06	69.97	12.7	70.39	12.6
2006/07	73.24	4.7	73.64	4.6
98/99 – 06/07		357.2		347.7
Estimated annual				20.6

Table A.4.51 Semi: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	39.29		81.7		39.72		83.4	
1999/00	34.42	-12.4	71.8	-9.9	34.84	-12.3	73.3	-10.0
2000/01	45.75	32.9	95.5	23.7	46.16	32.5	97.2	23.9
2001/02	43.17	-5.6	86.0	-9.5	43.61	-5.5	87.6	-9.5
2002/03	52.47	21.5	102.7	16.6	52.87	21.2	104.2	16.6
2003/04	71.10	35.5	134.9	32.2	71.52	35.3	136.8	32.6
2004/05	105.79	48.8	189.8	54.9	106.26	48.6	192.3	55.5
2005/06	119.45	12.9	204.8	15.0	119.94	12.9	207.4	15.1
2006/07	131.96	10.5	216.8	12.0	132.45	10.4	219.4	12.0
98/99 – 06/07		235.9		135.1		233.5		136.1
Estimated annual		16.4		16.9		16.2		17.0

Table A.4.52 Semi: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	39.29		39.72	
1999/00	34.05	-13.3	34.46	-13.2
2000/01	43.82	28.7	44.21	28.3
2001/02	40.65	-7.2	41.06	-7.1
2002/03	48.58	19.5	48.95	19.2
2003/04	64.05	31.8	64.43	31.6
2004/05	92.47	44.4	92.88	44.2
2005/06	101.66	9.9	102.08	9.9
2006/07	108.43	6.7	108.83	6.6
98/99 – 06/07		176.0		174.0
Estimated annual				13.4

Table A.4.53 Terraced: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	16.95		35.3		17.38		36.5	
1999/00	13.10	-22.7	27.3	-7.9	13.52	-22.2	28.5	-8.0
2000/01	19.87	51.7	41.5	14.1	20.28	50.0	42.7	14.2
2001/02	16.94	-14.7	33.8	-7.7	17.38	-14.3	34.9	-7.8
2002/03	24.06	42.0	47.1	13.3	24.46	40.7	48.2	13.3
2003/04	43.25	79.8	82.1	35.0	43.67	78.5	83.5	35.3
2004/05	71.02	64.2	127.4	45.4	71.49	63.7	129.4	45.8
2005/06	83.77	18.0	143.6	16.2	84.26	17.9	145.7	16.3
2006/07	93.89	12.1	154.3	10.6	94.38	12.0	156.3	10.6
98/99 – 06/07		453.9		119.0		443.0		119.9
Estimated annual		23.9		14.9		23.6		15.0

Table A.4.54 Terraced: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	16.95		17.38	
1999/00	12.96	-23.6	13.37	-23.1
2000/01	19.03	46.9	19.43	45.3
2001/02	15.95	-16.2	16.37	-15.8
2002/03	22.28	39.7	22.65	38.4
2003/04	38.96	74.9	39.34	73.7
2004/05	62.08	59.3	62.49	58.8
2005/06	71.29	14.8	71.71	14.8
2006/07	77.15	8.2	77.55	8.1
98/99 – 06/07		355.2		346.2
Estimated annual				20.6

Yorkshire and the Humber

Table A.4.55 Flat: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	15.40		32.9		16.00		34.6	
1999/00	11.29	-26.7	23.1	-9.8	11.96	-25.3	24.8	-9.8
2000/01	18.03	59.7	37.6	14.4	18.70	56.4	39.5	14.7
2001/02	15.81	-12.3	31.8	-5.8	16.51	-11.7	33.6	-5.8
2002/03	25.91	63.9	52.6	20.8	26.51	60.6	54.5	20.9
2003/04	50.59	95.3	99.3	46.7	51.19	93.1	101.7	47.2
2004/05	79.24	56.6	154.4	55.1	80.00	56.3	158.3	56.6
2005/06	90.06	13.7	166.6	12.2	90.65	13.3	169.6	11.3
2006/07	102.94	14.3	187.3	20.6	103.54	14.2	190.4	20.8
98/99 – 06/07		568.4		154.4		547.1		155.8
Estimated annual		26.8		19.3		26.3		19.5

Table A.4.55 Flat: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	15.40		16.00	
1999/00	11.17	-27.5	11.83	-26.1
2000/01	17.27	54.7	17.91	51.4
2001/02	14.89	-13.8	15.55	-13.2
2002/03	23.99	61.2	24.55	57.9
2003/04	45.58	90.0	46.12	87.9
2004/05	69.27	52.0	69.93	51.6
2005/06	76.65	10.7	77.15	10.3
2006/07	84.59	10.4	85.08	10.3
98/99 – 06/07		449.3		431.7
Estimated annual				23.2

Table A.4.56 Semi: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	31.23		66.7		31.83		68.8	
1999/00	23.57	-24.5	48.2	-18.4	24.24	-23.8	50.3	-18.6
2000/01	30.15	27.9	62.8	14.6	30.82	27.1	65.1	14.8
2001/02	25.07	-16.8	50.4	-12.4	25.77	-16.4	52.5	-12.6
2002/03	31.61	26.1	64.2	13.8	32.21	25.0	66.2	13.7
2003/04	51.98	64.4	102.1	37.9	52.58	63.2	104.4	38.2
2004/05	87.57	68.5	170.7	68.6	88.33	68.0	174.8	70.3
2005/06	103.55	18.2	191.6	20.9	104.14	17.9	194.8	20.1
2006/07	123.49	19.3	224.7	33.1	124.09	19.2	228.2	33.4
98/99 – 06/07		295.4		158.0		289.9		159.4
Estimated annual		18.7		19.7		18.5		19.9

Table A.4.57 Semi: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	31.23		31.83	
1999/00	23.31	-25.3	23.98	-24.7
2000/01	28.88	23.9	29.52	23.1
2001/02	23.61	-18.3	24.27	-17.8
2002/03	29.27	24.0	29.82	22.9
2003/04	46.83	60.0	47.37	58.8
2004/05	76.55	63.5	77.21	63.0
2005/06	88.13	15.1	88.63	14.8
2006/07	101.47	15.1	101.96	15.0
98/99 – 06/07		224.9		220.3
Estimated annual				15.7

Table A.4.58 Terraced: nominal price, 1998/99 – 2006/07

	Differential				Differential (1-3 bedroom rents)			
	£	Change (%)	%	Change (%-point)	£	Change (%)	%	Change (%-point)
1998/99	6.93		14.8		7.53		16.3	
1999/00	0.70	-89.9	1.4	-13.4	1.37	-81.8	2.8	-13.4
2000/01	4.18	497.1	8.7	7.3	4.85	254.0	10.2	7.4
2001/02	-1.16	-127.8	-2.3	-11.0	-0.46	-109.5	-0.9	-11.2
2002/03	0.78	n.a	1.6	3.9	1.38	n.a	2.8	3.8
2003/04	11.59	1385.9	22.8	21.2	12.19	783.3	24.2	21.4
2004/05	41.37	256.9	80.6	57.9	42.13	245.6	83.4	59.2
2005/06	58.48	41.4	108.2	27.6	59.07	40.2	110.5	27.1
2006/07	74.40	27.2	135.4	27.2	75.00	27.0	137.9	27.4
98/99 – 06/07		973.6		120.6		896.0		121.6
Estimated annual		34.5		15.1		33.3		15.2

Table A.4.59 Terraced: real price, 1998/99 – 2006/07

	Differential		Differential (1-3 bedroom rents)	
	£	Change (%)	£	Change (%)
1998/99	6.93		7.53	
1999/00	0.69	-90.0	1.36	-82.0
2000/01	4.00	478.3	4.65	242.8
2001/02	-1.09	-127.3	-0.43	-109.3
2002/03	0.72	n.a	1.28	n.a
2003/04	10.44	1345.7	10.98	759.5
2004/05	36.16	246.3	36.83	235.3
2005/06	49.77	37.6	50.27	36.5
2006/07	61.13	22.8	61.63	22.6
98/99 – 06/07		782.2		718.4
Estimated annual				30.1

Annex 5 Additional statistics of differentials at the LA level**Table A.5.1 Twenty LA areas with the widest differentials: Flat, 1998/99 and 2006/07**

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Kensington and Chelsea	Lon	Urban	209.45	Kensington and Chelsea	Lon	Urban	454.81
Westminster	Lon	Urban	165.60	Westminster	Lon	Urban	368.35
Hammersmith and Fulham	Lon	Urban	139.60	Camden	Lon	Urban	312.41
Camden	Lon	Urban	135.25	Hammersmith and Fulham	Lon	Urban	312.37
Islington	Lon	Urban	115.05	Islington	Lon	Urban	272.29
Richmond upon Thames	Lon	Urban	102.89	Wandsworth	Lon	Urban	266.23
Tower Hamlets	Lon	Urban	84.36	Richmond upon Thames	Lon	Urban	255.74
Oxford	SE	Urban	78.04	Tower Hamlets	Lon	Urban	242.58
Epsom and Ewell	SE	Urban	76.93	Hackney	Lon	Urban	213.88
Wandsworth	Lon	Urban	75.74	Lambeth	Lon	Urban	213.53
Kingston upon Thames	Lon	Urban	72.50	Elmbridge	SE	Urban	209.43
Windsor and Maidenhead	SE	Urban	71.29	Southwark	Lon	Urban	200.63
Elmbridge	SE	Urban	69.52	South Bucks	SE	Rural	194.17
South Derbyshire	E Mid	Rural	67.88	Kingston upon Thames	Lon	Urban	194.02
Chiltern	SE	Rural	67.24	Barnet	Lon	Urban	193.62
South Bucks	SE	Rural	66.29	Epsom and Ewell	SE	Urban	190.17
Lambeth	Lon	Urban	65.35	Brent	Lon	Urban	188.45
Surrey Heath	SE	Urban	62.14	Windsor and Maidenhead	SE	Urban	188.35
Hounslow	Lon	Urban	60.74	Ealing	Lon	Urban	187.70
Ealing	Lon	Urban	60.24	Haringey	Lon	Urban	186.59

