

Estate Agents Survey

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Appendix 4. Estate Agent Survey

A4.1 Introduction

A survey of local estate and letting agents was conducted as part of the Cambridge Sub-Region Housing Market Assessment. This was undertaken in order to gain a better understanding of the local housing market and private rented sector. This report summarises the results of the returned questionnaires from estate agents. Appendix 5 summarises the Letting Agents survey.

A postal questionnaire was sent to 148 estate agents and 150 letting agents asking about most and least popular locations for renting and buying property, the type of homes that sold well/ were easy to let and those that were difficult to sell/let etc. In the estate agent survey we asked specific questions about first time buyers and buy-to-let investors. A copy of the survey is included in Appendix 1.

Addresses were identified by searching the internet and Yellow Pages for all agents in the region. Questionnaires were sent to agents in the following areas:

- Cambridge City
- East Cambridgeshire (Ely, Littleport and Sutton)
- Fenland (Chatteris, March, Whittlesey and Wisbech)
- Huntingdonshire (Huntingdon, Kimbolton, Ramsey, Sawtry, St Ives, St Neots and Yaxley)
- South Cambridgeshire (Sawston, Cambourne, Longstanton, Impington, Fulbourn, Melbourn and Histon)
- Forest Heath (Brandon, Lakenheath, Mildenhall and Newmarket)
- St Edmundsbury (Bury St Edmunds and Haverhill)

Table 1: Response Rates, Estate Agents Surveys, Spring 2007

	Questionnaires Sent	Responses	% Responses
Estate Agents Survey	148	22	15%

Table 2: Questionnaires Sent and Responses

	Questionnaires Sent	Estates Responses
Cambridge City	12	2
East Cambridgeshire	13	2
Fenland	23	2
Huntingdonshire	30	4
South Cambridgeshire	7	2
Forest Heath	23	5
St Edmundsbury	30	5
Sub-Region	142	22

After a recall, 35 of the letting agents and 22 of the estate agents returned completed questionnaires. There were 6 estate agent surveys returned marked "Addressee has gone away". There were 11 letting agents returned for this reason and two returned because they weren't letting agents, and Table 2 excludes these non-valid responses. The survey was

sent out in late March with a three-week deadline for returns. Due to a low response rate, a reminder was sent to all agents and the deadline was extended by another two weeks. A third reminder was sent to estate agents in areas from where we had had no responses a week later, this time electronically where email addresses were available. Despite these efforts, we received no responses from Whittlesey in Fenland, Littleport in East Cambridgeshire, or Huntingdon or St Ives in Huntingdonshire. Once the surveys were returned, the data was entered and the results are recorded in the report below.

A4.2 Results: Sales

We asked estate agents about the total number of sales at their branch during 2006, and also about the number of sales for less than £120,000. This report contains details of just over 3,000 sales in the sub-region. Of the two respondents from South Cambridgeshire, only one provided information on sales. One respondent in Forest Heath also omitted this question. There was a wide variation between agencies of the number of properties sold, ranging from 8 to "approximately 600", although the average was about 152. In many cases, the estate agents mostly sold within the districts in which they were based. However information on sales in Cambridge City includes information on some sales within South Cambridgeshire, some of the respondents from Forest Heath sold homes in Norfolk etc.

The survey also asked if the branch had any specialisation. Most of the respondents were general estate agents, selling a whole range of properties. One based in St Edmundsbury specialised in selling luxury properties and sold no homes for less than £120,000 and sold 240 homes in total. One agency in Newmarket specialised in country homes. One agency from South Cambridgeshire listed "FTB - 500K" as their specialisation.

Table 3: Sales by Location of Office, Jan-Dec 2006

	Total Sales	Sales Under £120,000	%age under £120,000
Cambridge City	686	72	10%
East Cambridgeshire	305	22	7%
Fenland	385	143	37%
Huntingdonshire	576	126	22%
South Cambridgeshire	70	0	0%
Forest Heath	262	21	8%
St Edmundsbury	758	56	7%
Sub-Region	3,042	440	14%

Across the sub-region as a whole, 14% of sales were for less than £120,000. This is higher in Fenland (37%) and Huntingdonshire (22%). According to the Land Registry, this would mean that 2,624 houses were sold for less than this amount across the sub-region.

A4.3 Homebuyers

We asked estate agents for an estimate of where people were moving from in order to look at whether movement of homebuyers was mostly local or from further away. In this section we also asked about how people were using the homes they were buying (e.g. primary residence, buy-to-let etc.), and how they were financing their purchases.

A4.4 Distance moved by homebuyers

Table 4: Distance Customers Moved from Previous Address, 2006

	<2 miles	2-5 Miles	5-10 Miles	10-40 Miles	40 Miles +	Outside UK
Cambridge City	12	58	12	2	5	1
East Cambridgeshire		18	5	20	10	2
Fenland	101	34	50	34	101	17
Huntingdonshire	20	45	80	31	110	12
South Cambridgeshire	26	12	4	7	16	5
Forest Heath	10	1	7	38	13	1
St Edmundsbury	78	150	232	118	170	10
Sub-Region	235 (15%)	242 (16%)	373 (24%)	228 (15%)	410 (27%)	45 (3%)

Information is based on 1,533 sales in terms of previous residence of purchaser and is skewed by low response rates in Cambridge City, East Cambridgeshire, Fenland and South Cambridgeshire. In the sub-region as a whole, most people moved locally, and the most common distance moved was from between 5-10 miles. In Cambridge City most of the moves were from between 2-5 miles. In Forest Heath and East Cambridgeshire, the majority of people were coming from 10-40 miles away. Fenland, Huntingdonshire and St Edmundsbury had the highest numbers of people coming from more than 40 miles away and from outside the UK. As this is not commonly recorded information, there was at least one agent in each district who did not complete this question.

