

## Size Matters

### How Big Are Our Houses?

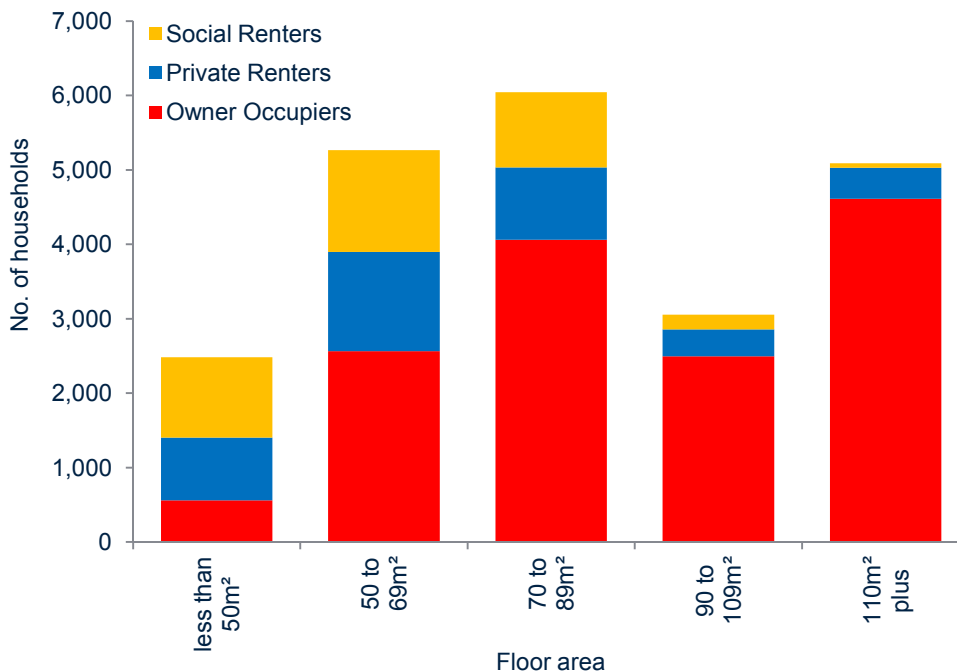
It is now easier than ever to find out how much your new neighbours paid for their house thanks to online data. It is far trickier finding out if the house is comparable to yours in size. Land Registry house price data is invaluable but unfortunately it only records the type of property sold e.g. detached, semi-detached, terraced or flat.

If you're lucky, the property details will still be on an agent's/listing website with a floor plan. Aside from third parties with access to mortgage lending data, there is no easy publicly accessible way to find out how big an individual property is. Wider access to floor area data would improve transparency in pricing by allowing people to quickly compare house prices on a £ per m<sup>2</sup> or ft<sup>2</sup> basis.

So how big are our homes? The 2012/13 English Housing Survey provides some useful evidence for England and indicates that the mean property floor area is 92.3 m<sup>2</sup> (993.5 ft<sup>2</sup>). For comparison, the 2011/12 survey indicates that an average floor area for flats is 56.9 m<sup>2</sup>, for terraced houses is 82.6 m<sup>2</sup>, for semi-detached houses is 93.2 m<sup>2</sup> and for detached houses is 151.7 m<sup>2</sup>.

As with any average, that figure doesn't tell us much about the distribution of property sizes. Fig 1 below shows the distribution tending towards smaller homes and highlights the divergence by tenure. The average size of an owner occupied home is 105 m<sup>2</sup>, a private rented home is 74 m<sup>2</sup> and a local authority home is 63 m<sup>2</sup>. Some of that difference will be accounted for by the different mix of property types (e.g. flats versus houses) in each tenure but it is perhaps not surprising that higher levels of overcrowding are found in the two rental tenures.

Fig 1 – Distribution of Housing Stock by Floor Area & Tenure, England 2012



Source: English Housing Survey 2012-13

Comparing the size of homes to other countries is fraught with difficulties. The latest data I've sourced is from Eurostat and was collected in 2012. Unfortunately the results didn't include any data for the UK due to a response rate of only 13% to the dwelling size question. Fortunately the English Housing Survey data is for the same period and appears to be based on a broadly similar definition of dwelling size.