Table A.5.2 Twenty LA areas with the widest differentials (%): Flat, 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Kensington and Chelsea	Lon	Urban	382.32	Kensington and Chelsea	Lon	Urban	564.16
Westminster	Lon	Urban	277.04	Westminster	Lon	Urban	427.35
Hammersmith and Fulham	Lon	Urban	246.46	Hammersmith and Fulham	Lon	Urban	381.44
Camden	Lon	Urban	211.92	Camden	Lon	Urban	354.52
Islington	Lon	Urban	198.49	Islington	Lon	Urban	337.30
Richmond upon Thames	Lon	Urban	164.19	Richmond upon Thames	Lon	Urban	314.11
Tower Hamlets	Lon	Urban	143.31	Tower Hamlets	Lon	Urban	308.17
Epsom and Ewell	SE	Urban	143.22	Wandsworth	Lon	Urban	306.75
Oxford	SE	Urban	135.18	Lambeth	Lon	Urban	281.07
Bath and North East Somerset	SW	Rural	125.80	Hackney	Lon	Urban	271.17
Wandsworth	Lon	Urban	122.38	Derbyshire Dales	E Mid	Rural	265.95
Chiltern	SE	Rural	121.17	Elmbridge	SE	Urban	251.35
South Derbyshire	E Mid	Rural	119.88	Bath and North East Somerset	SW	Rural	248.19
Lambeth	Lon	Urban	117.67	Southwark	Lon	Urban	247.68
South Bucks	SE	Rural	117.41	Chester	NW	Rural	245.10
Surrey Heath	SE	Urban	117.11	South Bucks	SE	Rural	244.12
Kingston upon Thames	Lon	Urban	114.58	South Hams	SW	Rural	238.33
Vale of White Horse	SE	Rural	113.00	Manchester	NW	Urban	232.21
Windsor and Maidenhead	SE	Urban	110.57	Haringey	Lon	Urban	230.99
Elmbridge	SE	Urban	106.78	Calderdale	Y & H	Rural	227.68

Table A.5.3 Twenty LA areas with the narrowest differentials: Flat, 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Barrow-in-Furness	NW	Urban	-23.27	Barrow-in-Furness	NW	Urban	-5.42
Easington	NE	Rural	-19.13	Bolsover	E Mid	Rural	27.28
Ashfield	E Mid	Urban	-18.44	Pendle	NW	Urban	34.31
Great Yarmouth	East	Rural	-18.36	North East Lincolnshire	Y & H	Urban	36.48
Hastings	SE	Urban	-17.35	Great Yarmouth	East	Rural	39.13
Hyndburn	NW	Urban	-17.24	Burnley	NW	Urban	39.25
Burnley	NW	Urban	-16.76	Wansbeck	NE	Rural	44.37
East Northamptonshire	E Mid	Rural	-14.60	Easington	NE	Rural	44.47
Rossendale	NW	Urban	-14.48	Waveney	E	Rural	47.07
Milton Keynes	SE	Urban	-14.35	Blackburn with Darwen	NW	Urban	50.00
West Lindsey	E Mid	Rural	-14.22	Kingston upon Hull	Y & H	Urban	50.14
Telford and Wrekin	WM	Urban	-13.45	Milton Keynes	SE	Urban	51.86
Corby	E Mid	Urban	-12.59	Blyth Valley	NE	Rural	52.34
Pendle	NW	Urban	-12.39	Telford and Wrekin	W Mid	Urban	53.41
Swale	SE	Rural	-12.19	Blackpool	NW	Urban	54.03
Luton	East	Urban	-11.51	Derwentside	NE	Rural	55.00
Derwentside	NE	Rural	-11.12	East Northamptonshire	E Mid	Rural	55.11
Thurrock	East	Urban	-10.95	Boston	E Mid	Rural	55.21
Sandwell	W Mid	Urban	-10.38	East Lindsey	E Mid	Rural	56.57
Knowsley	NW	Urban	-10.24	North Lincolnshire	Y & H	Rural	57.07

Table A.5.4 Twenty LA areas with the narrowest differentials (%): Flat, 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Barrow-in-Furness	NW	Urban	-48.68	Barrow-in-Furness	NW	Urban	-8.44
Easington	NE	Rural	-43.12	Bolsover	E Mid	Rural	41.35
Great Yarmouth	East	Rural	-37.55	Great Yarmouth	East	Rural	62.94
Hyndburn	NW	Urban	-36.23	Pendle	NW	Urban	63.75
Ashfield	E Mid	Urban	-36.07	Burnley	NW	Urban	65.45
Burnley	NW	Urban	-35.40	North East Lincolnshire	Y & H	Urban	70.65
Hastings	SE	Urban	-34.05	Waveney	East	Rural	72.80
Rossendale	NW	Urban	-32.14	Milton Keynes	SE	Urban	72.88
West Lindsey	E Mid	Rural	-28.49	Easington	NE	Rural	80.32
East Northamptonshire	E Mid	Rural	-27.89	Blackburn with Darwen	NW	Urban	81.80
Pendle	NW	Urban	-25.52	Blackpool	NW	Urban	82.08
Telford and Wrekin	W Mid	Urban	-25.43	Hastings	SE	Urban	83.49
Milton Keynes	SE	Urban	-25.31	Kingston upon Hull	YH	Urban	85.55
Derwentside	NE	Rural	-23.98	Wansbeck	NE	Rural	85.83
Copeland	NW	Rural	-23.98	Swale	SE	Rural	86.36
Knowsley	NW	Urban	-23.48	Telford and Wrekin	W Mid	Urban	86.58
Corby	E Mid	Urban	-22.03	Dudley	W Mid	Urban	86.58
Sandwell	W Mid	Urban	-20.30	East Northamptonshire	E Mid	Rural	87.26
Swale	SE	Rural	-20.16	North Dorset	SW	Rural	90.01
Fenland	East	Rural	-19.92	Corby	E Mid	Urban	90.16

Figure A.5.1 LA areas with negative differentials: Flat, 1998/99 – 2006/07

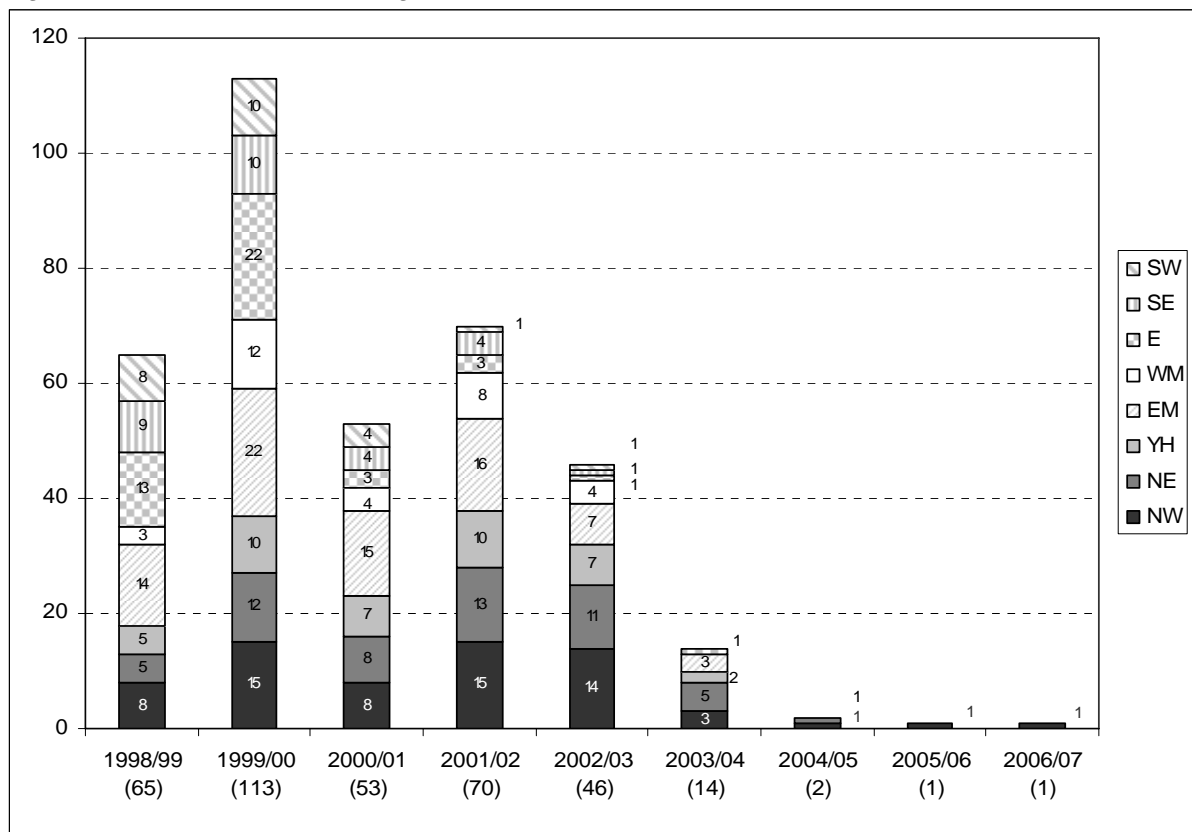


Table A.5.5 Twenty LA areas with the widest differentials: Semi, 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Westminster	Lon	Urban	567.49	Kensington and Chelsea	Lon	Urban	2079.67
Kensington and Chelsea	Lon	Urban	553.87	Westminster	Lon	Urban	1652.77
Camden	Lon	Urban	377.74	Camden	Lon	Urban	1129.38
Islington	Lon	Urban	321.18	Islington	Lon	Urban	714.44
Hammersmith and Fulham	Lon	Urban	296.02	Wandsworth	Lon	Urban	631.06
Wandsworth	Lon	Urban	213.51	Hammersmith and Fulham	Lon	Urban	608.20
Richmond upon Thames	Lon	Urban	209.94	Hackney	Lon	Urban	551.74
Barnet	Lon	Urban	165.23	Lambeth	Lon	Urban	450.34
St. Albans	East	Rural	163.98	Richmond upon Thames	Lon	Urban	446.08
Kingston upon Thames	Lon	Urban	161.86	Southwark	Lon	Urban	418.73
South Bucks	SE	Rural	159.63	Barnet	Lon	Urban	399.43
Epsom and Ewell	SE	Urban	158.38	Brent	Lon	Urban	369.87
Hackney	Lon	Urban	158.10	Tower Hamlets	Lon	Urban	369.47
Chiltern	SE	Rural	158.00	St. Albans	East E	Rural	353.28
Brent	Lon	Urban	155.89	Kingston upon Thames	Lon	Urban	344.71
Elmbridge	SE	Urban	154.35	Harrow	Lon	Urban	343.62
Haringey	Lon	Urban	152.75	Haringey	Lon	Urban	335.63
Windsor and Maidenhead	SE	Urban	152.04	Elmbridge	SE	Urban	317.29
Harrow	Lon	Urban	146.50	Epsom and Ewell	SE	Urban	317.07
Tower Hamlets	Lon	Urban	143.93	Merton	Lon	Urban	316.11

