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The future negative equity map of Britain

Daniel Dorling
Department of Geography
Newcastle University

This paper looks at the present state, and speculates over the future, of the British housing market. Changes in the housing market influence the national economy and the lives of ten million households who have put themselves in debt to buy housing. Many households now live in properties which are worth less than the loan secured on them. These buyers are said to have 'negative equity'. Negative equity is important because, unless households can bridge the gap between their home's value and their loan from savings, or can carry the debt, they cannot move home. The profits and security of Building Societies and other mortgage lenders are also affected.

This paper is being written as the Halifax Building Society releases their third quarter house price figures for 1993 under the banner: "UK House Prices Now Higher Than a Year Ago". We can expect more headlines like this, not necessarily because house prices will rise but because it is in almost everybody's interest to imply that they are rising. But what if they are still falling? What if they do rise?

The current state of the housing market is described below and two scenarios - one of rising prices, one of falling - are developed to show where many people may be affected. I focus on negative equity as once this builds up, if homeowners with negative equity fall into arrears with their mortgage and have their home possessed (after failing to repay), they may well find themselves homeless but still having a large debt to pay. Negative equity also has important implications for freedom of movement, overcrowding and regional economy prosperity in Britain.

None of this occurs in a spatial vacuum. An economic wave of house price falls has flooded across the country over the last four years. Having welled up in London it is now crossing the Scottish border. If we know the human implications of price changes then that may alter our complacency over what initially appears a less than interesting subject for geographers. The housing market, directly or indirectly, affects the lives of too many people to be ignored.

The housing market in 1993

The dramatic slump in both house prices and transactions between 1989 and 1991 has already been dealt with in detail in this journal (Hamnett 1993). A slump of this magnitude has not been seen since the 1930s, just as near permanent mass unemployment has not been seen for over half a century. Home possessions following mortgage arrears soared to an all time high of 75,540 in 1991, a fifteen fold increase in the decade (Ford 1993). But as Hamnett has shown, the slump was geographically concentrated in the South with mix-adjusted price series

showing an 18% fall nationally (with this being as high as 30% in London and the South East) since the peak of the boom. Mix-adjusted series attempt to allow for the influences on average prices of different types of housing being sold at different times and in different places by weighting the mix of properties in a sample to conform to a chosen national mix. However, this approach is not needed to measure falls in transactions which have been even more dramatic, 38% lower in 1991 than in 1988 for all of England and Wales. Geographically disaggregated figures are thus needed to accurately analysis other changes resulting from the housing market fluctuations.

The housing market figures which can be bought up to date most simply are prices. Two sources have been used to do this - the Halifax third quarter county by county average price estimates for 1991, 1992 and 1993, and the 1991 census count of dwellings in owner occupation. The latter data allows the former to be standardized according to the total of all dwellings in owner occupation in each county so that some of the inherent geographical biases in one Building Society's sample of mortgages can be overcome. The Halifax county price estimates are not mix-adjusted, but they do provide the opportunity to "geo-adjust" at a resolution below the regional level (Halifax 1993).

Table 1 groups the counties for which the Halifax gave an average price into four sets: those which have seen prices fall both in 1992 and in 1993; those which have seen a rise then fall; those which have seen a fall then rise; and those which have seen two successive rises. There were only two counties in the last group - Cambridgeshire and Lothian, which saw overall rises of 3% and 4% respectively over the two years (still less than the rate of inflation). These two counties contained only 2% of all owner occupiers in Great Britain. In contrast 45% of owner occupiers had dwellings in counties where the prices had fallen successively. The falls were highest in the more rural districts and lowest in the metropolitan areas: 15% had seen a rise followed by a fall (60% in total therefore experiencing a fall in 1993) whereas 30% had seen a fall in 1992 converted into a rise in 1993. However over a third of the dwellings in this group were in Greater London, for which the Halifax Bulletin offers an alternative mix-adjusted price *fall* of 2.9% in the year to the third quarter 1993 (Halifax 1993). These figures are thus not robust, but still imply that for the vast majority of homeowners in Britain the housing market slump continues.