Based on these two data sources and assuming some consistency in measurement across all countries, it appears that the average dwelling size of 92.3 m<sup>2</sup> in England is just below the regional average of 96m<sup>2</sup> and within 10% of Austria, Spain, Germany, France, Italy, Greece, Finland and Slovakia. The size of dwellings in some countries does suggest that there is room for improvement. The Netherlands with an average size of 106.7 m<sup>2</sup> and Denmark with 115.6 m<sup>2</sup> are popular examples of having larger homes than this country. The particularly high figure for Denmark reflects a much higher proportion of detached homes than in England and doesn't tell us anything about the distribution of property sizes.

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Dwelling Size (m <sup>2</sup> ) 2012	
Cyprus	141.4
Luxembourg	131.1
Iceland	130.4
Belgium	124.3
Norway	123.2
Switzerland	117.1
Denmark	115.6
Netherlands	106.7
Portugal	106.4
Sweden	103.3
Austria	99.7
Spain	99.1
Germany	94.3
France	93.7
Italy	93.7
<b>England</b>	<b>92.3</b>
Greece	88.6
Finland	88.6
Slovakia	87.4
Croatia	81.6
Ireland	80.8
Slovenia	80.3
Czech Republic	78.0
Hungary	77.4
Poland	75.2
Bulgaria	73.0
Estonia	66.7
Lithuania	63.2
Latvia	62.5
Romania	44.6

Source: Eurostat [ilc\_hcmh01]  
English Housing Survey 2012/13



**Apples and Oranges**

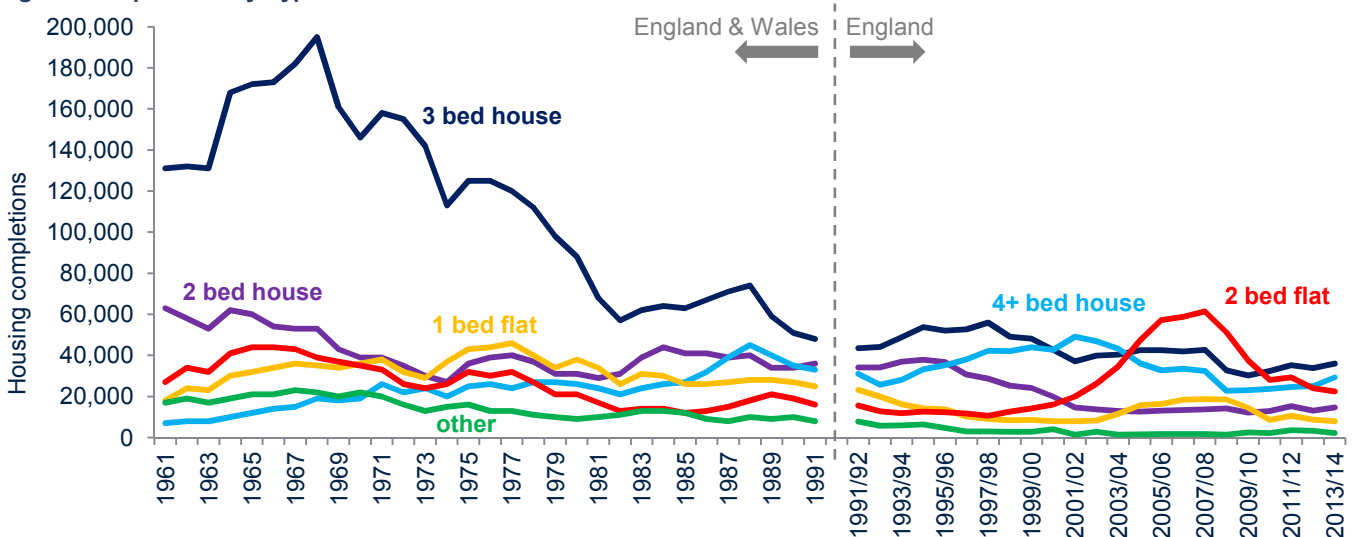
While the size of all homes in England appears to be fairly average compared to the rest of Europe, how do the size of new homes compare? Unfortunately, given the difficulties in comparing new build property sizes across Europe and ensuring consistency of measurement, I'm going to look at how new build compares to the existing stock instead. Recent reports that have attempted an answer have issues that primarily stem from a lack of up to date data.

For example, a report by RIBA in 2011 (The Case For Space) reported that new homes in the UK 'were the smallest in Western Europe', but this used findings from a 2002 EU report. That report gives an average new build size of 76m<sup>2</sup> for England and was collected in 1996.

More recently, LSE published a report (UK Housing and Planning Policies) that says "New houses are about 40% smaller than in similarly densely populated European countries" which references an EU report published in 2005 and gives an average new build size of 82.7m<sup>2</sup> for the period 1981-2001.