We also asked about the number of people keeping the home they were moving from. Thirteen respondents answered and estimated that around 212 homebuyers in the sub-region were keeping their previous residence (around 11% of the 1,983 homes sold by these agents).

A4.5 Reasons for Buying Homes

Table 5: Reasons for Buying Homes, 2006

	Office Location	Primary Residence	Buy-to-Let	2 nd Home	Buying for relatives	Organisations Buying for Employees	Other
Cambridge City	Cambridge	80%	15%	2%	3%	0%	0%
	Cambridge	80%	20%	0%	0%	0%	0%
East Cambridgeshire	Ely	80%	20%	0%	0%	0%	0%
	Ely	90%	10%	0%	0%	0%	0%
Fenland	March	50%	30%	0%	0%	0%	20%
	Wisbech	65%	20%	10%	5%	0%	0%
Huntingdonshire	Kimbolton	100%	0%	0%	0%	0%	0%
	Ramsey	80%	20%	0%	0%	0%	0%
	Ramsey	83%	17%	0%	0%	0%	0%
	St Neots	65%	30%	5%	0%	0%	0%
South Cambridgeshire	Cambourne	75%	25%	0%	0%	0%	0%
	Sawston	93%	7%	0%	0%	0%	0%
Forest Heath	Brandon	80%	20%	0%	0%	0%	0%
	Mildenhall	75%	22%	0%	3%	0%	0%
	Newmarket	70%	20%	10%	0%	0%	0%
	Newmarket	75%	25%	0%	0%	0%	0%

	Office Location	Primary Residence	Buy-to-Let	2 nd Home	Buying for relatives	Organisations Buying for Employees	Other
	Newmarket	95%	4%	1%	0%	0%	0%
St Edmundsbury	Bury St Edmunds	65%	5%	15%	0%	0%	15%
	Bury St Edmunds	66%	25%	0%	7%	2%	0%
	Bury St Edmunds	70%	20%	10%	0%	0%	0%
	Haverhill	75%	20%	0%	3%	2%	0%
	Sub-Region All	77%	18%	3%	1%	0.2%	2%

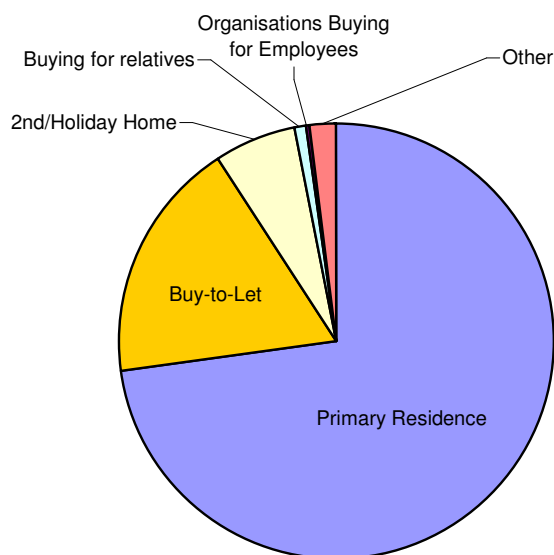
Table 5 shows all respondents as while there is a general pattern, there are also a few individual anomalies that affect the overall picture. Figures are given as percentages as most respondents completed the questionnaire in this format and some gave a percentage but no total number of sales to calculate a number.

Fig 1 shows that in most cases (77%), buying a home as a primary residence is the most common reason in the sub-region. Buy-to-let was the second most common reason and was the purpose for 18% of the sales. Nationally, Buy-to-Let is estimated a 10% of sales, so this is high. It is also interesting to note that the respondent from Cambourne said 25% of sales were Buy-to-Let. This is a new settlement and may indicate trends for other growth areas.

Three percent of properties were being purchased as second homes, and only a small percentage of purchases were for other reasons including people buying for relative, organisations buying for employees and investment.

Five respondents recorded some sales to people buying properties for relatives. In total, 62 purchases were bought for this reason and majority of these (23) were in St Edmundsbury. Seven sales were to organisations buying homes for their employees and all of these were in St Edmundsbury.

Fig 1: Reasons for Buying Homes, 2006, Cambridge Sub-Region



Two respondents gave "Investment" as an "other" reason for buying a house – one from March and one from Bury St Edmunds. The actual number of homes sold in the region for this purpose is unknown as one respondent provided a percentage breakdown, but no total sales figure. A separate question was asked about the number of properties bought for capital investment. 11 respondents answered this question, but there seemed to be some confusion about what was meant by it generally (e.g. the agent in Bury St Edmunds who listed "Investment" as an "other" reason felt that all purchases were capital investment, and yet other respondents said they had no sales for this reason). If this exercise is repeated, this question will require some re-thinking and clarification.

A4.6 Finance for homebuyers

Table 6 shows that most people are buying their homes with a mortgage and all the agents said that at least some of their customers were financing their purchase in this way. In most areas this is around 80-100%, although there are some areas where the figure is lower. The agency responding in Haverhill has a higher percentage of people buying outright and only 32% buying with a mortgage.