Table A.5.6 Twenty LA areas with the widest differentials (%): Semi, 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Kensington and Chelsea	Lon	Urban	1011.03	Kensington and Chelsea	Lon	Urban	2579.67
Westminster	Lon	Urban	949.40	Westminster	Lon	Urban	1917.51
Camden	Lon	Urban	591.87	Camden	Lon	Urban	1281.60
Islington	Lon	Urban	554.12	Islington	Lon	Urban	885.00
Hammersmith and Fulham	Lon	Urban	522.62	Hammersmith and Fulham	Lon	Urban	742.69
Wandsworth	Lon	Urban	344.99	Wandsworth	Lon	Urban	727.11
Richmond upon Thames	Lon	Urban	335.02	Hackney	Lon	Urban	699.53
Epsom and Ewell	SE	Urban	294.85	Lambeth	Lon	Urban	592.78
Chiltern	SE	Rural	284.71	Richmond upon Thames	Lon	Urban	547.89
South Bucks	SE	Rural	282.75	Southwark	Lon	Urban	516.91
St. Albans	East	Rural	276.60	Tower Hamlets	Lon	Urban	469.37
Hackney	Lon	Urban	273.85	Barnet	Lon	Urban	462.06
Hertsmere	East	Rural	260.65	Brent	Lon	Urban	442.01
Brent	Lon	Urban	260.10	St. Albans	East	Rural	429.69
Lambeth	Lon	Urban	257.63	Haringey	Lon	Urban	415.49
Haringey	Lon	Urban	257.36	Harrow	Lon	Urban	409.32
Kingston upon Thames	Lon	Urban	255.82	South Bucks	SE	Rural	393.70
Southwark	Lon	Urban	253.86	Kingston upon Thames	Lon	Urban	393.42
Barnet	Lon	Urban	253.18	Hertsmere	East	Rural	392.80
Tower Hamlets	Lon	Urban	244.50	Waltham Forest	Lon	Urban	390.15

Table A.5.7 Twenty LA areas with the narrowest differentials: Semi, 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Mansfield	E Mid	Urban	8.20	Easington	NE	Rural	67.62
Bolsover	E Mid	Rural	8.56	Stoke-on-Trent	W Mid	Urban	74.88
Corby	E Mid	Urban	9.74	Mansfield	E Mid	Urban	76.75
Bassetlaw	E Mid	Rural	11.35	Barnsley	YH	Rural	80.30
Easington	NE	Rural	13.22	Sedgefield	NE	Rural	81.70
Ashfield	E Mid	Urban	13.81	Copeland	NW	Rural	83.93
Doncaster	Y & H	Rural	15.27	Bolsover	E Mid	Rural	84.80
Newark and Sherwood	E Mid	Rural	16.49	Nottingham	E Mid	Urban	86.04
Stoke-on-Trent	W Mid	Urban	16.63	Ashfield	E Mid	Urban	86.49
North Lincolnshire	Y & H	Rural	17.27	Wear Valley	NE	Rural	87.89
Derwentside	NE	Rural	17.50	Bassetlaw	E Mid	Rural	87.99
Erewash	E Mid	Urban	17.91	Kingston upon Hull	Y & H	Urban	91.38
South Holland	E Mid	Rural	18.41	Corby	E Mid	Urban	91.85
North Kesteven	E Mid	Rural	18.81	Wansbeck	NE	Rural	91.95
Amber Valley	E Mid	Rural	19.18	Newark and Sherwood	E Mid	Rural	93.26
Barnsley	Y & H	Rural	19.47	Sunderland	NE	Urban	94.59
South Derbyshire	E Mid	Rural	19.57	Doncaster	Y & H	Rural	95.08
Chesterfield	E Mid	Urban	19.80	Berwick-upon-Tweed	NE	Rural	96.41
Wolverhampton	W Mid	Urban	21.30	Carlisle	NW	Rural	96.89
Derby	E Mid	Urban	21.61	Derwentside	NE	Rural	97.04

Table A.5.8 Twenty LA areas with the narrowest differentials (%): Semi, 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Mansfield	E Mid	Urban	15.72	Mansfield	E Mid	Urban	120.44
Bolsover	E Mid	Rural	16.81	Easington	NE	Rural	122.14
Corby	E Mid	Urban	17.06	Barnsley	Y & H	Rural	126.81
Bassetlaw	E Mid	Rural	21.51	Stoke-on-Trent	W Mid	Urban	127.22
Ashfield	E Mid	Urban	27.02	Bolsover	E Mid	Rural	128.52
Easington	NE	Rural	29.81	Bassetlaw	E Mid	Rural	135.00
Doncaster	Y & H	Rural	30.68	Nottingham	E Mid	Urban	136.24
Newark and Sherwood	E Mid	Rural	32.13	Ashfield	E Mid	Urban	136.39
Erewash	E Mid	Urban	32.81	Corby	E Mid	Urban	142.43
North Kesteven	E Mid	Rural	33.94	Sedgefield	NE	Rural	142.86
South Derbyshire	E Mid	Rural	34.56	Newark and Sherwood	E Mid	Rural	144.24
Stoke-on-Trent	W Mid	Urban	35.02	Wear Valley	NE	Rural	149.13
South Holland	E Mid	Rural	35.27	Copeland	NW	Rural	152.71
North Lincolnshire	Y & H	Rural	36.16	Kingston upon Hull	Y & H	Urban	155.91
Amber Valley	E Mid	Rural	37.28	Chesterfield	E Mid	Urban	156.59
Derwentside	NE	Rural	37.75	Sandwell	W Mid	Urban	158.04
Barnsley	Y & H	Rural	39.59	Doncaster	Y & H	Rural	159.35
Chesterfield	E Mid	Urban	40.54	Rochdale	NW	Urban	161.66
Wolverhampton	W Mid	Urban	41.62	Wolverhampton	W Mid	Urban	162.17
Derby	E Mid	Urban	44.09	Carlisle	NW	Rural	163.02

Note: Only one LA area in the North East showed a negative differential for semi-detached properties.

Table A.5.9 Twenty LA areas with the widest differentials: Terraced, 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Kensington and Chelsea	Lon	Urban	581.79	Kensington and Chelsea	Lon	Urban	1394.63
Westminster	Lon	Urban	340.37	Westminster	Lon	Urban	903.29
Hammersmith and Fulham	Lon	Urban	300.68	Camden	Lon	Urban	776.45
Camden	Lon	Urban	284.19	Hammersmith and Fulham	Lon	Urban	707.33
Islington	Lon	Urban	243.50	Islington	Lon	Urban	627.28
Richmond upon Thames	Lon	Urban	192.25	Wandsworth	Lon	Urban	464.51
Wandsworth	Lon	Urban	179.07	Richmond upon Thames	Lon	Urban	414.32
Tower Hamlets	Lon	Urban	140.21	Hackney	Lon	Urban	377.25
Lambeth	Lon	Urban	128.13	Lambeth	Lon	Urban	348.43
Elmbridge	SE	Urban	124.65	Southwark	Lon	Urban	343.39
Windsor and Maidenhead	SE	Urban	121.56	Tower Hamlets	Lon	Urban	342.51
South Bucks	SE	Rural	119.35	Brent	Lon	Urban	313.76
Kingston upon Thames	Lon	Urban	119.04	Harrow	Lon	Urban	300.80
Brent	Lon	Urban	118.65	Barnet	Lon	Urban	298.31
Harrow	Lon	Urban	118.58	Elmbridge	SE	Urban	293.49
St. Albans	East	Rural	117.44	Ealing	Lon	Urban	290.80
Epsom and Ewell	SE	Urban	117.42	St. Albans	East	Rural	281.91
Barnet	Lon	Urban	115.66	Haringey	Lon	Urban	281.76
Southwark	Lon	Urban	114.88	Merton	Lon	Urban	276.45
Hackney	Lon	Urban	113.41	Kingston upon Thames	Lon	Urban	273.33

Table A.5.10 Twenty LA areas with the widest differentials (%): Terraced, 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Kensington and Chelsea	Lon	Urban	1061.99	Kensington and Chelsea	Lon	Urban	1729.93
Westminster	Lon	Urban	569.43	Westminster	Lon	Urban	1047.98
Hammersmith and Fulham	Lon	Urban	530.85	Camden	Lon	Urban	881.10
Camden	Lon	Urban	445.29	Hammersmith and Fulham	Lon	Urban	863.74
Islington	Lon	Urban	420.10	Islington	Lon	Urban	777.03
Richmond upon Thames	Lon	Urban	306.79	Wandsworth	Lon	Urban	535.21
Wandsworth	Lon	Urban	289.34	Richmond upon Thames	Lon	Urban	508.88
Tower Hamlets	Lon	Urban	238.18	Hackney	Lon	Urban	478.30
Lambeth	Lon	Urban	230.72	Lambeth	Lon	Urban	458.64
Epsom and Ewell	SE	Urban	218.60	Tower Hamlets	Lon	Urban	435.12
Hertsmere	East	Rural	212.58	Southwark	Lon	Urban	423.91
South Bucks	SE	Rural	211.40	Brent	Lon	Urban	374.95
Southwark	Lon	Urban	204.21	Brighton and Hove	SE	Urban	361.25
Surrey Heath	SE	Urban	199.60	Harrow	Lon	Urban	358.31
St. Albans	East	Rural	198.10	Elmbridge	SE	Urban	352.24
Brent	Lon	Urban	197.97	Haringey	Lon	Urban	348.80
Hackney	Lon	Urban	196.44	Barnet	Lon	Urban	345.09
Chiltern	SE	Rural	194.98	St. Albans	East	Rural	342.88
Cambridge	East	Urban	192.59	Ealing	Lon	Urban	338.09
Elmbridge	SE	Urban	191.45	Merton	Lon	Urban	327.17

Table A.5.11 Twenty LA areas with the narrowest differentials: Terraced, 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Pendle	NW	Urban	-17.04	Burnley	NW	Urban	11.49
Mansfield	E Mid	Urban	-16.93	Hartlepool	NE	Urban	31.07
Burnley	NW	Urban	-15.82	Pendle	NW	Urban	32.72
Bolsover	E Mid	Rural	-15.64	Barrow-in-Furness	NW	Urban	33.45
West Lindsey	E Mid	Rural	-13.75	Kingston upon Hull	Y & H	Urban	37.45
Hyndburn	NW	Urban	-13.28	Sedgefield	NE	Rural	38.87
Stoke-on-Trent	W Mid	Urban	-12.23	Stoke-on-Trent	W Mid	Urban	40.38
Manchester	NW	Urban	-11.16	Middlesbrough	NE	Urban	41.09
Barrow-in-Furness	NW	Urban	-10.70	Bolsover	E Mid	Rural	41.18
Hartlepool	NE	Urban	-10.60	Blackburn with Darwen	NW	Urban	41.27
Blackburn with Darwen	NW	Urban	-9.55	Hyndburn	NW	Urban	41.97
Doncaster	Y & H	Rural	-9.15	Mansfield	E Mid	Urban	43.44
Easington	NE	Rural	-8.70	Easington	NE	Rural	43.61
Middlesbrough	NE	Urban	-7.49	West Lancashire	NW	Rural	47.53
Wolverhampton	W Mid	Urban	-5.69	North East Lincolnshire	Y & H	Urban	50.44
Ashfield	E Mid	Urban	-5.64	West Lindsey	E Mid	Rural	50.60
Wansbeck	NE	Rural	-4.74	Wear Valley	NE	Rural	51.40
Barnsley	Y & H	Rural	-4.64	Ashfield	E Mid	Urban	51.67
Bassetlaw	E Mid	Rural	-4.49	Barnsley	Y & H	Rural	51.69
Rotherham	Y & H	Urban	-4.25	Liverpool	NW	Urban	52.57

