



Housing Matters – Reflections from Advanced Oxford’s Quality of Life Survey and recent research on housing

At the end of 2018, employees from the companies and organisations that make up Advanced Oxford (www.AdvancedOxford.com) participated in our Quality of Life survey. Advanced Oxford is a group of organisations, working together to grow our innovation economy. We want to support the long-term development and success of the Oxford region as a place to live and work. The people who work in our innovation ecosystem also live in the Oxfordshire region. Their experiences and views will be common to those who work across our region and live within our communities. The results from this research allow us to better understand the issues that affect the decision to work and live, or commute to Oxford and Oxfordshire.

Housing costs and where people choose to live

There are many good reasons why people choose to live and work in Oxfordshire, but for all these positives, the worse aspects of life are dominated by issues around the cost of housing, poor transport links, congestion and the cost of living in Oxford/Oxfordshire, when compared to other areas within the south east of England. From our Quality of Life survey, we found that 75% think there is a poor range of quality housing to buy and 48% thought that was also the case for rental properties. While access to cities and transport links were thought to be positives, 66% thought this was also one of the worst parts of working in Oxfordshire. 89% agreed that Oxfordshire is an expensive place to live. 23% of respondents live outside Oxfordshire and over half of these people said that the cost of housing was one of the factors stopping them from living within the county. 46% of respondents wished that they could live closer to their workplace.¹

The companies that make up the membership of Advanced Oxford are innovation-based. The ideas and technologies that underpin their businesses are driven by research and development. This means that the workforce is generally highly skilled, with large numbers of graduates and often post-graduates. For example, one of our member organisations is staffed predominately with people who hold either a PhD and/or a medical degree. From our recent research, 66% of people had a job classed as professional, 15% were managers or senior leaders in their business and 10% had associate professional or technical roles. 95% of the people surveyed are working in Oxfordshire because of the role that they hold. While half of respondents to our survey work from home on occasions, the nature of research and development-related roles means that people need to go to work – the labs, the equipment, the resources and expertise that they need is located in specific places. There is an imperative to travel to site, resulting in a

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whole range of travel-related issues: time to get to work, demand on public transport system, use of cars. 82% of survey respondents travel to work in Oxfordshire 5 days a week.

Living closer to your workplace, or to an effective hub for public transport, can significantly reduce the burden of travel and have a consequent impact on the environment. Unfortunately, this is simply not an option for many of our employees. As well as examining issues around housing, the survey asked employees about their experience of transport and travel to work. Fewer than half of our survey respondents had a commute of less than 30 minutes and while 26% often take public transport and 23% cycle, still 78% normally travel to work by car. 69% of respondents to our Quality of Life survey agreed that congestion was worse in Oxfordshire than in other areas of the south east of England. It is clear from our survey that the issues of housing, transport and congestion are all interlinked. Not only do we need an increase in housing stock, but we also need housing that is built in the right place. Housing development on small scale and in the wrong place can add to car usage, so not only do we need housing development close to centres of work, but we also need it close to existing public transport infrastructure.

Oxfordshire Local Enterprise Partnership's (OxLEP) recent Local Industrial Strategy² highlights, the lack of affordable housing as a significant problem for many. Oxfordshire Housing and Growth deal (2017) contains a commitment to build up to 100,000 new houses by 2031. The differential in the demand versus supply is shown in stark relief by the price to earnings ratio for housing in Oxfordshire, a standard measure of affordability of housing. According to the Centre for Cities, a ratio of three is widely regarded as the upper limit of affordability³. The latest data from ONS shows that the median house price to median gross annual earnings ratio has moved from 5.94 in 2000 to 10.44 in 2018 in Oxfordshire⁴. The OxLEP Local Industrial Strategy notes that the ratio is typically 12:1, rising to 17:1 in some parts of the county.