So just how accurate and relevant are these data sources for current new build homes given their date and the changing trends in the type of property being built? Figure 2 below shows how the type of property being built has changed over time. Historically, the most common property type built was a 3 bed house. The decline in the number being built followed the wider decline in housebuilding until the 2000s. Construction of 3 bed houses were then briefly overtaken by 4+ bed houses in the early 2000s and 2 bed flats during the mid to late 2000s. Since the credit crunch they have once again become the most common type of property built albeit at lower levels.

**Fig 2 – Completions by Type and Number of Bedrooms**



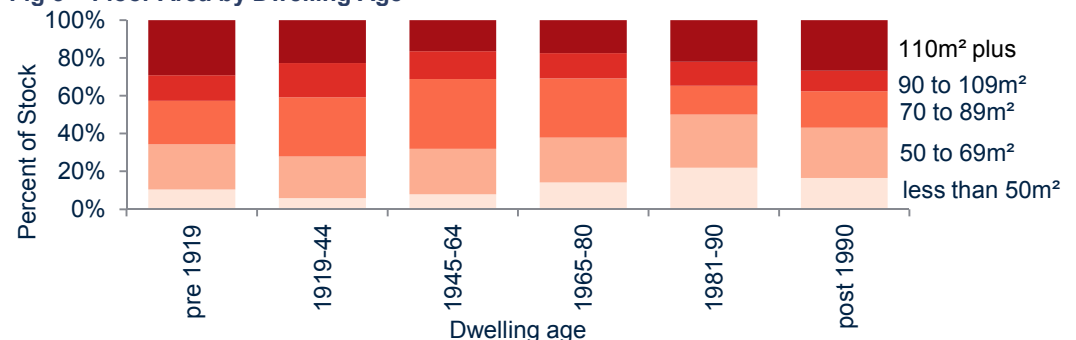
Source: DCLG Tables 209/254, CCHPR AE Holmans 2005 (Other is 1 bed houses and 3+ bed flats)

Usefully, the 2011-12 English Housing Survey provides data on dwelling sizes split by dwelling age. As probably expected, the data appears to show a decline in size over time. The average size of homes built prior to 1919 is 102 m<sup>2</sup> and falls to an average size of 83.9 m<sup>2</sup> for homes built between 1981 and 1990. Perhaps contrary to common perception, the average size for homes built after 1990 actually increases to 91 m<sup>2</sup>.

The data appears to show that property sizes have fallen over time with a rebound in recent years despite a larger number of flats being built. However, it is important to understand what this data does and doesn't tell us. It doesn't tell us the average size of properties when they were built but does tell us how big they are now. Older properties have had more time for renovations and extensions. The useable floor plan for an older property may be vastly different to when it was first constructed thanks to extensions, loft conversions, conservatories, and digging out basements.

**Fig 3 – Floor Area by Dwelling Age**

42% of dwellings built before 1944 are over 90 m<sup>2</sup> in size, 31% of those built between 1945 and 1980 are over 90 m<sup>2</sup>, and 36% of those built since 1981 are over 90 m<sup>2</sup>



Source: English Housing Survey 2011-12

**Bigger Than You Might Think (but with an important caveat)**

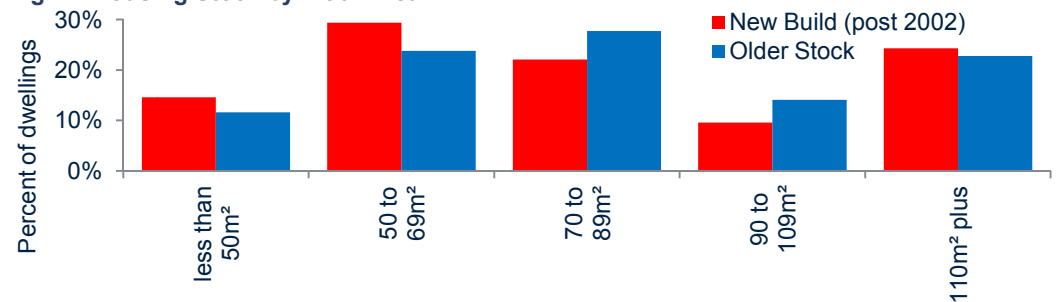
As we saw on the previous page, the average size of homes built after 1991 is actually larger than those built in previous decades. The 2012-13 English Housing Survey reinforces this trend and shows that the average floor area of homes built between 2002 and 2012 (96 m<sup>2</sup>) is actually slightly above the average for older homes (92 m<sup>2</sup>). As a secondary source, the DCLG data on Energy Performance Certificates for properties built and/or sold in 2014 also shows slightly larger new build homes (94 m<sup>2</sup>) than second hand homes (92 m<sup>2</sup>).