Table A.5.12 Twenty LA areas with the narrowest differentials (%): Terraced, 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Pendle	NW	Urban	-35.09	Burnley	NW	Urban	19.17
Burnley	NW	Urban	-33.42	Barrow-in-Furness	NW	Urban	52.11
Mansfield	E Mid	Urban	-32.45	Hartlepool	NE	Urban	56.03
Bolsover	E Mid	Rural	-30.74	Pendle	NW	Urban	60.80
Hyndburn	NW	Urban	-27.91	Bolsover	E Mid	Rural	62.41
West Lindsey	E Mid	Rural	-27.55	Kingston upon Hull	Y & H	Urban	63.90
Stoke-on-Trent	W Mid	Urban	-25.77	Blackburn with Darwen	NW	Urban	67.52
Manchester	NW	Urban	-23.95	Sedgefield	NE	Rural	67.97
Hartlepool	NE	Urban	-23.13	Mansfield	E Mid	Urban	68.17
Barrow-in-Furness	NW	Urban	-22.39	Stoke-on-Trent	W Mid	Urban	68.60
Blackburn with Darwen	NW	Urban	-19.85	West Lancashire	NW	Rural	69.93
Easington	NE	Rural	-19.61	Middlesbrough	NE	Urban	72.65
Doncaster	Y & H	Rural	-18.39	Hyndburn	NW	Urban	75.37
Middlesbrough	NE	Urban	-16.04	Easington	NE	Rural	78.77
Wansbeck	NE	Rural	-11.32	Ashfield	E Mid	Urban	81.49
Wolverhampton	W Mid	Urban	-11.12	Barnsley	Y & H	Rural	81.62
Ashfield	E Mid	Urban	-11.03	Stockton-on-Tees	NE	Urban	84.77
Rotherham	Y & H	Urban	-9.43	Wear Valley	NE	Rural	87.21
Barnsley	Y & H	Rural	-9.42	Liverpool	NW	Urban	88.56
Bassetlaw	E Mid	Rural	-8.50	Bassetlaw	E Mid	Rural	88.75

Figure A.5.2 LA areas with negative differentials: Terraced, 1998/99 – 2006/07

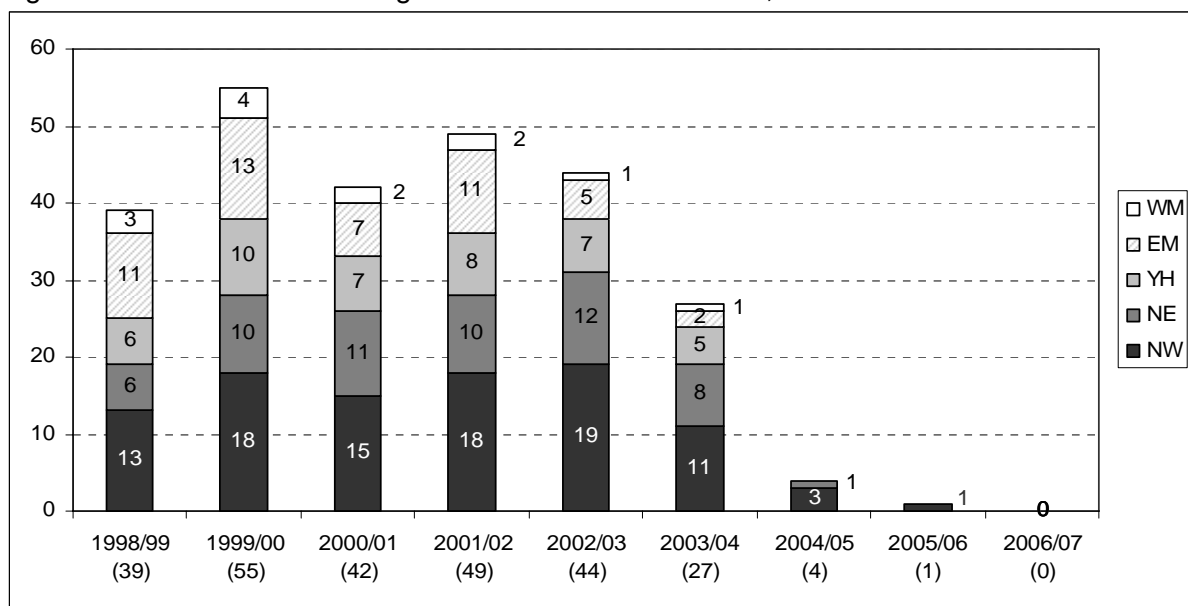


Table 5.A.13 Twenty LA areas with the widest differentials (1 to 3 bedroom RSL rents),
1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Kensington and Chelsea	Lon	Urban	229.02	Kensington and Chelsea	Lon	Urban	495.44
Westminster	Lon	Urban	175.21	Westminster	Lon	Urban	382.17
Hammersmith and Fulham	Lon	Urban	161.89	Hammersmith and Fulham	Lon	Urban	345.00
Richmond upon Thames	Lon	Urban	155.75	Camden	Lon	Urban	330.35
Camden	Lon	Urban	150.94	Richmond upon Thames	Lon	Urban	319.64
South Bucks	SE	Rural	144.11	South Bucks	SE	Rural	313.22
Chiltern	SE	Rural	135.10	Wandsworth	Lon	Urban	306.90
Islington	Lon	Urban	133.35	Elmbridge	SE	Urban	302.07
Windsor and Maidenhead	SE	Urban	125.50	Chiltern	SE	Rural	296.80
Elmbridge	SE	Urban	124.91	Islington	Lon	Urban	296.07
Surrey Heath	SE	Urban	121.85	St. Albans	East	Rural	279.61
Epsom and Ewell	SE	Urban	115.89	Windsor and Maidenhead	SE	Urban	274.37
Mole Valley	SE	Urban	114.65	Waverley	SE	Rural	261.25
St. Albans	East	Rural	111.97	Mole Valley	SE	Urban	261.19
Hart	SE	Rural	106.35	Epsom and Ewell	SE	Urban	258.87
Waverley	SE	Rural	104.73	Harrow	Lon	Urban	254.79
Runnymede	SE	Urban	104.70	Kingston upon Thames	Lon	Urban	254.36
Wokingham	SE	Urban	102.82	Tower Hamlets	Lon	Urban	252.87
Three Rivers	East	Urban	102.22	Barnet	Lon	Urban	251.74
Wandsworth	Lon	Urban	100.73	Three Rivers	East	Urban	246.08

Note: The number of LA areas on the both years' lists was 16.

Table 5.A.14 Twenty LA areas with the widest differentials (1 to 3 bedroom RSL rents)
(%), 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Kensington and Chelsea	Lon	Urban	425.49	Kensington and Chelsea	Lon	Urban	622.04
Westminster	Lon	Urban	295.81	Westminster	Lon	Urban	446.22
Hammersmith and Fulham	Lon	Urban	290.10	Hammersmith and Fulham	Lon	Urban	425.99
South Bucks	SE	Rural	255.70	Richmond upon Thames	Lon	Urban	395.18
Richmond upon Thames	Lon	Urban	251.85	South Bucks	SE	Rural	394.58
Chiltern	SE	Rural	244.04	Camden	Lon	Urban	383.71
Camden	Lon	Urban	243.07	Islington	Lon	Urban	374.02
Islington	Lon	Urban	236.39	Chiltern	SE	Rural	370.95
Surrey Heath	SE	Urban	229.85	Elmbridge	SE	Urban	365.36
Stratford-on-Avon	W Mid	Rural	219.26	Wandsworth	Lon	Urban	357.77
Epsom and Ewell	SE	Urban	217.03	St. Albans	East	Rural	343.75
Vale of White Horse	SE	Rural	207.60	East Dorset	SW	Rural	338.27
Windsor and Maidenhead	SE	Urban	195.29	Tower Hamlets	Lon	Urban	331.16
Hertsmere	East	Rural	193.73	Chichester	SE	Rural	324.09
Elmbridge	SE	Urban	192.60	Carrick	SW	Rural	320.75
East Dorset	SW	Rural	190.38	Lambeth	Lon	Urban	320.57
St. Albans	East	Rural	189.23	Derbyshire Dales	E Mid	Rural	319.58
Hart	SE	Rural	179.61	Waverley	SE	Rural	317.61
Bath and North East Somerset	SW	Rural	176.01	Windsor and Maidenhead	SE	Urban	316.90
Hambleton	Y & H	Rural	174.34	Rushcliffe	E Mid	Rural	312.09

Note: The number of LA areas on the both years' lists was 12.

Table 5.A.15 Twenty LA areas with the narrowest differentials (1 to 3 bedroom RSL rents), 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Pendle	NW	Urban	-7.24	Burnley	NW	Urban	19.14
Hyndburn	NW	Urban	-2.37	Pendle	NW	Urban	42.68
Burnley	NW	Urban	-0.74	Barrow-in-Furness	NW	Urban	42.71
Barrow-in-Furness	NW	Urban	-0.41	Kingston upon Hull	Y & H	Urban	47.29
Easington	NE	Rural	0.14	Hyndburn	NW	Urban	50.35
Stoke-on-Trent	W Mid	Urban	2.72	Stoke-on-Trent	W Mid	Urban	51.69
Blackburn with Darwen	NW	Urban	3.15	Hartlepool	NE	Urban	51.82
Corby	E Mid	Urban	3.48	Blackburn with Darwen	NW	Urban	53.07
Mansfield	E Mid	Urban	3.57	Sedgefield	NE	Rural	53.30
Kingston upon Hull	Y & H	Urban	4.77	Easington	NE	Rural	56.54
Bolsover	E Mid	Rural	4.94	Middlesbrough	NE	Urban	58.72
Derwentside	NE	Rural	6.65	Bolsover	E Mid	Rural	63.46
Middlesbrough	NE	Urban	7.36	Wear Valley	NE	Rural	64.34
Manchester	NW	Urban	7.68	North East Lincolnshire	Y & H	Urban	66.78
Hartlepool	NE	Urban	8.07	Mansfield	E Mid	Urban	67.34
Wansbeck	NE	Rural	8.30	Wansbeck	NE	Rural	67.69
Doncaster	Y & H	Rural	9.86	Barnsley	Y & H	Rural	67.84
Barnsley	Y & H	Rural	10.21	Copeland	NW	Rural	71.46
Liverpool	NW	Urban	11.47	Rossendale	NW	Urban	72.16
Sedgefield	NE	Rural	11.56	Oldham	NW	Urban	72.42

Note: The number of LA areas on the both years' lists was 15.