Table 6: How Homebuyers Financed their Purchases, Cambridge Sub-Region,¹ 2006

	Location of Office	Mortgage	Bought Outright	Mortgage and Sharing Costs with a Friend	HomeBuy	Mortgage and Assistance from Family	Mortgage and Taking in Lodgers	Other
Cambridge City	Cambridge ²	85%	5%	3%	0%	2%	0%	0%
	Cambridge	95%	5%	0%	0%	0%	0%	0%
East Cambridgeshire	Ely	80%	5%	0%	5%	10%	0%	0%
	Ely	80%	10%	0%	0%	10%	0%	0%
Fenland	Wisbech	60%	20%	5%	0%	5%	0%	10%
Huntingdonshire	Kimbolton	67%	33%	0%	0%	0%	0%	0%
	Ramsey	95%	5%	0%	0%	0%	0%	0%
	Ramsey ³	57%	29%	16%	0%	3%	0%	0%
	St Neots	75%	25%	0%	0%	0%	0%	0%
South Cambridgeshire	Cambourne	81%	19%	0%	0%	0%	0%	0%
	Sawston	71%	15%	14%	0%	0%	0%	0%
Forest Heath	Brandon	90%	10%	0%	0%	0%	0%	0%
	Mildenhall	70%	30%	0%	0%	0%	0%	0%
	Newmarket	90%	10%	0%	0%	0%	0%	0%
	Newmarket	100%	0%	0%	0%	0%	0%	0%
	Newmarket	85%	12%	0%	0%	3%	0%	0%
St Edmundsbury	Bury St Edmunds	50%	30%	0%	0%	10%	0%	10%
	Bury St Edmunds	63%	21%	2%	8%	5%	1%	0%
	Bury St Edmunds	80%	10%	0%	0%	10%	0%	0%
	Haverhill	32%	40%	10%	5%	10%	3%	0%
Sub-Region	All	75%	17%	3%	1%	3%	0.2%	1%

All offices except for one in Newmarket say that some of their customers are buying homes outright. In the sub-region as a whole, this is around 17% of all sales. The offices in

¹ One respondent didn't answer this question. One thought that "Most" people had bought with a mortgage and "Some" had bought outright.

² Respondent's total = 95%

³ Respondent's Total = 105%

Cambridge City and East Cambridgeshire say that this happens less frequently than offices in other parts of the region.

Although the percentage of people buying homes with a “mortgage and assistance from relatives” and “mortgage and sharing with friends” are equal in the sub-region, there is a difference in the number of responses. Ten estate agents say that some people are buying with assistance from relatives (at least one in every area except South Cambridgeshire) and five of these say it is true for 10% of their sales. This is compared with only 6 who think that people are buying with friends, although one respondent from South Cambridgeshire considers that this accounts for 14% of sales and one from Huntingdonshire believes that it is 16%.

HomeBuy is only mentioned by three respondents – one from Haverhill, one from Bury St Edmunds and one from Ely, and the percentage of people financing their purchase in this way is low (5% at two offices and 8% at one in Bury St Edmunds. However, seven respondents rank it as the third most common way for first time buyers to finance their purchases. There are only two estate agents who list “mortgage and taking in lodgers” as a method of purchase. One is in Haverhill and one is in Bury St Edmunds. Of the other responses, one said that people were financing their purchase though buy-to-let, and one didn't specify.

A4.7 The Property Types Buyers Prefer

We asked for information on which style of homes were easiest and most difficult to sell in terms of age, type and size by number of bedrooms. The question was asked in a “Please tick all that apply” format so the total number may equal more than 22.

Table 7: Easiest Properties to Sell by Age

	Period	Victorian	Inter-War	Modern	New	Other	No Response
Cambridge City	1	1	1	1	1	0	1
East Cambridgeshire	0	2	1	0	0	0	0
Fenland	0	0	1	0	1	1	0
Huntingdonshire	1	1	0	2	1	1	0
South Cambridgeshire	1	0	0	1	1	1	1
Forest Heath	2	3	0	5	2	0	0
St Edmundsbury	3	3	0	3	3	0	1
Sub-Region	8	10	3	12	9	3	3

Table 8: Most Difficult Properties to Sell by Age

	Period	Victorian	Inter-War	Modern	New	Other	No Response
Cambridge City	1	0	0	0	0	0	1
East Cambridge	0	0	0	2	0	0	0
Fenland	0	0	0	1	0	0	1
Huntingdonshire	0	0	2	0	0	2	0
South Cambridge	0	1	1	0	0	1	1
Forest Heath	1	0	0	1	0	2	2
St Edmundsbury	0	0	3	0	0	4	0
Sub-Region	2	1	6	4	0	9	5

In the sub-region as a whole, modern homes were said to be the easiest to sell, although none of the respondents from East Cambridgeshire or Fenland ticked this option. All the estate agents in Forest Heath said that modern homes were easy to sell.

Victorian houses were the second easiest to sell, followed by new homes. Inter-war properties were easy to sell in Cambridge City, East Cambridgeshire and Fenland, but not in the other districts. "Other" ages of property were easy to sell in Fenland, Huntingdonshire, South Cambridgeshire. One of the respondents from Fenland defined other as "Renovation" properties, and two did not provide definitions. Six estate agents said that inter-war properties were hard to sell, but the most difficult category was "Other". One respondent defined "Other" as homes built in the 1960s in this question. Although modern homes were classed as easy to sell by 12 respondents above, four respondents also said they were difficult to sell. It may be that modern is too broad a category and some people are including 1960s properties while others consider modern as more recent. None of the respondents found new homes difficult to sell.

Fig 2: East and Most Difficult Properties to Sell by Age, Cambridge Sub-Region



If the number of "most difficult" responses are subtracted from the number of "easiest" responses, new homes and Victorian properties are the easiest to sell, followed by modern, then period homes. "Other" homes are most difficult to sell followed by Inter-War.