So the data appears to show that new build homes are on average larger than existing homes. However, as Fig 4 shows, the average hides a wide distribution with a large number of smaller new build homes (most likely flats) counterbalanced by a sizeable proportion of much larger homes. Relative to the existing stock there are far fewer homes in the middle of the distribution.

This distributional issue is far more important than how a simple average compares to other countries. It raises questions around the inequality of access to housing, over and under-occupation, generational divides and what it is we need our new build housing to actually do. As just one example, perhaps using new build to unlock existing family homes through downsizing may be more beneficial than trying to build high density family homes in some markets.

The average floor area of homes built between 2002 and 2012 was 96m<sup>2</sup>, slightly above the average for older homes (92m<sup>2</sup>). However, this average hides the large proportion (66%) of new build homes sized below 90m<sup>2</sup> that is counterbalanced by the large proportion of new build homes with floor area of more than 110m<sup>2</sup>.

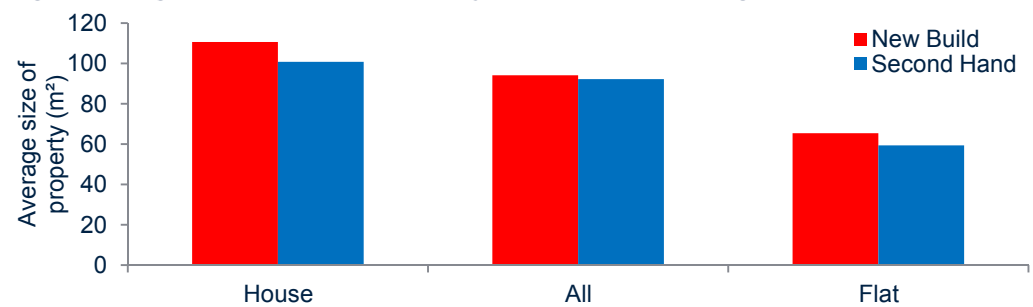
**Fig 4 – Housing Stock by Floor Area**



Source: English Housing Survey 2012-13

According to Energy Performance Certificates, the average new build flat in 2014 was 65.5m<sup>2</sup> compared to 59.4m<sup>2</sup> for second hand flats. New build houses were 110.6m<sup>2</sup> compared to 100.9m<sup>2</sup> for second hand houses. These figures include all tenures.

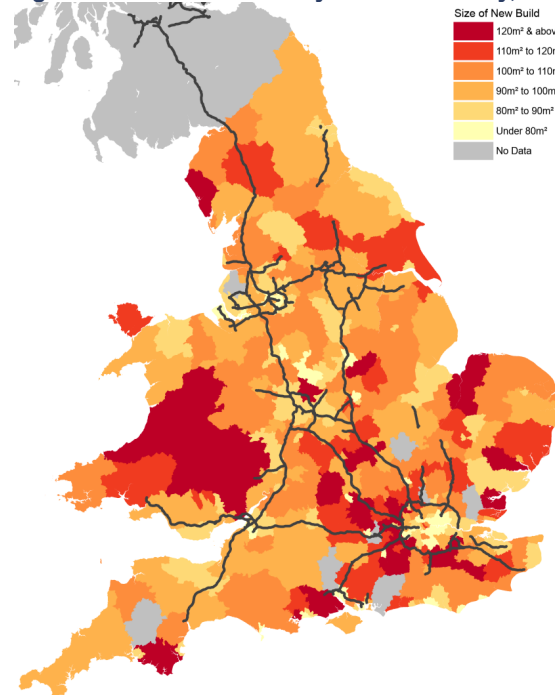
**Fig 5 - Average Size of Domestic Property Built/Sold in 2014, England & Wales**



Source: DCLG NB4, D5

On the whole, the map of average new build sizes opposite just illustrates population density and underlying property types. Smaller new build homes are found in urban areas and larger new build homes in rural areas.

**Fig 6 – Size of New Build by Local Authority, 2014**



However, there is an interesting feature with much larger average property sizes within the greenbelt constrained Home Counties, even compared to adjoining rural areas.

This reflects the pressure London puts on surrounding housing markets and the price premium for space at the top end of the market within a commutable time from central London.

Source: DCLG NB4

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