Why should this be? The interest payment cost of a mortgage is now cheaper than it has been for over three decades while the average earnings to house price ratio is at an all time low (Nationwide 1993). People are not buying houses, not because they are too expensive, rather they are not buying houses because the people themselves have changed. Figure 1 shows the change over the decade 1981-1991 of the circumstances of young adults in Britain. In 1993 these people are aged 18 to 26 and hence are in the key group of potential first time buyers who are needed to fuel any recovery. Unfortunately (for homeowners) there are 25% less men and 26% less women reaching the age of majority in 1993 as compared to 1983. The actions of these children's older siblings fuelled the housing boom until 1989. Of the contracting group of young adults, a fifth less men and a quarter less women are now getting married by the time they are aged 24. At the peak ages there are over 10% more students than a decade ago, while 9% fewer 17 year old men had jobs in 1991 compared to their counterparts in 1981.

Young adults are less likely to get married, less likely to get a job, more are staying on in education and there are far fewer young adults overall - they are thus not buying housing at the same rate that it is being vacated by older people. More houses are being built than are being demolished, so supply is outstripping demand (Wilcox 1993, p.56), and there is little flexibility in changing the supply. What all this implies for the future is dwelt on below. Next we concentrate on what it means for the present. How are yesterday's young people (who did buy houses) fairing today?

The extent of negative equity

The overall extent of negative equity is difficult to gauge. The Bank of England, for instance, has estimated figures very much higher than the Treasury which claimed that only one million home owners had negative equity in 1992 (Bank of England, 1992). In June 1992 UBS Phillips and Drew published an estimation that 1.5 million households had negative equity (Wrigglesworth 1992, p.5). In July, 1993 a Woolwich Building Society press release stated:

The number of homeowners in the UK with negative equity has dropped almost 20 per cent from a high point of 1.8 million in the first quarter of 1993 to 1.45 million in the second quarter ..."

(Woolwich 1993, p.1)

The extent of negative equity cannot be known with a great degree of precision because it can only actually be realised when homeowners attempt to sell their property. All the above analyses used aggregate figures to attempt to calculate how many buyer's outstanding mortgages were higher than the market value of their homes. An average range of deposits had to be assumed for whole cohorts of buyers in standard regions to which an average price fall was applied to create an average estimate of negative equity.

Negative equity does not affect the population of homeowners evenly in this way. Each homeowner will have a different deposit, have bought at a different time, have bought a different type of house in a different area to almost every other. To be able to estimate realistically the extent of negative equity we need to model at least these variables - taking into account varying price changes for different types of housing in different places at different times - and applying those estimated changes to a large sample of actual mortgage holders for whom we know the exact purchase date, price, deposit and so on.

In November 1992 the Joseph Rowntree Foundation published figures produced in this manner (Dorling, Gentle and Cornford 1992). A sample of a million mortgages, taken out between 1980 and 1991 through one Building Society was obtained. The current market price of each homeowner's property was estimated according to the change in value for type using 4 housing categories and location in any one of 112 geographical 'housing market areas'. The Halifax Building Society's estimates of house price changes since 1991 were used to produce estimates for the current state of the market. Those same estimates of the extent of negative equity using the methodology detailed in the Rowntree report are presented here, but now updated to the third quarter of 1993.

The cohorts of homeowners who bought between 1988 and 1991 are focused on since they have the highest exposure to negative equity and as a number of assumptions have to be made in the estimates presented here. It is assumed that all those who have sold their home since the mortgage record was taken were replaced by new buyers with mortgages from other Building Societies who will have the same degree of negative equity today. It also has to be assumed that the overall effects of mortgage repayment are cancelled out by homeowners extending the size of their mortgages. As only two years have passed since the most recent purchasers in the sample bought, these assumptions are not too unreasonable but they make calculating reliable figures for people who bought before 1988 more problematic.

Table 2 shows the regional distribution of negative equity in this sample and how it has changed in the year to October 1993. A quarter, rather than a fifth, of all homeowners in this group now have negative equity. This group makes up just under half of all mortgagees (Wilcox 1993, p.89). The Woolwich building society were right to say that the level of negative equity fell during spring, but over the twelve months as a whole it rose. Regionally, only in Greater London and Wales have some homeowners escaped the debt trap as a result of slightly rising prices. Scotland and the North saw the greatest rises in negative equity, but both from very low bases. Negative equity in both extent and amount is spreading towards the periphery.