Table 5.A.16 Twenty LA areas with the narrowest differentials (1 to 3 bedroom RSL rents) (%), 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Pendle	NW	Urban	-15.09	Burnley	NW	Urban	32.18
Hyndburn	NW	Urban	-5.05	Barrow-in-Furness	NW	Urban	67.09
Burnley	NW	Urban	-1.60	Pendle	NW	Urban	79.95
Barrow-in-Furness	NW	Urban	-0.85	Kingston upon Hull	Y & H	Urban	81.14
Easington	NE	Rural	0.32	Blackburn with Darwen	NW	Urban	87.82
Stoke-on-Trent	W Mid	Urban	5.74	Stoke-on-Trent	W Mid	Urban	88.15
Corby	E Mid	Urban	6.12	Hyndburn	NW	Urban	91.18
Blackburn with Darwen	NW	Urban	6.71	Sedgefield	NE	Rural	93.46
Mansfield	E Mid	Urban	6.85	Hartlepool	NE	Urban	93.66
Bolsover	E Mid	Rural	9.74	Bolsover	E Mid	Rural	96.27
Kingston upon Hull	Y & H	Urban	10.51	Easington	NE	Rural	102.20
Derwentside	NE	Rural	14.36	Middlesbrough	NE	Urban	104.16
Middlesbrough	NE	Urban	15.84	Mansfield	E Mid	Urban	105.85
Manchester	NW	Urban	16.64	Barnsley	Y & H	Rural	107.49
Hartlepool	NE	Urban	17.63	Wear Valley	NE	Rural	109.66
Wansbeck	NE	Rural	19.83	Ashfield	E Mid	Urban	119.03
Doncaster	Y & H	Rural	19.88	Rochdale	NW	Urban	122.98
Barnsley	Y & H	Rural	20.79	Oldham	NW	Urban	123.71
Ashfield	E Mid	Urban	23.55	Nottingham	E Mid	Urban	125.78
Gosport	SE	Urban	24.34	Liverpool	NW	Urban	127.60

Note: The number of LA areas on the both years' lists was 14.

Flat

Table 5.A.17 Twenty LA areas with the widest differentials (1 to 3 bedroom RSL rents), 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Kensington and Chelsea	Lon	Urban	210.40	Kensington and Chelsea	Lon	Urban	455.78
Westminster	Lon	Urban	166.14	Westminster	Lon	Urban	368.89
Hammersmith and Fulham	Lon	Urban	140.44	Camden	Lon	Urban	314.43
Camden	Lon	Urban	136.98	Hammersmith and Fulham	Lon	Urban	313.27
Islington	Lon	Urban	116.60	Islington	Lon	Urban	273.86
Richmond upon Thames	Lon	Urban	103.72	Wandsworth	Lon	Urban	267.24
Tower Hamlets	Lon	Urban	87.14	Richmond upon Thames	Lon	Urban	256.27
Oxford	SE	Urban	78.49	Tower Hamlets	Lon	Urban	244.94
Epsom and Ewell	SE	Urban	77.26	Hackney	Lon	Urban	215.94
Wandsworth	Lon	Urban	76.52	Lambeth	Lon	Urban	214.99
Kingston upon Thames	Lon	Urban	73.29	Elmbridge	SE	Urban	210.07
Windsor and Maidenhead	SE	Urban	71.51	Southwark	Lon	Urban	202.43
Elmbridge	SE	Urban	69.78	Kingston upon Thames	Lon	Urban	194.87
South Derbyshire	EM	Rural	68.07	Barnet	Lon	Urban	194.64
Chiltern	SE	Rural	67.38	South Bucks	SE	Rural	194.33
Lambeth	Lon	Urban	66.59	Epsom and Ewell	SE	Urban	190.66
South Bucks	SE	Rural	66.38	Brent	Lon	Urban	189.80
Surrey Heath	SE	Urban	62.18	Ealing	Lon	Urban	189.07
Hounslow	Lon	Urban	61.66	Windsor and Maidenhead	SE	Urban	188.72
Ealing	Lon	Urban	61.33	Haringey	Lon	Urban	187.86

Note: The number of LA areas on the both years' lists was 15.

Table 5.A.18 Twenty LA areas with the widest differentials (1 to 3 bedroom RSL rents) (%), 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Kensington and Chelsea	Lon	Urban	390.90	Kensington and Chelsea	Lon	Urban	572.25
Westminster	Lon	Urban	280.49	Westminster	Lon	Urban	430.71
Hammersmith and Fulham	Lon	Urban	251.66	Hammersmith and Fulham	Lon	Urban	386.81
Camden	Lon	Urban	220.59	Camden	Lon	Urban	365.22
Islington	Lon	Urban	206.69	Islington	Lon	Urban	345.96
Richmond upon Thames	Lon	Urban	167.72	Tower Hamlets	Lon	Urban	320.77
Tower Hamlets	Lon	Urban	155.39	Richmond upon Thames	Lon	Urban	316.84
Epsom and Ewell	SE	Urban	144.69	Wandsworth	Lon	Urban	311.53
Oxford	SE	Urban	137.03	Lambeth	Lon	Urban	288.54
Bath and North East Somerset	SW	Rural	127.16	Hackney	Lon	Urban	281.13
Wandsworth	Lon	Urban	125.21	Derbyshire Dales	EM	Rural	266.33
Lambeth	Lon	Urban	122.64	Southwark	Lon	Urban	255.57
Chiltern	SE	Rural	121.71	Elmbridge	SE	Urban	254.09
South Derbyshire	EM	Rural	120.59	Bath and North East Somerset	SW	Rural	249.87
South Bucks	SE	Rural	117.78	Chester	NW	Rural	247.70
Surrey Heath	SE	Urban	117.30	South Bucks	SE	Rural	244.81
Kingston upon Thames	Lon	Urban	117.29	South Hams	SW	Rural	239.91
Vale of White Horse	SE	Rural	114.20	Haringey	Lon	Urban	236.25
Windsor and Maidenhead	SE	Urban	111.27	Manchester	NW	Urban	234.80
Southwark	Lon	Urban	110.47	Calderdale	YH	Rural	232.17

Note: The number of LA areas on the both years' lists was 12.

Table 5.A.19 Twenty LA areas with the narrowest differentials (1 to 3 bedroom RSL rents) , 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Barrow-in-Furness	NW	Urban	-23.22	Barrow-in-Furness	NW	Urban	-4.88
Easington	NE	Rural	-19.08	Bolsover	E Mid	Rural	27.35
Ashfield	E Mid	Urban	-18.44	Pendle	NW	Urban	34.75
Great Yarmouth	East	Rural	-18.24	North East Lincolnshire	Y & H	Urban	36.70
Hastings	SE	Urban	-16.93	Great Yarmouth	East	Rural	39.76
Hyndburn	NW	Urban	-16.57	Burnley	NW	Urban	39.76
Burnley	NW	Urban	-15.64	Easington	NE	Rural	44.51
East Northamptonshire	E Mid	Rural	-14.48	Wansbeck	NE	Rural	44.69
Milton Keynes	SE	Urban	-14.28	Waveney	East	Rural	47.33
Rossendale	NW	Urban	-14.26	Kingston upon Hull	Y & H	Urban	50.46
West Lindsey	E Mid	Rural	-14.19	Blackburn with Darwen	NW	Urban	50.69
Telford and Wrekin	WM	Urban	-13.24	Milton Keynes	SE	Urban	52.17
Corby	E Mid	Urban	-12.34	Blyth Valley	NE	Rural	52.52
Swale	SE	Rural	-11.87	Telford and Wrekin	W Mid	Urban	53.98
Pendle	NW	Urban	-11.80	Blackpool	NW	Urban	54.84
Derwentside	NE	Rural	-11.04	Derwentside	NE	Rural	55.09
Thurrock	East	Urban	-10.87	East Northamptonshire	E Mid	Rural	55.22
Luton	East	Urban	-10.41	Boston	E Mid	Rural	55.34
Sandwell	W Mid	Urban	-9.98	East Lindsey	E Mid	Rural	56.71
Mid Devon	SW	Rural	-9.63	North Lincolnshire	Y & H	Rural	57.23

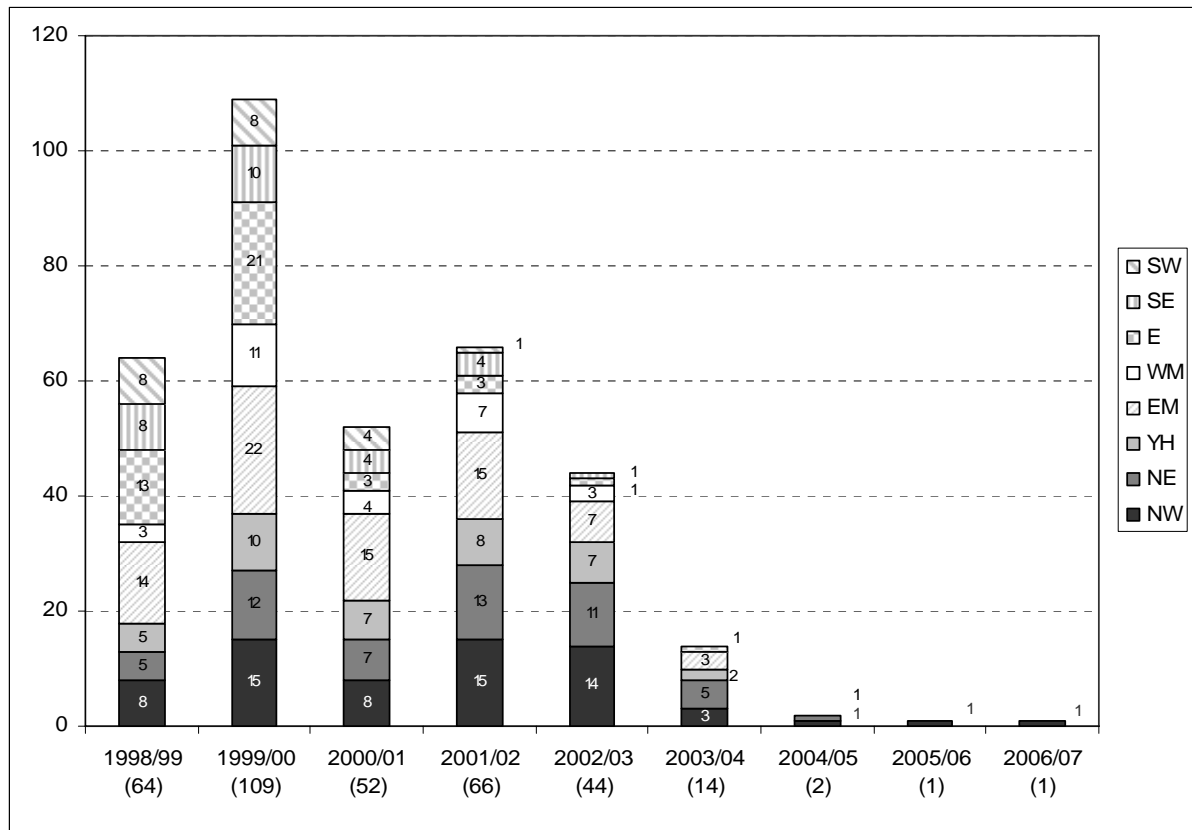
Note: The number of LA areas on the both years' lists was 9.