Table 9: Easiest Types of Property to Sell

	Detached	Semi-Detached	Terraced	Flat/Maisonette	Other	No Response
Cambridge City	1	1	1	1	0	1
East Cambridge	0	2	1	0	0	0
Fenland	0	2	1	0	0	0
Huntingdonshire	1	2	2	0	1	0
South Cambridge	1	1	1	0	0	2
Forest Heath	3	3	4	2	0	0
St Edmundsbury	3	3	1	1	0	0
Sub-Region	9	14	11	4	1	3

Table 10: Most Difficult Types of Property to Sell

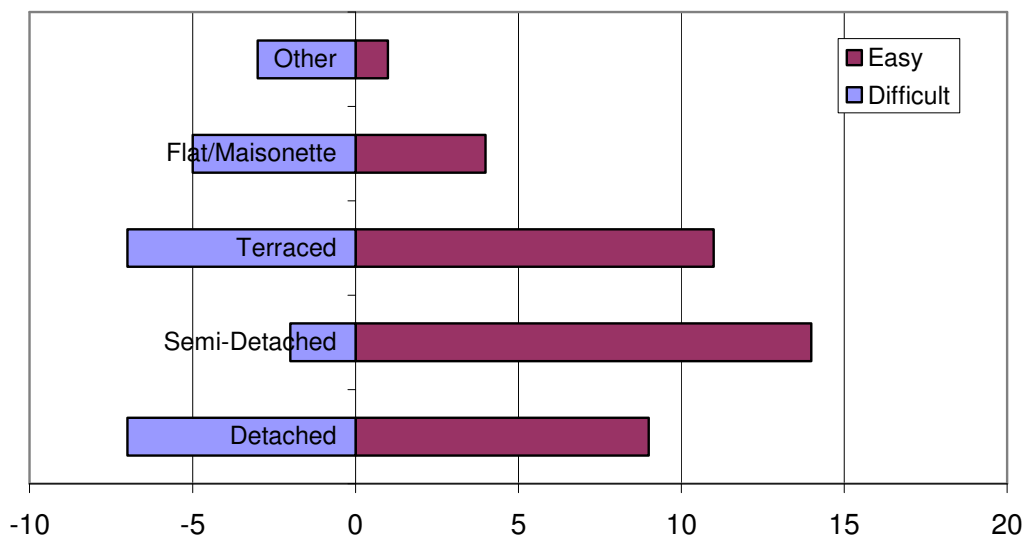
	Detached	Semi-Detached	Terraced	Flat/Maisonette	Other	No Response
Cambridge City	0	1	0	0	0	1
East Cambridge	2	0	0	0	0	0
Fenland	1	0	1	0	0	0
Huntingdonshire	3	0	0	0	1	0

	Detached	Semi-Detached	Terraced	Flat/Maisonette	Other	No Response
South Cambridge	0	0	0	1	1	1
Forest Heath	1	0	2	2	1	2
St Edmundsbury	0	1	4	2	0	0
Sub-Region	7	2	7	5	3	4

Most of the respondents thought that semi-detached houses were the easy to sell. Terraced houses also scored highly and both of these types of properties had at least one tick from each area. Flats/Maisonettes were not considered particularly easy to sell by any of the respondents from the Cambridgeshire districts excluding the City. Detached properties were considered to be easy to sell by 3 respondents each in St Edmundsbury and Forest Heath, and by one agent each in Cambridge City, Huntingdonshire and South Cambridgeshire.

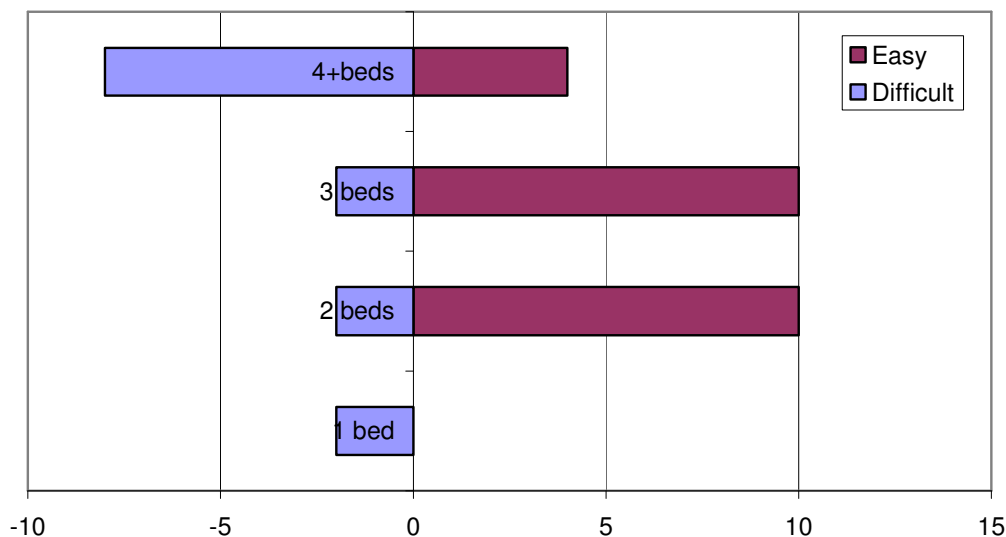
Detached properties were considered difficult to sell by both of the agents in East Cambridgeshire, and three of the four respondents from Huntingdonshire. One agent in each in City and St Edmundsbury said that semi-detached houses were difficult to sell (in Cambridge City area there are very few of this type of property available). All of the agents in St Edmundsbury said that terraced properties were difficult to sell (although one also said that they were easy, which possibly means that it depends on the type of terraced house). Flats were thought to be difficult to sell by some respondents in Suffolk, and by one in South Cambridgeshire. "Other" options were once again more difficult to sell. One agent defined this as "non-standard construction, such as steel frame".