At the more local level of the parliamentary constituency the rates of negative equity can be very much higher (and lower). Table 3 shows those constituencies which ranked in the top ten out of over six hundred in 1992, and how this list had changed by the third quarter of 1993. House price changes in the year have led to many transpositions, with Luton South, Basildon and other seats in the outer London area being replaced by constituencies in Portsmouth, Bournemouth and Bristol. The position of constituencies in this table relies upon both the borrowing characteristics of the mortgagees in the sample in those areas and the most recent changes in housing price. Figure 2 presents these statistics nationally as a choropleth map. In the North East it is those constituencies where homeowners had the smallest amount to put down in deposit which have more than 10% of recent buyers experiencing negative equity - Tyne Bridge, Gateshead East and Washington.

The likelihood of an individual household having negative equity depends as much on the ratio of their mortgage to purchase price as it does on house prices changes. Table 4 illustrates this by showing what proportion of buyers nationally have negative equity divided into bands according to the size of their mortgage advances. Almost three quarters of homeowners nationally with 100% mortgages now have negative equity (ie live in areas which have had overall price falls since they bought), and over half of those with a 95% plus mortgage have seen the value of their property fall below their mortgage. The fastest increase, however, has been in the bands of loan between 70% and 85% of purchase price. Significant groups of people in these brackets are now experiencing negative equity for the first time.

The future: boom or doom

"Housing market recovery to take five years" (The Guardian 5th June 1993)
"House prices to rise 7% in 1994" (Sunday Times 25th July 1993)

Opinion on the future of the housing market can be divided into two camps which the above press headlines typify. The *boom* camp believes there will be another cyclical recovery, as there has been before. The *doom* camp believes that the market has moved into uncharted waters and could easily sink further. There is another group, which hopes for stability, but that is the one scenario for which past precedent cannot be called upon in evidence. So here two extreme scenarios are outlined and the estimates of negative equity presented so far are rerun to illustrate what the effects of these events would be. The year 1996 is chosen for both projections as, if there is no earlier crisis, an election campaign will be upon us then in which housing issues - depending on price changes - could play a significant part.

The first scenario is of "boom": a house price recovery beginning immediately and not faltering once. The period between 1980 and 1983 is chosen as an historical analogue; the beginnings of the 1980s boom being mapped into the 1990s. The Nationwide Building Society mortgage records are used to achieve this, a mix-adjusted series showing a 26% increase in prices over the period for Great Britain as a whole (requiring average price rises of 8% each year). The methodology adopted by Brunson et al (1991) is used in the mix-adjustment. The average value of each type of housing in each housing market area in 1993 is assumed to rise at exactly the same rate as it did thirteen years ago. The extent of negative equity for the same sample of borrowers as used above is then estimated, given these inflated house prices.

The second "doom" scenario envisages further falls in house prices each year to 1996. According to the Nationwide mix-adjusted price index prices in the third quarter of 1993 are now 5% below the level they held in the third quarter of 1988 (Nationwide 1989). Suppose they were to continue to fall, successively, to the level they held in the second quarter of 1988 (in 1994), the first quarter of 1988 (in 1995) and then to the third quarter of 1986 (in 1996) - to be the rough mirror-image of the first scenario in magnitude? Reversing over three years the inflation of two years. They would then be, on a mix-adjusted average, 22% below their present levels in our 1996 doom scenario. Simulating such a change is simple - we replace 1993 market prices by 1986 market prices for each type of housing in each area. This is also not an entirely unreasonable scenario; prices have fallen further in Scandinavia in recent years with severe implications for financial institutions (Bengtsson 1993).

Table 5 illustrates the results of these two scenarios nationally. It is not suggested that either of these is likely, but they are both plausible - being based on past precedent. If house prices can rise by 29% in one year (1988) after rising by 55% in the previous four years, why should they not fall by 22% in three years (1993-1996) after falling by 18% in the previous four years? All these change figures are based on past movements in the Nationwide Building Society house price index.