Table 5.A.20 Twenty LA areas with the narrowest differentials (1 to 3 bedroom RSL rents) (%), 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Barrow-in-Furness	NW	Urban	-48.63	Barrow-in-Furness	NW	Urban	-7.67
Easington	NE	Rural	-43.06	Bolsover	E Mid	Rural	41.49
Great Yarmouth	East	Rural	-37.40	Great Yarmouth	East	Rural	64.60
Ashfield	E Mid	Urban	-36.07	Pendle	NW	Urban	65.09
Hyndburn	NW	Urban	-35.31	Burnley	NW	Urban	66.86
Burnley	NW	Urban	-33.84	North East Lincolnshire	Y & H	Urban	71.36
Hastings	SE	Urban	-33.50	Waveney	East	Rural	73.50
Rossendale	NW	Urban	-31.80	Milton Keynes	SE	Urban	73.63
West Lindsey	E Mid	Rural	-28.44	Easington	NE	Rural	80.46
East Northamptonshire	E Mid	Rural	-27.73	Blackburn with Darwen	NW	Urban	83.88
Milton Keynes	SE	Urban	-25.21	Blackpool	NW	Urban	84.36
Telford and Wrekin	W Mid	Urban	-25.13	Hastings	SE	Urban	85.96
Pendle	NW	Urban	-24.60	Kingston upon Hull	Y & H	Urban	86.58
Copeland	NW	Rural	-23.97	Wansbeck	NE	Rural	87.00
Derwentside	NE	Rural	-23.86	Swale	SE	Rural	87.24
Knowsley	NW	Urban	-22.21	East Northamptonshire	E Mid	Rural	87.58
Corby	E Mid	Urban	-21.69	Telford and Wrekin	W Mid	Urban	88.33
Swale	SE	Rural	-19.73	Dudley	W Mid	Urban	89.46
Sandwell	W Mid	Urban	-19.68	North Dorset	SW	Rural	90.59
Fenland	East	Rural	-19.52	Corby	E Mid	Urban	90.85

Note: The number of LA areas on the both years' lists was 11.

Figure 5.A.3 LA areas with negative differentials (1 to 3 bedrooms RSL rents): Flat, 1998/99 and 2006/07



Note: Counts for all properties and semi-detached are the same as those for the unrestricted differentials.

Table 5.A.21 Twenty LA areas with the widest differentials (1 to 3 bedroom RSL rents), 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Westminster	Lon	Urban	568.03	Kensington and Chelsea	Lon	Urban	2080.64
Kensington and Chelsea	Lon	Urban	554.82	Westminster	Lon	Urban	1653.31
Camden	Lon	Urban	379.47	Camden	Lon	Urban	1131.40
Islington	Lon	Urban	322.73	Islington	Lon	Urban	716.01
Hammersmith and Fulham	Lon	Urban	296.86	Wandsworth	Lon	Urban	632.07
Wandsworth	Lon	Urban	214.29	Hammersmith and Fulham	Lon	Urban	609.10
Richmond upon Thames	Lon	Urban	210.77	Hackney	Lon	Urban	553.80
Barnet	Lon	Urban	166.14	Lambeth	Lon	Urban	451.80
St. Albans	East	Rural	164.10	Richmond upon Thames	Lon	Urban	446.61
Kingston upon Thames	Lon	Urban	162.65	Southwark	Lon	Urban	420.53
Hackney	Lon	Urban	159.96	Barnet	Lon	Urban	400.45
South Bucks	SE	Rural	159.72	Tower Hamlets	Lon	Urban	371.83
Epsom and Ewell	SE	Urban	158.71	Brent	Lon	Urban	371.22
Chiltern	SE	Rural	158.14	St. Albans	East	Rural	354.16
Brent	Lon	Urban	156.66	Kingston upon Thames	Lon	Urban	345.56
Elmbridge	SE	Urban	154.61	Harrow	Lon	Urban	345.28
Haringey	Lon	Urban	153.64	Haringey	Lon	Urban	336.90
Windsor and Maidenhead	SE	Urban	152.26	Elmbridge	SE	Urban	317.93
Harrow	Lon	Urban	147.52	Epsom and Ewell	SE	Urban	317.56
Tower Hamlets	Lon	Urban	146.71	Merton	Lon	Urban	317.01

Note: The number of LA areas on the both years' lists was 17.

Table 5.A.22 Twenty LA areas with the widest differentials (1 to 3 bedroom RSL rents) (%), 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Kensington and Chelsea	Lon	Urban	1030.78	Kensington and Chelsea	Lon	Urban	2612.31
Westminster	Lon	Urban	959.01	Westminster	Lon	Urban	1930.37
Camden	Lon	Urban	611.10	Camden	Lon	Urban	1314.13
Islington	Lon	Urban	572.10	Islington	Lon	Urban	904.53
Hammersmith and Fulham	Lon	Urban	531.97	Hammersmith and Fulham	Lon	Urban	752.09
Wandsworth	Lon	Urban	350.65	Wandsworth	Lon	Urban	736.83
Richmond upon Thames	Lon	Urban	340.82	Hackney	Lon	Urban	720.99
Epsom and Ewell	SE	Urban	297.23	Lambeth	Lon	Urban	606.36
Hackney	Lon	Urban	286.29	Richmond upon Thames	Lon	Urban	552.16
Chiltern	SE	Rural	285.66	Southwark	Lon	Urban	530.92
South Bucks	SE	Rural	283.39	Tower Hamlets	Lon	Urban	486.94
St. Albans	East	Rural	277.33	Barnet	Lon	Urban	468.79
Lambeth	Lon	Urban	265.79	Brent	Lon	Urban	450.89
Brent	Lon	Urban	264.74	St. Albans	East	Rural	435.40
Southwark	Lon	Urban	263.41	Haringey	Lon	Urban	423.69
Hertsmere	East	Rural	263.19	Harrow	Lon	Urban	419.61
Haringey	Lon	Urban	262.79	Kingston upon Thames	Lon	Urban	398.23
Tower Hamlets	Lon	Urban	261.61	Waltham Forest	Lon	Urban	397.15
Kingston upon Thames	Lon	Urban	260.30	Hertsmere	East	Rural	396.00
Barnet	Lon	Urban	258.19	South Bucks	SE	Rural	394.68

Note: The number of LA areas on the both years' lists was 18.

Table 5.A.23 Twenty LA areas with the narrowest differentials (1 to 3 bedroom RSL rents), 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Mansfield	E Mid	Urban	8.22	Easington	NE	Rural	67.66
Bolsover	E Mid	Rural	8.66	Stoke-on-Trent	W Mid	Urban	75.09
Corby	E Mid	Urban	9.99	Mansfield	E Mid	Urban	76.85
Bassetlaw	E Mid	Rural	11.36	Barnsley	Y & H	Rural	80.51
Easington	NE	Rural	13.27	Sedgefield	NE	Rural	81.86
Ashfield	E Mid	Urban	13.81	Copeland	NW	Rural	84.15
Doncaster	Y & H	Rural	15.45	Bolsover	E Mid	Rural	84.87
Newark and Sherwood	E Mid	Rural	16.53	Ashfield	E Mid	Urban	86.50
Stoke-on-Trent	W Mid	Urban	16.69	Nottingham	E Mid	Urban	86.63
North Lincolnshire	Y & H	Rural	17.29	Bassetlaw	E Mid	Rural	88.04
Derwentside	NE	Rural	17.58	Wear Valley	NE	Rural	88.14
Erewash	E Mid	Urban	18.04	Kingston upon Hull	Y & H	Urban	91.70
South Holland	E Mid	Rural	18.44	Corby	E Mid	Urban	92.08
North Kesteven	E Mid	Rural	18.90	Wansbeck	NE	Rural	92.27
Amber Valley	E Mid	Rural	19.28	Newark and Sherwood	E Mid	Rural	93.38
Barnsley	Y & H	Rural	19.52	Sunderland	NE	Urban	94.78
South Derbyshire	E Mid	Rural	19.76	Doncaster	Y & H	Rural	95.48
Chesterfield	E Mid	Urban	19.87	Berwick-upon-Tweed	NE	Rural	96.71
Derby	E Mid	Urban	21.88	Carlisle	NW	Rural	97.01
Wolverhampton	W Mid	Urban	21.91	Derwentside	NE	Rural	97.13

Note: The number of LA areas on the both years' lists was 11.

Table 5.A.24 Twenty LA areas with the narrowest differentials (1 to 3 bedroom RSL rents) (%), 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Mansfield	E Mid	Urban	15.77	Mansfield	E Mid	Urban	120.80
Bolsover	E Mid	Rural	17.06	Easington	NE	Rural	122.30
Corby	E Mid	Urban	17.56	Barnsley	Y & H	Rural	127.56
Bassetlaw	E Mid	Rural	21.53	Stoke-on-Trent	W Mid	Urban	128.05
Ashfield	E Mid	Urban	27.02	Bolsover	E Mid	Rural	128.75
Easington	NE	Rural	29.95	Bassetlaw	E Mid	Rural	135.18
Doncaster	Y & H	Rural	31.15	Ashfield	E Mid	Urban	136.41
Newark and Sherwood	E Mid	Rural	32.24	Nottingham	E Mid	Urban	138.45
Erewash	E Mid	Urban	33.14	Corby	E Mid	Urban	143.31
North Kesteven	E Mid	Rural	34.16	Sedgefield	NE	Rural	143.54
South Derbyshire	E Mid	Rural	35.00	Newark and Sherwood	E Mid	Rural	144.69
Stoke-on-Trent	W Mid	Urban	35.20	Wear Valley	NE	Rural	150.22
South Holland	E Mid	Rural	35.34	Copeland	NW	Rural	153.72
North Lincolnshire	Y & H	Rural	36.20	Chesterfield	E Mid	Urban	157.11
Amber Valley	E Mid	Rural	37.55	Kingston upon Hull	Y & H	Urban	157.33
Derwentside	NE	Rural	37.97	Sandwell	W Mid	Urban	159.97
Barnsley	Y & H	Rural	39.74	Doncaster	Y & H	Rural	161.08
Chesterfield	E Mid	Urban	40.72	Carlisle	NW	Rural	163.56
Wolverhampton	W Mid	Urban	43.34	Wolverhampton	W Mid	Urban	165.23
Derby	E Mid	Urban	44.91	Rochdale	NW	Urban	166.48

Note: The number of LA areas on the both years' lists was 12.

Terraced

Table 5.A.25 Twenty LA areas with the widest differentials (1 to 3 bedroom RSL rents), 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Kensington and Chelsea	Lon	Urban	582.74	Kensington and Chelsea	Lon	Urban	1395.6
Westminster	Lon	Urban	340.91	Westminster	Lon	Urban	903.83
Hammersmith and Fulham	Lon	Urban	301.52	Camden	Lon	Urban	778.47
Camden	Lon	Urban	285.92	Hammersmith and Fulham	Lon	Urban	708.23
Islington	Lon	Urban	245.05	Islington	Lon	Urban	628.85
Richmond upon Thames	Lon	Urban	193.08	Wandsworth	Lon	Urban	465.52
Wandsworth	Lon	Urban	179.85	Richmond upon Thames	Lon	Urban	414.85
Tower Hamlets	Lon	Urban	142.99	Hackney	Lon	Urban	379.31
Lambeth	Lon	Urban	129.37	Lambeth	Lon	Urban	349.89
Elmbridge	SE	Urban	124.91	Southwark	Lon	Urban	345.19
Windsor and Maidenhead	SE	Urban	121.78	Tower Hamlets	Lon	Urban	344.87
Kingston upon Thames	Lon	Urban	119.83	Brent	Lon	Urban	315.11
Harrow	Lon	Urban	119.60	Harrow	Lon	Urban	302.46
South Bucks	SE	Rural	119.44	Barnet	Lon	Urban	299.33
Brent	Lon	Urban	119.42	Elmbridge	SE	Urban	294.13
Epsom and Ewell	SE	Urban	117.75	Ealing	Lon	Urban	292.17
St. Albans	East	Rural	117.56	Haringey	Lon	Urban	283.03
Barnet	Lon	Urban	116.57	St. Albans	East	Rural	282.79
Southwark	Lon	Urban	116.36	Merton	Lon	Urban	277.35
Hackney	Lon	Urban	115.27	Redbridge	Lon	Urban	274.59

Note: The number of LA areas on the both years' lists was 16.