Fig 3: East and Most Difficult Property Types to Sell



Again, if the "difficult to sell" score is subtracted from the "easy to sell" score, then semi-detached are easiest to sell followed by terraced, then detached. Flats are the most difficult to sell, although this may be due to a lack of strong feeling in either direction more than a real problem selling flats.

Fig 4: Easiest size property to sell by number of bedrooms



Houses with four or more bedrooms were said to be easy to sell by agents in Huntingdonshire, Forest Heath and St Edmundsbury, and difficult to sell everywhere except Cambridge City and South Cambridgeshire.

At least one respondent in each area said three bedroom properties were easy to sell, and two bedroom homes were easy to sell in all areas except South Cambridgeshire (where only one respondent answered).

One bedroom properties were not considered especially easy to sell anywhere and difficult to sell in South Cambridgeshire and Fenland.

A4.8 Buyer's Preferred Locations

This question was asked in two ways: What are the three most and least popular locations for buyers within your branch area, and in which locations is it especially easy and especially difficult to sell. Because both questions were open, they gathered a range of responses.

However, because of the generally low response rate and some blank areas, preferred and least preferred locations are difficult to judge. Some general points raised about location preferences were:

- People mostly preferred homes towns to villages, especially if the villages have no amenities such as shops or schools close by.
- Places with no or limited off-road parking were not popular. This was particularly mentioned as a problem in Haverhill town centre.
- Estates ("Large", "Council/ Ex-Council", "1960/70s) were mentioned as less desirable areas by a number of respondents, although some further work is needed to identify whether people don't want to live in these areas or if there aren't homes for sale in them. Particular estates named were
 - Large estates in Sawston (South Cambridgeshire)
 - Studlands Park (Newmarket)

- Priors, Howards and Westley Estates (Bury St Edmunds), Clements, Parkway and Chalkstone Estates (Haverhill)
 - When buying a home, people shop locally, and many of the less preferred locations were further away from the branch locations⁴. All the estate agents listed the town their office was in as either the most or second most popular area for buyers. For example one respondent from Ely wrote that Mildenhall was an unpopular location. An agent based in Mildenhall put it as most popular.

We asked agents how they would define easy and difficult to sell in terms of how long a property was on the market. Ten respondents defined “easy to sell” as selling in 1-2 weeks, and 8 respondents said 2-4 weeks. Two respondents – one from Cambridge City and one from Huntingdonshire said that they would define easy to sell as sold in under a week and one respondent from Fenland said “easy to sell” properties sold in two months. Most of the respondents (13) defined difficult to sell as selling in three to six months, 7 said 6-12 months. Only two said difficult to sell properties would take more than a year to sell.

As well as general questions about all sales, the questionnaire asked about two specific groups of customers: first time buyers and buy-to-let investors.

A4.9 First Time Buyers

The section about first time buyers asked about the number of sales to this group, the type of properties in demand, how people were financing the purchases of their first home and the perceived barriers to this group.

A4.10 First Time Buyer – Sales

There is variation between branches in the number of sales to first time buyers. It is difficult to distinguish any district level trends from the current information, but of the 3,042 sales above, 17% were to first time buyers. If this is accurate, then using data from the Land Registry, 3,187 sales across the sub-region were to first time buyers.

Table 11: Number of Sales to First Time Buyers (FTB)

	Town	Total Sales	Sales to FTB	%
Cambridge City	Cambridge	600	60	10%
	Cambridge	86	31	36%
East Cambridgeshire	Ely	55	No answer	
	Ely	250	No answer	
Fenland	March	50	No answer	
	Wisbech	335	34	10%
Hunts	Kimbolton	120	35	29%
	Ramsey	193	55	28%
	Ramsey	178	40	22%
	St Neots	85	45	53%
South Cambridgeshire	Cambourne	No answer	No answer	
	Sawston	70	30	43%
Forest Heath	Brandon	26	5	20%
	Mildenhall	104	No answer	
	Newmarket	50	9	18%

⁴ Unpopular locations nearer the branch were named estates – see above.

	Town	Total Sales	Sales to FTB	%
	Newmarket	8	2	25%
	Newmarket	74	34	46%
St Edmundsbury	Bury St Edmunds	240	24	10%
	Bury St Edmunds	298	85	29%
	Bury St Edmunds	No answer	No answer	
	Bury St Edmunds	120	15	13%
	Haverhill	100	14	14%

A4.11 Demand from First Time Buyers

The questions on demand were asked as open question to allow for more freedom of response than the above question on the easiest and most difficult types of properties to sell. Several features were repeated by different respondents and are summarised in Table 12.

Table 12: High Demand Features for First Time Buyers by District

	Cambridge City	E Cambs	Fenland	Hunts	S. Cambs	Forest Heath	St Edmundsbury	Sub-Region
1 Bedroom	1	2	1	0	0	0	0	4
2 Bedroom	1	2	1	1	1	3	3	12
Cheap	0	0	0	2	0	0	2	4
Flat	1	0	0	0	0	1	2	4
House	1	1	0	0	0	1	0	3
Modern	0	1	1	1	1	0	1	5
Semi-detached	0	0	0	0	0	0	2	2
Small	0	0	0	0	0	2	0	2
Terraced	0	0	0	1	0	1	2	4

Estate agents in all areas state two-bedroom properties as being in high demand for first time buyers. Modern homes are stated as a preference by at least one respondent in each area except Cambridge City and Forest Heath. Terraced homes and flats are mentioned as popular with this group. Four respondents specifically say "cheap" homes are desirable (one from Huntingdonshire defines this as "less than £80K", others say below the stamp duty threshold). "Low maintenance," "New", and "Starter homes" and "Three Bedrooms" were also mentioned once each as high demand factors for first time buyers.