The regional implications of these two scenarios are shown in Table 6. Under the *boom* the proportion of borrowers with negative equity would fall to only one in thirty of the cohort of homeowners who had bought between 1988 and 1991, but they would still each have an average unsecured debt of over three thousand pounds. Price rises, identical to those between 1980 and 1983 would leave almost nobody in Scotland, the North, North West or Yorkshire and Humberside with negative equity, but almost one in ten of this cohort's buyers in the Outer South East and the South West would still be in the debt trap seven or eight years after buying their homes.

The *doom* scenario creates a very different picture. Nationally, two thirds of people who bought between 1988 and 1991 would have negative equity if the market price were to fall by 22% between 1993 and 1996. The remaining third would have seen the advances they placed on their purchase severely depleted but would not hypothetically be holding an average of over twelve thousand pounds worth of unsecured debt each. There is a great degree of variation in the economic circumstances of homeowners. Regionally the Outer South East, Outer Metropolitan and East Anglia regions would join the North and Scotland with levels of negative equity among recent buyers being below 65%, where homeowners tended either to be more wealthy or more prudent, and thus have lower percentage loans on their properties.

Finally Table 7 shows which parliamentary constituencies would rank highest under these two scenarios. These constituencies illustrate well the separate economic components that build up to create negative equity and how these then translate into specific types of area. Even under the optimistic *boom* negative equity 'black spots' would remain for a little time. These are places where prices have fallen so far that a 26% rise would not be enough to free those homeowners who bought at the peak of the market. Parts of the South coast and Northamptonshire features strongly in this list. The fact that as many as a third of those who bought between 1988 and 1991 in these areas may still have negative equity in 1996 (under an optimistic scenario) illustrates the depth of the current problem.

The *doom* scenario, conversely produces a completely different set of places heading the table - all with over 90% of 1988-91 buyers holding negative equity in 1996. These are places where very few homeowners would have put down substantial deposits when purchasing their home - the inner cities of the North and the Midlands. A boom therefore will, paradoxically, leave traditionally more affluent areas worse off, whereas a further slump in the private housing market would hurt some of the poorest parts of the country most. The factors that combine geographically to create concentrations of negative equity do not produce simplistic spatial outcomes.

Conclusion

What this paper has shown is that negative equity is a widespread and still growing phenomena in the British housing market of 1993. The geographical mix of different individuals' borrowing characteristics and areas' price falls result in clear spatial concentrations. Whether the coming years see inflation or a slump in house prices, to some extent negative equity is here to stay. We are also likely to see an even more fragmented owner occupied tenure in the future as the overall demand for buying reaches a plateau. Too many people "own" their homes and too few want to buy them. As owner occupiers age more will wish to sell for the last time or move into larger property (as their families grow). If young adults are wary of the experiences of those who have just gone before them they may well be unwilling to help fuel the market recovery that is required by getting themselves into debt (see Table 8). If we cannot offer them secure employment why should they risk buying our houses?

Even if there is a *recovery* we must not revert to thinking that negative equity is something that happens to other people in other places at other times. This has happened before and could happen again (Hunter 1986). The geography of any recovery will mean that some people and places will almost surely be left behind. Policy makers need to realise that negative equity is here for some time to come. If people cannot move when their economic circumstances change, their families grow, or they are offered jobs in other cities then home possessions overcrowding and unemployment will rise. The most important implications may not be economic or social but political. Those who have lost out are unlikely to reward a government in 1997 who promised a housing market recovery way back in the spring of 1992.

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Figure 1: Change in Young Adults Circumstances in Britain 1981-1991 (dashed line for males, solid line for females, showing percentage change from 1981)