Table 5.A.26 Twenty LA areas with the widest differentials (1 to 3 bedroom RSL rents) (%), 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Kensington and Chelsea	Lon	Urban	1082.65	Kensington and Chelsea	Lon	Urban	1752.22
Westminster	Lon	Urban	575.56	Westminster	Lon	Urban	1055.29
Hammersmith and Fulham	Lon	Urban	540.32	Camden	Lon	Urban	904.20
Camden	Lon	Urban	460.45	Hammersmith and Fulham	Lon	Urban	874.49
Islington	Lon	Urban	434.40	Islington	Lon	Urban	794.42
Richmond upon Thames	Lon	Urban	312.21	Wandsworth	Lon	Urban	542.68
Wandsworth	Lon	Urban	294.29	Richmond upon Thames	Lon	Urban	512.89
Tower Hamlets	Lon	Urban	254.98	Hackney	Lon	Urban	493.82
Lambeth	Lon	Urban	238.27	Lambeth	Lon	Urban	469.58
Epsom and Ewell	SE	Urban	220.52	Tower Hamlets	Lon	Urban	451.64
Hertsmere	East	Rural	214.77	Southwark	Lon	Urban	435.80
Southwark	Lon	Urban	212.43	Brent	Lon	Urban	382.74
South Bucks	SE	Rural	211.92	Harrow	Lon	Urban	367.57
Hackney	Lon	Urban	206.30	Brighton and Hove	SE	Urban	366.38
Brent	Lon	Urban	201.80	Haringey	Lon	Urban	355.94
Surrey Heath	SE	Urban	199.86	Elmbridge	SE	Urban	355.76
St. Albans	East	Rural	198.68	Barnet	Lon	Urban	350.41
Chiltern	SE	Rural	195.70	St. Albans	East	Rural	347.66
Cambridge	East	Urban	194.71	Ealing	Lon	Urban	345.17
Elmbridge	SE	Urban	192.60	Waltham Forest	Lon	Urban	332.96

Note: The number of LA areas on the both years' lists was 14.

Table 5.A.27 Twenty LA areas with the narrowest differentials (1 to 3 bedroom RSL rents) , 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Mansfield	E Mid	Urban	-16.91	Burnley	NW	Urban	12.00
Pendle	NW	Urban	-16.45	Hartlepool	NE	Urban	31.20
Bolsover	E Mid	Rural	-15.54	Pendle	NW	Urban	33.16
Burnley	NW	Urban	-14.70	Barrow-in-Furness	NW	Urban	33.99
West Lindsey	E Mid	Rural	-13.72	Kingston upon Hull	Y & H	Urban	37.77
Hyndburn	NW	Urban	-12.61	Sedgefield	NE	Rural	39.03
Stoke-on-Trent	W Mid	Urban	-12.17	Stoke-on-Trent	W Mid	Urban	40.59
Manchester	NW	Urban	-10.75	Bolsover	E Mid	Rural	41.25
Barrow-in-Furness	NW	Urban	-10.65	Middlesbrough	NE	Urban	41.28
Hartlepool	NE	Urban	-10.55	Blackburn with Darwen	NW	Urban	41.96
Doncaster	Y & H	Rural	-8.97	Hyndburn	NW	Urban	42.42
Easington	NE	Rural	-8.65	Mansfield	E Mid	Urban	43.54
Blackburn with Darwen	NW	Urban	-8.39	Easington	NE	Rural	43.65
Middlesbrough	NE	Urban	-7.26	West Lancashire	NW	Rural	47.72
Ashfield	E Mid	Urban	-5.64	North East Lincolnshire	Y & H	Urban	50.66
Wolverhampton	W Mid	Urban	-5.08	West Lindsey	E Mid	Rural	50.77
Wansbeck	NE	Rural	-4.74	Wear Valley	NE	Rural	51.65
Barnsley	Y & H	Rural	-4.59	Ashfield	E Mid	Urban	51.68
Bassetlaw	E Mid	Rural	-4.47	Barnsley	Y & H	Rural	51.90
Rotherham	Y & H	Urban	-4.07	Liverpool	NW	Urban	52.99

Note: The number of LA areas on the both years' lists was 14.

Table 5.A.28 Twenty LA areas with the narrowest differentials (1 to 3 bedroom RSL rents) (%), 1998/99 and 2006/07

1998/99 LA area	GOR	Rural/ Urban		2006/07 LA area	GOR	Rural/ Urban	
Pendle	NW	Urban	-34.29	Burnley	NW	Urban	20.18
Mansfield	E Mid	Urban	-32.42	Barrow-in-Furness	NW	Urban	53.39
Burnley	NW	Urban	-31.80	Hartlepool	NE	Urban	56.39
Bolsover	E Mid	Rural	-30.60	Pendle	NW	Urban	62.12
West Lindsey	E Mid	Rural	-27.50	Bolsover	E Mid	Rural	62.57
Hyndburn	NW	Urban	-26.87	Kingston upon Hull	Y & H	Urban	64.80
Stoke-on-Trent	W Mid	Urban	-25.67	Sedgefield	NE	Rural	68.44
Manchester	NW	Urban	-23.27	Mansfield	E Mid	Urban	68.44
Hartlepool	NE	Urban	-23.04	Stoke-on-Trent	W Mid	Urban	69.22
Barrow-in-Furness	NW	Urban	-22.30	Blackburn with Darwen	NW	Urban	69.44
Easington	NE	Rural	-19.52	West Lancashire	NW	Rural	70.41
Doncaster	Y & H	Rural	-18.10	Middlesbrough	NE	Urban	73.23
Blackburn with Darwen	NW	Urban	-17.86	Hyndburn	NW	Urban	76.82
Middlesbrough	NE	Urban	-15.61	Easington	NE	Rural	78.90
Wansbeck	NE	Rural	-11.32	Ashfield	E Mid	Urban	81.50
Ashfield	E Mid	Urban	-11.03	Barnsley	Y & H	Rural	82.23
Wolverhampton	W Mid	Urban	-10.04	Stockton-on-Tees	NE	Urban	85.63
Barnsley	Y & H	Rural	-9.33	Wear Valley	NE	Rural	88.03
Rotherham	Y & H	Urban	-9.07	Bassetlaw	E Mid	Rural	88.90
Bassetlaw	E Mid	Rural	-8.48	Liverpool	NW	Urban	89.91

Note: The number of LA areas on the both years' lists was 14.

Figure A.5.4 LA areas with negative differentials (1 to 3 bedrooms RSL rents): Terraced, 1998/99 and 2006/07

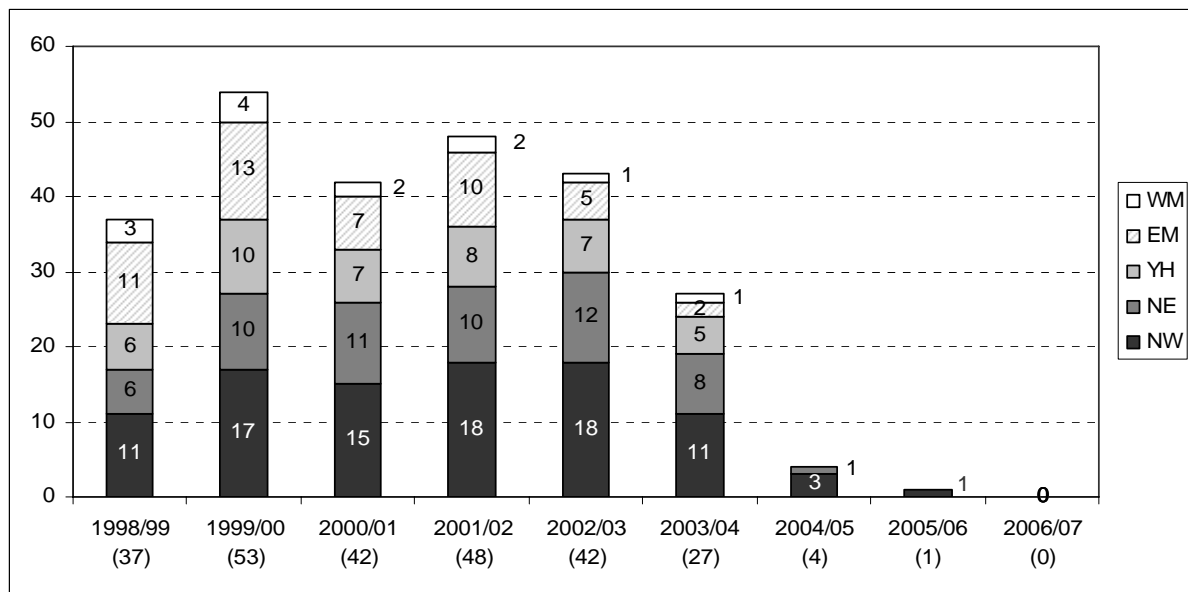


Table A.5.29 Twenty LA areas with the highest growth of the differential (%): Flat, 1998/99 and 2006/07

LA area	GOR	Rural/Urban	%-point	1998/99 (%)	2006/07(%)
Derbyshire Dales	E Mid	Rural	231.4	34.5	266.0
Weymouth and Portland	SW	Urban	200.1	-1.8	198.3
South Hams	SW	Rural	199.4	38.9	238.3
Calderdale	Y & H	Rural	197.9	29.8	227.7
Durham	NE	Rural	191.5	30.0	221.4
South Gloucestershire	SW	Urban	189.1	7.2	196.3
Brighton and Hove	SE	Urban	187.1	30.9	218.0
Chester	NW	Rural	187.0	58.1	245.1
Craven	Y & H	Rural	185.9	32.2	218.1
Wandsworth	Lon	Urban	184.4	122.4	306.8
Carrick	SW	Rural	182.6	44.8	227.4
Kensington and Chelsea	Lon	Urban	181.8	382.3	564.2
East Staffordshire	W Mid	Rural	181.7	6.1	187.8
Hackney	Lon	Urban	181.1	90.0	271.2
Tameside	NW	Urban	177.3	6.8	184.1
Exeter	SW	Urban	176.3	23.4	199.7
Torridge	SW	Rural	175.0	-12.2	162.8
Doncaster	Y & H	Rural	174.3	-3.0	171.3
Maidstone	SE	Rural	171.5	12.0	183.6
Ipswich	East	Urban	170.5	0.5	171.0