Table 13: Low Demand Features for First Time Buyers

Location of Office	Large	In Poor Repair	Detached
Cambridge City	1		
East Cambridgeshire	1		
Fenland			
Huntingdonshire		2	
South Cambridgeshire		1	
Forest Heath	3		1
St Edmundsbury		1	1

Size is the biggest "low demand" factor in the sub-region as a whole. Some respondents defined large as 3/4 bedrooms, and some as 4 or more. Two respondents in Huntingdonshire, and one respondent each in South Cambridgeshire and St Edmundsbury gave poor repair as a factor of low demand. Detached properties were specifically

mentioned in Suffolk as being in low demand by first time buyers and detached properties tend to be larger and more expensive.

Each of the following points were mentioned once as being low demand factors for first time buyers:

- “One bedroom properties”
- “Family Homes”
- “Flats/Apartments”
- “Town properties”
- “Expensive”
- “Period Homes”

One respondent from Cambridge City felt that there was no such thing as low demand properties for first time buyers.

A4.12 Finance and costs for first time buyers

Table 14: Most common price band⁵ for first time buyers by location of agent

	£80-100K	£100-120K	£120-150K	£150-200K	No Response
Cambridge City	0	0	0	2	0
East Cambridgeshire	0	1	1	0	0
Fenland	0	2	0	0	0
Huntingdonshire	0	2	1	1	0
South Cambridgeshire	0	0	0	1	1
Forest Heath	1	2	1	0	1
St Edmundsbury	0	1	4	0	0
Sub-Region	1	8	7	4	2

The most common entry level price band for first time buyers in the Cambridge sub-region is between £100-120,000. Both respondents from Cambridge City agree on £150-200,000. This is unsurprising given the difference in house prices between the city and the rest of the sub-region, and house prices in South Cambridgeshire are also above the sub-regional average. The respondent from Kimbolton in Huntingdonshire also said that the most common first-time buyer band was £150-200,000. The most common band in St Edmundsbury was £120-150,000. In Forest Heath, the respondent from Mildenhall wrote that it was £80-100,000 and one of the Newmarket respondents said £120-150,000. This represents the entry level price band for first time buyers and one respondent wrote that there weren't enough homes available at this level.

Table 15: How first time buyers are financing their purchase

Rank	Mortgage	Buy Outright	Mortgage & Sharing	Mortgage & Relative Assistance	HomeBuy	Mortgage & Lodgers
1	17	0	1	2	0	0
2	2	0	1	17	0	0
3	0	2	4	1	7	5
Other	1	6	4	0	2	3

⁵ Price bands chosen correspond to Land Registry bands.

The questionnaire asked estate agents to rank the most common ways first-time buyers were purchasing their homes. Table 15 shows the number of responses for each rank. There was very little difference between respondents in each area. Mortgage was ranked as the most common way for first time buyers to buy a home by 17 respondents. Mortgage with help from relatives was considered to be the second most common way to buy a home. There are some differences on the third most common way although HomeBuy has the highest number of respondents. Some agents ranked all options and these are shown in the "Other" category. If the rankings are scored, then buying with a mortgage and buying with assistance from relatives are by far the most popular ways of buying. Sharing costs with a friend comes out as the third most popular option

A4.13 Barriers for First Time Buyers

The questionnaire asked what would help first time buyers. This was left as an open question and gathered a range of answers. These are summarised below.

- Six respondents said that the price was too high for more first time buyers. One respondent said that a drop in the market would help but they felt this was unlikely to happen.
- Five respondents mentioned stamp duty as a problem. Suggestions for overcoming this included raising the lower threshold to more than £150,000 or scrapping the lower rate altogether. Another idea was an exemption from stamp duty for first time buyers.
- Six respondents wrote about a demand for more shared equity products and schemes. One agent felt that introducing 75-80% shared ownership on new properties would be one idea about how to help first time buyers.
- One respondent felt that building more homes would help.
- One respondent mentioned difficulties first-time buyers have in getting a deposit together. They also considered mortgage payments as being too high for many.
- Competition from buy-to-let investors was also identified as a barrier. This is examined in more depth below.

A4.14 Buy-to-Let Investors

The section on buy-to-let investors aims to find out who is buying (organisations versus individuals), how they are financing their purchases and the types of properties in high and low demand.

A4.15 Buy-to-Let Sales

From Table 5 around 18% of purchases in the sub-region were buy-to-let, i.e. 3374 properties across the area in 2006, based on Land Registry data (see Appendix 2). Most of these sales were to individuals rather than organisations (see Table 16). Some agents said that all of their buy-to-let sales were to individuals. The figure in Huntingdonshire is lower than the rest of the region because one respondent said that only 15% of their sales were to individuals and the rest were to organisations.

Table 16: Sales to Buy-to-Let investors by type of customer

	Individuals	Organisations
Cambridge City	95%	5%
East Cambridgeshire	90%	10%
Fenland	88%	12%
Huntingdonshire	76%	24%
South Cambridgeshire	85%	15%
Forest Heath	97%	3%
St Edmundsbury	94%	6%
Sub-Region	89%	11%