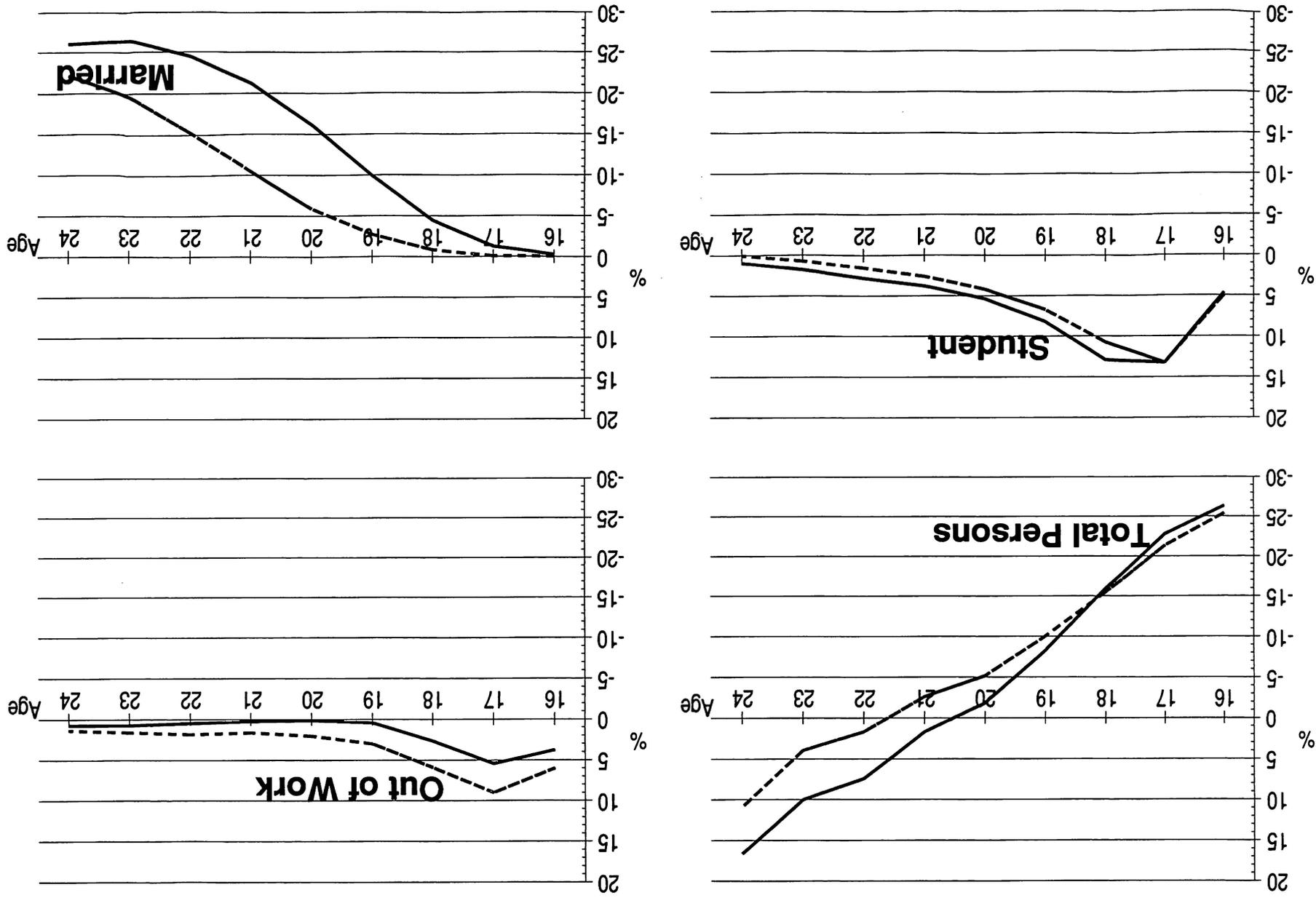