Areas with strong economies need a sufficient supply of housing. It seems that we have an environment where housing is simply unaffordable in our region. Affordability impacts not just on key workers, but also on the broader population. A recent report, *Capital cities – How the planning system creates housing shortages and drives wealth inequality*, by the Centre for Cities has highlighted the inherent inequalities that result in the mismatch between supply and demand. "Housing shortages sharpen inequalities for renters who tend to be younger"⁴. Oxford has one of the lowest levels of home ownership amongst the under 50s. While Oxford has one of the highest average weekly wages in the UK at £523 per week, it also has one of the smallest increases in private dwellings between 2013–2018. The report calls for a reform to planning and for the voices of future residents to be taken into account. However, where housing equity has increased significantly, there is a strong disincentive to existing residents to support growth in

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house building. Such a boom in housing equity is evident in Oxfordshire. The average increase in housing equity in England and Wales, according to Centre for Cities research, is £23,000 (between 2013 and 2018). However, in Oxford, the average increase is £89,000, representing 28% growth, with the average level of housing equity standing at £406,000. Oxford has the third highest level of housing equity, behind only London and Cambridge⁴. While the Centre for Cities research focused on city level data, the findings have relevance across the whole of the county.

Another recent publication, *Homes on the Right Tracks*, from the Centre for Cities sets out interesting proposals for release of green belt land around rail infrastructure as a means of releasing land for new housing stock, with associated public transport links in close proximity. While the report does not look specifically at Oxford, drawing on other city exemplars, the findings and proposals can be applied to Oxford and Oxfordshire.

The report notes that the real price of houses has nearly doubled in every decade since the 1950s. This creates powerful incentives to become a homeowner. “Home-ownership steadily rose from 32% in 1953 to around 70% in the early 2000s but has now dropped back to less than 64%. For people born in the 1950s, the homeownership rate exceeded 70% before they got to 34. In the 12 years to 2016, however, homeownership rates for the under 34s have fallen from 59% to 34% and have since fallen further.”⁵ When younger people are being priced out of ownership this adds to the inequalities associated with the equity gains that have been achieved by those living in areas where housing supply is restricted.

The report goes on to demonstrate how there is significant misalignment between growth in the housing stock and growth in the population – between 1980 and 2018, 56,340 houses were built in Barnsley and Doncaster combined, while the population increased in those cities by 22,796. In contrast, in Oxford and Cambridge only 29,430 houses were built but the population grew by 95,079.

From our Quality of Life survey, nearly a half of respondents cited the ease of access to the countryside as one of the best features of Oxfordshire as a place to live. Our green spaces, areas of natural beauty, parks and heritage are of enormous value. This, however, should not be confused with green belt land, which is often privately-owned, without public access and used for intensive arable farming. 44% of green belt land around Oxford is used for this purpose⁵. As the *Homes on the Right Tracks* report notes, green belts may prevent people from living within easy commuting distance of better-paid and more-productive jobs; what’s more, as people search for affordable housing, these areas of farming land tend to become areas to drive through, in order to get to the places where people work.

Science and technology-based businesses and infrastructure are inherently place based. As we continue to apply and grow the ideas and knowledge base that flourish in Oxfordshire, we need to ensure that the

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workforce can afford to live close to where they work. We need more homes to address the disparity between demand and supply and to address the increasing inequalities that are a feature of the housing market in Oxfordshire. We also need these new homes to be built in the right places; reducing travel to work times, aligned to public transport provision and with appropriate infrastructure.

Advanced Oxford is equally interested in the lived experience for the people who work in, or are impacted by, the innovation ecosystem across the Oxford region, as well as being passionate about making Oxfordshire a successful place for growth and science. We hope our Quality of Life survey will help inform the debate on housing, drawing on the experience and views of the people that work within Advanced Oxford's membership.

About Advanced Oxford

Advanced Oxford is research-led, providing analysis and a united voice for our members on the key issues affecting the development of the innovation ecosystem in the Oxford region. We do this by drawing on our collective experience of setting up, running or working in knowledge-based, innovation-focused businesses and organisations.

The results of our Quality of Life survey are presented in a report, which is available from Advanced Oxford. A summary infographic is available on our website and you can request a copy of the full report and analysis by contacting us at info@advancedoxford.com.

References:

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4. Capital cities - How the planning system creates housing shortages and drives wealth inequality, Anthony Breach, 11/06/2019, Centre for Cities
5. Homes on the Right Tracks, Paul Cheshire and Boyana Buyuklieva, 22/09/2019, Centre for Cities

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