



15 May 2007

## Nearly one third of houses are bought for cash in rural areas

The Commission for Rural Communities (CRC) has released a report *Cash purchases of housing stock* which shows that in 2005 over 47,000 houses were bought for cash in rural areas, equivalent to nearly one third of all rural house sales for the year. The South West of England had the highest proportion of cash purchases when compared to all other English regions.

The CRC's analysis of the most recent HM Land Registry data shows that in rural settlements a greater proportion of house purchases are wholly paid for in cash than in urban districts. The report also shows that

- In villages, hamlets and isolated dwellings in sparse areas nearly 50% of all purchases are made with cash.
- There are high proportions of houses bought with cash in districts where there are also high proportions of second homes, high percentages of households on low income<sup>1</sup>, high rates of net internal migration and high rates of population growth.
- Of 11 high-pressure districts that are experiencing the most extreme values of these inter-related factors, 10 of these are rural districts and 7 of these are located in the South West region.
- Of the 71 districts with the highest proportion of cash purchases, 53 are rural. Notably, coastal rural authorities, particularly those in the South West region, and those covering national park areas have the highest proportions of houses bought for cash.

Stuart Burgess, the Rural Advocate and Chairman of the CRC said "Buying houses for cash in rural areas has increased the pressure on an already over stretched housing market and exacerbates the problems of affordability. Rural people are increasingly unable to live in the village or hamlet of their choice and wealthy people buying up homes for cash will simply make this situation worse.

He added "Buying houses for cash also has long term implications for the sustainability of the countryside. This pressure and others on the housing market was recognised politically by the creation of the Affordable Rural Housing Commission in 2006 and we will be reporting on progress one year on at a major conference in June."

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<sup>1</sup> Low income represents a household income below £15,681, 60% of the England median.

## Media enquiries:

For further information, please contact:

Justin Martin on 01242 534092, or Eve Rogers on 01242 534061.

## Notes to Editors:

1. The Commission for Rural Communities was established in April 2005, initially as an operating division of the Countryside Agency. It became an independent body on 1 October 2006, following the enactment of The Natural Environment and Rural Communities (NERC) Act 2006. Our role is to provide well-informed, independent advice to government and ensure that policies reflect the real needs of people living and working in rural England, with a particular focus on tackling disadvantage.

We have three key functions:

- Rural advocate: the voice for rural people, businesses and communities
- Expert adviser: giving evidence-based, objective advice to government and others
- Independent watchdog: monitoring and reporting on the delivery of policies nationally, regionally and locally

Further information about the Commission for Rural Communities and its work can be found at [www.ruralcommunities.gov.uk](http://www.ruralcommunities.gov.uk)

2. Cash purchases of housing stock is part of the CRCs annual State of the Countryside report, the 2007 version of which will be launched in July. In addition to the full report, we have recognised the need for more detailed bulletins. These State of the Countryside Updates will allow us to monitor key national rural indicators and to track change over time. As with our broader state of the countryside reporting, we hope that each update will assist in increasing the understanding of rural issues and will generate informed debate about the challenges facing rural England.

This, and future releases will be available via our website at <http://www.ruralcommunities.gov.uk/projects/socrupdates/overview>

3. As part of our ongoing work on the importance of affordable rural housing, the CRC has made a commitment to monitor and track progress on taking forward the recommendations made by the Affordable Rural Housing Commission in May 2006, at a national, regional and local level. In order to get a full picture of what has happened since the commission reported we are holding a 'One Year On' conference on 14<sup>th</sup> June 2007, at the QEII Centre, Westminster, at which we will report on progress made to date. We will then publish the results of our review later in the year.