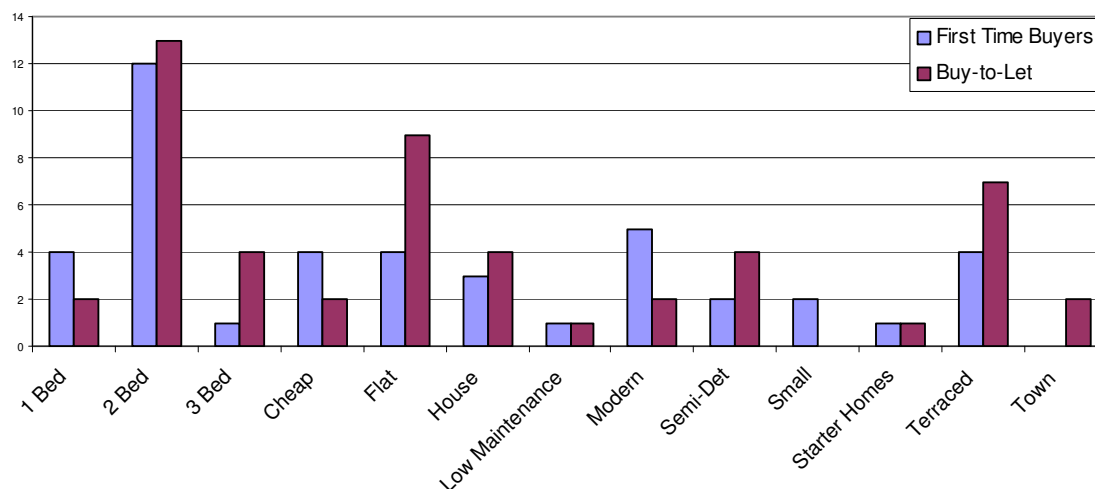
A4.16 Demand for Buy-to-Let

Table 17: High Demand Features for Buy-to-Let Investors by Location of Agent

	Cambs City	E.Cambs	Fenland	Hunts	S. Cambs	Forest Heath	St Edmundsbury	Sub-Region
1 Bedroom	0	1	1	0	0	0	0	2
2 Bedrooms	1	2	2	2	0	3	3	13
3 Bedrooms	1	0	0	0	1	0	2	4
Cheap	0	0	0	2	0	0	0	2
Flat	1	1	1	0	0	1	5	9
House	0	1	1	0	0	1	1	4
Modern	0	0	1	0	0	0	1	2
Semi-detached	1	0	1	0	0	2	0	4
Terraced	2	1	1	0	0	2	1	7
Town	0	0	1	0	0	0	1	2

Again, over half of all respondents said that two-bedroom properties were in high demand. Flats and terraced properties were also mentioned a number of times. "Starter Homes" and "Low Maintenance" properties were mentioned once, as above. "3/4 Bedrooms," "Victorian" and "Ex-council" were also mentioned by one respondent each.

Fig 5: High Demand Features for first time buyer and buy to let Customers, Sub-Region



From Fig 5, the ideal first time buyer property would be a cheap, modern 2 bedroom terraced house or flat, and the ideal buy to let property would be a two bedroom flat or terraced house, i.e. there is

some overlap in terms of size and type of property for both first time buyers and buy-to-let investors. However, first time buyers seem to have less strong preferences, which implies greater flexibility among this group. Expense is highlighted as more of an issue this is possibly because people looking to get onto the housing ladder are more prepared to take what they can get, which is supported by a lack of location preference. Expense is less important for buy to let investors and the range of the type of property is narrower, which may mean they have a clearer idea of what they want and are prepared to pay a bit more for this.

However, there is less consensus about what buy to let investors don't want with each of the following being mentioned only once:

- "Small"
- "Large"
- "2 Bedrooms"
- "3 or more bedrooms"
- "3/4 bedrooms"
- "Ex-council flats because can't get a mortgage"
- "Old"
- "Period"
- "Expensive"
- "In need of work"
- "With a garden"
- "With a garage"

Table 18: Low Demand Features, buy to let – Sub-Region

1 Bedroom	2
Houses	2
More than 4 Bedrooms	7
Villages	2
Detached	7

One respondent (from St Edmundsbury) specifically states that one bedroom properties are not in demand in the buy-to-let market because they are harder to let. Houses are considered to be in low demand by 2 respondents, which contrasts with the 9 agents who say that flats are in high demand. Once again there is a location preference expressed by the buy to let market – town properties are desirable, anything in a rural location is less so. The biggest features of low demand for buy to let investors was size (more than 4 bedrooms) and type of property (detached). One respondent said that larger properties generated less revenue in the long term as well as being more expensive to purchase.

A4.17 Finance for Buy-to-Let

Table 19: Most Common Way of Financing Buy-to-Let purchases

Rank	Mortgage	Buy Outright	Mortgage & Sharing	Mortgage & relatives	Other
1	18	1	0	0	0
2	2	12	1	3	2
3	0	5	4	5	1
Other	0	0	2	1	0

Buying buy-to-let properties with a mortgage is ranked as the most common method by 18 respondents. The second most common way is to buy outright. There are a small number of people who are buying with friends or with help from relatives. Other ways of financing this type of purchase included "specific buy-to-let mortgages and releasing equity from another buy-to-let property already owned.

A4.18 Summary of Findings

A4.19 Homebuyers

We asked about how far homebuyers were moving from their previous address. More than half (55%) of the people who bought a home in the Cambridge sub-region in 2006 moved less than 10 miles from their previous address. Around 27% moved from more than 40 miles away and 3% were moving from overseas.

The questionnaire asked about why people were buying homes. Most homes were bought as primary residences and the second most common reason was buy-to-let. Small numbers of purchases were people buying second homes, people buying homes for relatives, organisations buying homes for employees and people buying for investment.

Most homebuyers bought with a mortgage. The second most common means of purchase was buying outright. Mortgage and sharing costs with a friend and Mortgage and assistance from family members were equal third most popular way of buying a home. Homebuy and other means were the next popular, and very few people were financing their home with a mortgage plus taking in lodgers.

A4.20 Preferred Property Types and Locations

The most popular types of properties sold by age are new homes, followed by Victorian and then modern. Inter-war homes are the most difficult to sell in most areas.