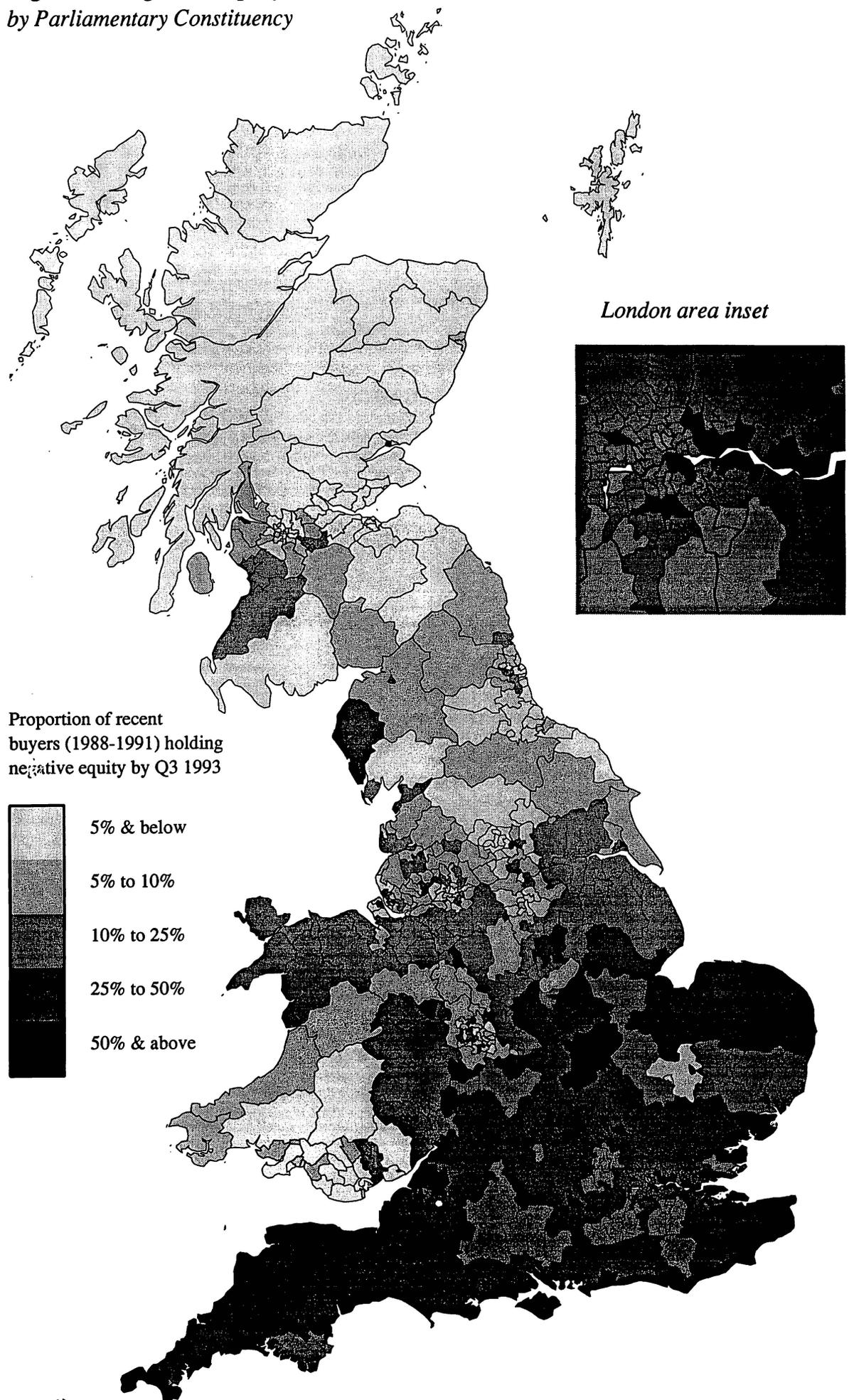