Table A.5.30 Twenty LA areas with the lowest growth of the differential (%): Flat, 1998/99 and 2006/07

LA area	GOR	Rural/Urban	%-point	1998/99 (%)	2006/07(%)
South Derbyshire	E Mid	Rural	-2.2	119.9	117.7
Barrow-in-Furness	NW	Urban	40.3	-48.7	-8.4
Wyre	NW	Urban	41.7	49.5	91.3
Bolsover	E Mid	Rural	44.7	-3.3	41.4
Allerdale	NW	Rural	53.8	55.5	109.2
Ellesmere Port and Neston	NW	Urban	54.4	68.5	122.8
Blackpool	NW	Urban	60.1	22.0	82.1
Eden	NW	Rural	60.8	31.7	92.5
Sedgefield	NE	Rural	61.4	40.5	101.9
East Cambridgeshire	East	Rural	64.3	38.8	103.1
Bracknell Forest	SE	Urban	65.2	81.9	147.1
Waveney	East	Rural	67.0	5.9	72.8
Oswestry	W Mid	Rural	69.8	24.0	93.8
West Lancashire	NW	Rural	70.0	37.8	107.9
North East Lincolnshire	Y & H	Urban	71.7	-1.0	70.7
Berwick-upon-Tweed	NE	Rural	71.9	31.5	103.4
North Dorset	SW	Rural	73.2	16.9	90.0
Congleton	NW	Rural	73.4	77.0	150.4
Blackburn with Darwen	NW	Urban	73.8	8.0	81.8
Tandridge	SE	Rural	74.3	89.4	163.7

Table A.5.31 Twenty LA areas with the highest growth of the differential (%): Semi, 1998/99 and 2006/07

LA area	GOR	Rural/Urban	%-point	1998/99 (%)	2006/07(%)
Kensington and Chelsea	Lon	Urban	1568.7	1011.0	2579.7
Westminster	Lon	Urban	968.1	949.4	1917.5
Camden	Lon	Urban	689.7	591.9	1281.6
Hackney	Lon	Urban	425.7	273.9	699.5
Wandsworth	Lon	Urban	382.1	345.0	727.1
Lambeth	Lon	Urban	335.2	257.6	592.8
Islington	Lon	Urban	330.9	554.1	885.0
Weymouth and Portland	SW	Urban	277.2	76.6	353.8
Southwark	Lon	Urban	263.1	253.9	516.9
Carrick	SW	Rural	247.8	90.7	338.5
Waltham Forest	Lon	Urban	233.2	156.9	390.2
Derbyshire Dales	E Mid	Rural	233.1	72.7	305.9
Maidstone	SE	Rural	229.5	99.3	328.8
South Gloucestershire	SW	Urban	229.1	76.9	306.0
Tower Hamlets	Lon	Urban	224.9	244.5	469.4
Fylde	NW	Urban	223.8	72.2	296.0
Hammersmith and Fulham	Lon	Urban	220.1	522.6	742.7
North Norfolk	East	Rural	219.6	56.5	276.1
North Cornwall	SW	Rural	218.6	77.4	296.0
Shrewsbury and Atcham	W Mid	Rural	218.4	93.6	312.0

Table A.5.32 Twenty LA areas with the lowest growth of the differential (%): Semi, 1998/99 and 2006/07

LA area	GOR	Rural/Urban	%-point	1998/99 (%)	2006/07(%)
Wyre	NW	Urban	81.7	106.8	188.5
Epsom and Ewell	SE	Urban	84.7	294.9	379.6
Barnsley	Y & H	Rural	87.2	39.6	126.8
Wear Valley	NE	Rural	89.9	59.2	149.1
Nottingham	E Mid	Urban	90.3	46.0	136.2
Sedgefield	NE	Rural	91.8	51.0	142.9
Stoke-on-Trent	W Mid	Urban	92.2	35.0	127.2
Ellesmere Port and Neston	NW	Urban	92.2	98.0	190.2
Easington	NE	Rural	92.3	29.8	122.1
Stratford-on-Avon	W Mid	Rural	92.4	222.8	315.2
Burnley	NW	Urban	93.3	80.6	173.9
Copeland	NW	Rural	93.9	58.8	152.7
Dudley	W Mid	Urban	93.9	74.8	168.7
Chiltern	SE	Rural	94.9	284.7	379.7
Surrey Heath	SE	Urban	95.3	234.7	329.9
Swindon	SW	Urban	95.8	128.5	224.3
Berwick-upon-Tweed	NE	Rural	95.9	69.4	165.2
Rochdale	NW	Urban	96.7	65.0	161.7
West Berkshire	SE	Rural	96.7	183.6	280.3
Carlisle	NW	Rural	97.9	65.1	163.0

Table A.5.33 Twenty LA areas with the highest growth of the differential (%): Terraced, 1998/99 and 2006/07

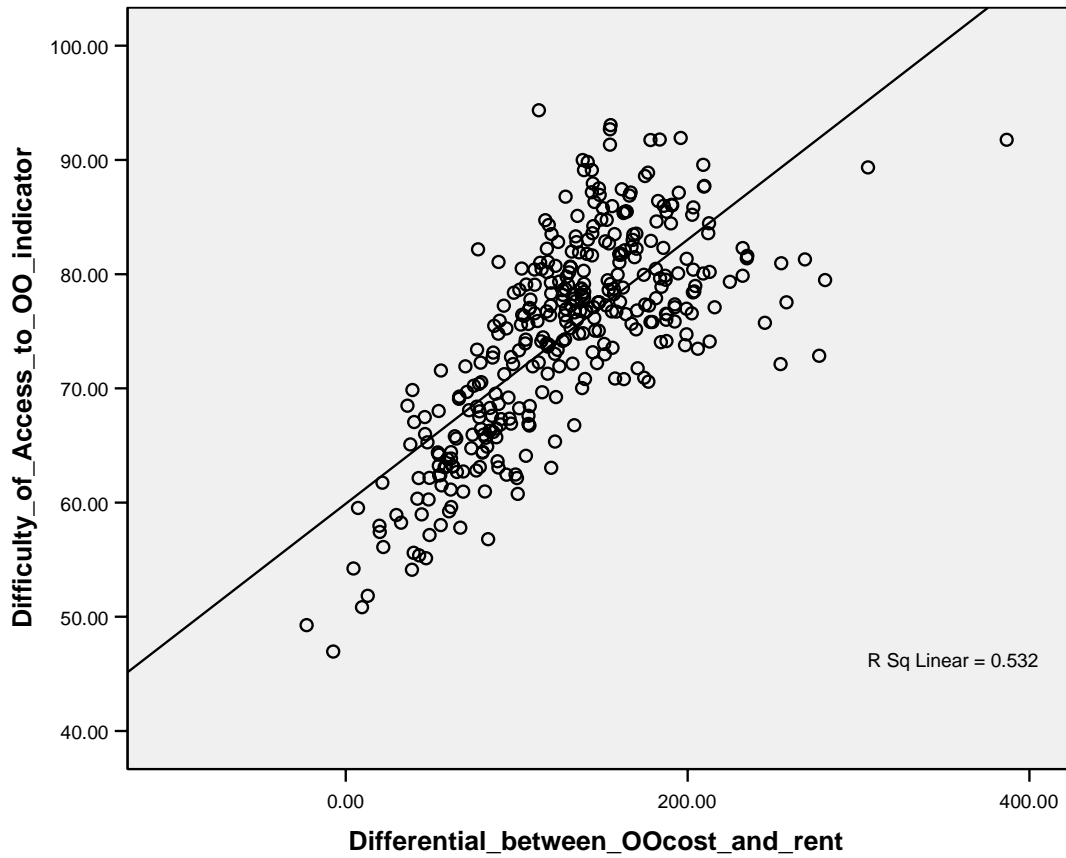
LA area	GOR	Rural/Urban	%-point	1998/99 (%)	2006/07(%)
Kensington and Chelsea	Lon	Urban	667.9	1062.0	1729.9
Westminster	Lon	Urban	478.6	569.4	1048.0
Camden	Lon	Urban	435.8	445.3	881.1
Islington	Lon	Urban	356.9	420.1	777.0
Hammersmith and Fulham	Lon	Urban	332.9	530.9	863.7
Hackney	Lon	Urban	281.9	196.4	478.3
Wandsworth	Lon	Urban	245.9	289.3	535.2
Brighton and Hove	SE	Urban	242.9	118.4	361.3
Weymouth and Portland	SW	Urban	241.0	52.2	293.2
Lambeth	Lon	Urban	227.9	230.7	458.6
Southwark	Lon	Urban	219.7	204.2	423.9
Carrick	SW	Rural	218.2	66.0	284.2
South Gloucestershire	SW	Urban	213.1	52.6	265.8
Waltham Forest	Lon	Urban	212.4	114.4	326.9
Exeter	SW	Urban	211.1	77.8	288.9
Maidstone	SE	Rural	206.4	57.8	264.2
Newham	Lon	Urban	205.4	83.6	289.0
North Norfolk	East	Rural	204.2	36.1	240.3
Richmond upon Thames	Lon	Urban	202.1	306.8	508.9
Tynedale	NE	Rural	201.8	43.0	244.7

Table A.5.34 Twenty LA areas with the lowest growth of the differential (%): Terraced,
1998/99 and 2006/07

LA area	GOR	Rural/Urban	%-point	1998/99 (%)	2006/07(%)
West Lancashire	NW	Rural	35.1	34.8	69.9
Burnley	NW	Urban	52.6	-33.4	19.2
Wyre	NW	Urban	59.6	53.9	113.5
Kingston upon Hull	Y & H	Urban	70.0	-6.1	63.9
Barrow-in-Furness	NW	Urban	74.5	-22.4	52.1
Sedgefield	NE	Rural	75.8	-7.8	68.0
Stratford-on-Avon	W Mid	Rural	76.0	177.6	253.5
Wear Valley	NE	Rural	77.1	10.2	87.2
Surrey Heath	SE	Urban	78.8	199.6	278.4
South Ribble	NW	Urban	78.9	54.0	132.9
Hartlepool	NE	Urban	79.2	-23.1	56.0
Allerdale	NW	Rural	79.7	34.3	114.1
Bracknell Forest	SE	Urban	80.1	152.2	232.3
Stockton-on-Tees	NE	Urban	81.1	3.7	84.8
Basingstoke and Deane	SE	Rural	82.9	107.6	190.5
Sefton	NW	Urban	83.1	19.5	102.6
Redcar and Cleveland	NE	Urban	87.2	6.3	93.5
Blackburn with Darwen	NW	Urban	87.4	-19.9	67.5
Nottingham	E Mid	Urban	87.4	9.9	97.3
Hart	SE	Rural	87.6	150.4	238.0

Annex 6

Correlation between Difficulty of Access to OO vs. OO cost – rent gap:2004/05



Note: Difficulty indicators are as in 2004.