Figure 2: Negative Equity in 1993
by Parliamentary Constituency



Source: unpublished Building Society records and Halifax 1993 third quarter figures

Table 1: Change in housing prices in Britain 1991-1993

Number of owneroccupiers and households with mortgages experiencing the following price changes:

Q3 1992 / Q3 1993	Buyers (<i>'000s</i>)	All Owner Occ. (<i>'000s</i>)	Buyers (% of GB)	All Owner Occ. (% of GB)
Fall / Fall	4,132	6,499	44%	45%
Rise / Fall	1,481	2,238	16%	15%
Fall / Rise	2,806	4,360	30%	30%
Rise / Rise	244	356	3%	2%
Not Counted*	628	1,033	7%	7%
Total	9,292	14,486	100%	100%
(Overall rise 91-93)	640	980	7%	7%
(Overall fall 91-93)	8,024	12,474	86%	86%

Breakdown of price changes for counties and Scottish regions for which average prices were listed:

Halifax County	Change 1991 to 1993	Halifax County	Change 1991 to 1993
Fall 1992 / Fall 1993		Rise 1992 / Fall 1993	
Northumberland	-17%	Hampshire	-9%
Cornwall	-17%	Shropshire	-8%
Avon	-16%	Worcestershire	-7%
Northamptonshire	-14%	Wiltshire	-5%
Warwickshire	-14%	Cumbria	-5%
Dorset	-13%	West Yorkshire	-5%
Berkshire	-11%	Tyne and Wear	-4%
Hertfordshire	-11%	Grampian	-2%
West Sussex	-11%	Gloucestershire	-2%
Herefordshire	-10%	Strathclyde	-0%
Norfolk	-10%	County Durham	1%
Derbyshire	-10%	South Glamorgan	4%
Cheshire	-9%	Fife	4%
Kent	-9%		
Somerset	-9%	Fall 1992 / Rise 1993	
South Humberside	-8%	Leicestershire	-12%
Surrey	-8%	Staffordshire	-10%
Buckinghamshire	-7%	Oxfordshire	-10%
Nottinghamshire	-6%	Greater London	-8%
Lancashire	-6%	Devon	-8%
Lincolnshire	-6%	Essex	-8%
Merseyside	-5%	East Sussex	-6%
South Yorkshire	-4%	Bedfordshire	-5%
North Humberside	-4%	Suffolk	-4%
West Midlands	-3%	Clwyd	-2%
		Gwent	-1%
Rise 1992 / Rise 1993		Cleveland	-0%
Cambridgeshire	3%	West Glamorgan	-0%
Lothian	4%	North Yorkshire	-0%
		Mid Glamorgan	2%

* Note: The Halifax Building Society does not use standard county areas. Note in particular the approximations:

Herefordshire = Hereford, Leominster, South Herefordshire

Worcestershire = Bromsgrove, Malvern Hills, Redditch, Worcester, Wychavon, Wyre Forest

North Humberside = Beverley, East Yorkshire, Holderness, Kingston upon Hull

South Humberside = Boothferry, Cleethorpes, Glanford, Great Grimsby, Scunthorpe

Lancashire = Lancashire and Greater Manchester

Source: Halifax third quarter county prices (1991, 1992, 1993) weighted by 1991 census counts of all owner occupied dwellings

Table 2: Estimates of levels of unsecured mortgage debt in Britain amongst 1988-1991 buyers by region

<i>Region of Purchase</i>	<i>By October 1992:</i>		<i>By October 1993:</i>	
	<i>% with -ve Equity</i>	<i>Mean -ve Equity of this group</i>	<i>% with -ve Equity</i>	<i>Mean -ve Equity of this group</i>
Northern Region	2 %	£ 1,300	8 %	£ 1,400
Yorks. & Humberside	5 %	£ 1,700	8 %	£ 2,000
East Midlands	29 %	£ 3,600	32 %	£ 4,200
East Anglia	24 %	£ 4,100	27 %	£ 4,500
Greater London	41 %	£ 5,500	40 %	£ 5,300
Outer Metropolitan	26 %	£ 5,000	34 %	£ 5,700
Outer South East	31 %	£ 4,200	41 %	£ 5,200
South West	26 %	£ 4,300	37 %	£ 5,200
West Midlands	8 %	£ 2,100	14 %	£ 2,500
North West	6 %	£ 1,200	10 %	£ 1,600
Wales	8 %	£ 2,200	6 %	£ 1,600
Scotland	1 %	£ 2,200	5 %	£ 900
Great Britain	21 %	£ 4, 400	26 %	£ 4,800

Source: unpublished Building Society Records and the third quarter Halifax price estimates.

Table 3: Parliamentary constituencies with highest negative equity by 1993
Showing proportion of recent (1988-1991) home buyers who have negative equity

By the 3rd quarter of 1992		By the 3rd quarter of 1993		
1	Luton South	72%	Newham South	69%
2	Newham South	69%	Portsmouth South	66%
3	Southend East	66%	Thurrock	66%
4	Leyton	65%	Leyton	65%
5	Newham North East	61%	Bournemouth East	64%
6	Newham North West	61%	Bournemouth West	64%
7	Basildon	60%	Southend East	61%
8	Erith and Crayford	59%	Newham North West	61%
9	Walthamstow	58%	Bristol East	61%
10	Croydon North West	57%	Newham North East	60%

Source: unpublished Building Society Records and the third quarter Halifax price estimates

Table 4: The distribution of negative equity by mortgage advance proportion in Britain

Mortgage advance as a proportion of purchase price	Proportion of recent buyers (1988-1991) with negative equity		
	October 1991	October 1992	October 1993
Less than 70%	0%	0%	0%
70% or more but less than 75%	1%	2%	3%
75% or more but less than 80%	2%	5%	7%
80% or more but less than 85%	4%	9%	13%
85% or more but less than 90%	8%	21%	28%
90% or more but less than 95%	15%	36%	47%
95% or more but less than 100%	25%	43%	52%
100%	37%	64%	74%

Source: unpublished Building Society Records and the third quarter Halifax price estimates.

Table 5: Future house prices - two scenarios based on past precedent showing the effect on a home valued at £54,466 in October 1993

By the 3rd quarter of:	<i>Boom Scenario</i>		<i>Doom Scenario</i>	
	Average National Change		Average National Change	
1993	£54,466		£54,466	
1994	£56,879	4%	£51,582	-5%
1995	£60,946	7%	£47,533	-8%
1996	£68,430	12%	£42,486	-11%
Overall Change	+ £13,964	26%	- £11,980	-22%

Source applying past changes in the Nationwide building society index, see text

Table 6: Forecasts of levels of unsecured mortgage debt in Britain amongst 1988-1991 buyers by region

<i>Region of Purchase</i>	<i>Doom Scenario for 1996:</i>		<i>Boom Scenario for 1996:</i>	
	<i>% with -ve Equity</i>	<i>Mean -ve Equity of this group</i>	<i>% with -ve Equity</i>	<i>Mean -ve Equity of this group</i>
Northern Region	64 %	£ 7,100	0 %	£ 500
Yorks. & Humberside	71 %	£ 10,400	0 %	£ 2,200
East Midlands	72 %	£ 11,600	7 %	£ 2,700
East Anglia	64 %	£ 12,100	3 %	£ 3,200
Greater London	68 %	£ 16,300	1 %	£ 3,900
Outer Metropolitan	61 %	£ 15,600	3 %	£ 3,600
Outer South East	64 %	£ 12,700	9 %	£ 3,600
South West	66 %	£ 12,800	9 %	£ 2,900
West Midlands	75 %	£ 13,400	1 %	£ 1,600
North West	71 %	£ 10,200	0 %	£ 1,300
Wales	67 %	£ 9,100	1 %	£ 2,300
Scotland	62 %	£ 6,100	0 %	£ 0
Great Britain	67 %	£ 12,400	3 %	£ 3,200

Source: Unpublished Building Society Records assuming the return of 1986 prices or the inflation of 1980-1983

Table 7: Parliamentary constituencies with highest forecast negative equity
Showing proportion of recent (1988-1991) home buyers who have negative equity

In 1996 under the <i>doom scenario</i>			In 1996 under the <i>boom scenario</i>	
1	Barnsley East	92%	Folkestone and Hythe	36%
2	Oldham Central and Royton	92%	Arundel	34%
3	Bradford North	91%	Worthing	31%
4	Halifax	91%	Ashford	30%
5	Manchester Central	91%	Corby	26%
6	Manchester Gorton	91%	Northampton South	26%
7	Leeds Central	91%	Northampton North	25%
8	Leeds West	90%	Bournemouth East	23%
9	Birmingham Small Heath	90%	Kettering	22%
10	Warley West	90%	Bournemouth West	22%

Source: Unpublished Building Society Records assuming the return of 1986 prices or the inflation of 1980-1983

Table 8: The distribution of negative equity by age in Britain

Showing proportion of recent (1988-1991) home buyers who have negative equity

<i>1st Buyers Age at purchase</i>	<i>Proportion with negative equity</i>	<i>Mean amount of negative equity</i>
Aged 18 and 19	42.8 %	£ 5,200
Aged 20 to 24	48.9 %	£ 6,100
Aged 25 to 29	34.9 %	£ 3,900
Aged 30 to 34	21.9 %	£ 2,300
Aged 35 to 39	16.8 %	£ 1,900
Aged 40 to 44	14.8 %	£ 1,800
Aged 45 to 49	13.1 %	£ 1,700
Aged 50 & above	8.2 %	£ 1,500

Source: unpublished Building Society Records and the fourth quarter 1992 Halifax price estimates