Semi-detached houses were thought to be the easiest to sell followed by terraced homes. Detached homes are easy to sell in the two Suffolk districts, but less popular elsewhere, especially in East Cambridgeshire and Huntingdonshire. Some respondents said that flats were easy to sell, others said they were difficult to sell.

The easiest size properties to sell were those with 2-3 bedrooms. One bedroom properties and places with four or more bedrooms are difficult to sell.

Because of the number of response, information on the popularity of specific locations was limited. Generally, people preferred homes with good access to amenities such as schools and shops and places with off-road parking. Properties on large council/ex-council estates were unpopular.

Most respondents defined "easy to sell" as selling in 1-4 weeks and most defined "difficult to sell" as selling in 3-6 months. There was little difference in these definitions around the Cambridge sub-region.

A4.21 First Time Buyers

The questionnaire asked specific questions about first time buyers – how many sales had been to first time buyers, the types of property they preferred, how they were financing their

purchases, the most common price band for first time buyers and what would help people onto the property ladder.

- The number of respondents is too small to estimate a percentage of sales to first time buyers in the sub-region as a whole.
- Modern, two-bedroom terraced houses or flats are in high demand by first time buyers. Large, detached family homes are in low demand, especially if they are in a poor state or need repair.
- The most common entry band for first time buyers is £100-120,000
- Most first time buyers were financing their home with a mortgage, but the second most popular way for this group was mortgage with assistance from relatives (mostly parents).
- The most commonly stated barriers for first time buyers were house prices being too high, not enough properties below the stamp duty threshold and difficulties in getting a deposit together. Some ideas for helping first time buyers included increasing the lower stamp duty threshold and more shared equity properties.
- One estate agent also highlighted competition with buy-to-let investors as a barrier. According to all the respondents, 18% of sales in the sub-region were to buy-to-let investors, compared with 17% to first time buyers, which provides some support to this statement (see Appendix).

A4.22 **Buy-to-Let**

The questionnaire asked about buy-to-let investors as well as first time buyers and the following features applied to this part of the market.

- Most buy-to-let investors were individuals rather than companies/organisations.
- Two bedroom terrace houses or flats were in high demand from this part of the market as these are generally cheap to buy and easy to rent. These types of properties were also in high demand by first-time buyers.
- Mortgage followed by buying outright were the most common ways for buy-to-let investors to finance their purchases.
- Further work is needed on the buy-to-let market within Cambridge as there is some evidence that there is a different profile in the City compared to the rest of the sub-region.

Appendix 1 – Estates Agents Survey

A – About your Office

1. What geographical area do you cover? (Please list or outline on attached map).

2. Is this...
 _____ 1
A branch office?.....
 _____ 2
A head office?.....

Other (please state)?.....

3. What type of properties do you specialise in? (Please tick all that apply)
 All types..... 1
 Specialist Market (luxury, first time buyers etc – please state).....

B – Sales

4. How many sales did you complete at this branch between 1st January – 31st December 2006?

5. How many properties did you sell for less than £120,000?

6. Within your branch area, roughly how many buyers would you estimate moved from...

Within two miles	
2-5 miles	
5-10 miles	
10-40 miles	
Over 40 miles	
Outside the UK	

7. Where are the three most popular and three least popular locations for buyers within your branch area?

Most popular	Least Popular
1.	1.
2.	2.
3.	3.

8. What are the easiest and most difficult types of property to sell in terms of age, building type and number of bedrooms?

	Age	Building type	No. of bedrooms
a) Easiest	Period <input type="checkbox"/> 1 Victorian <input type="checkbox"/> 2 Inter-war <input type="checkbox"/> 3 Modern <input type="checkbox"/> 4 New <input type="checkbox"/> 5 Other <input type="checkbox"/> 6	Detached <input type="checkbox"/> 1 Semi-Detached <input type="checkbox"/> 2 Terraced <input type="checkbox"/> 3 Flat/Maisonette <input type="checkbox"/> 4 Other <input type="checkbox"/> 5	
b) Most difficult	Period <input type="checkbox"/> 1 Victorian <input type="checkbox"/> 2 Inter-war <input type="checkbox"/> 3 Modern <input type="checkbox"/> 4 New <input type="checkbox"/> 5 Other <input type="checkbox"/> 6	Detached <input type="checkbox"/> 1 Semi-Detached <input type="checkbox"/> 2 Terraced <input type="checkbox"/> 3 Flat/Maisonette <input type="checkbox"/> 4 Other <input type="checkbox"/> 5	

9. Within your branch area, in which locations are properties are more difficult to sell?

10. What would you define as “difficult to sell”? (Please tick)

<i>Sells within 1-3 months.....</i>	<input type="checkbox"/> 1																		
<i>Sells in 3-6 months.....</i>	<input type="checkbox"/> 2																		
<i>Sells in 6-12 months.....</i>	<input type="checkbox"/> 3																		
<i>Sells in over 12 months.....</i>	<input type="checkbox"/> 4																		
11. Within your branch area, in which locations is it especially easy to sell?																			
12. What would you define as "easy to sell"? (Please tick)																			
<i>Under 1 week.....</i>	<input type="checkbox"/> 1																		
<i>1-2 weeks.....</i>	<input type="checkbox"/> 2																		
<i>2-4 weeks.....</i>	<input type="checkbox"/> 3																		
<i>Other (please state).....</i>	<input type="checkbox"/> 4																		
C – All Buyers																			
13. Between 1 st January-31 st December 2006, how many of your customers would you estimate bought properties....																			
a)	<table border="1"> <tr> <td>To live in as primary residence</td> <td></td> </tr> <tr> <td><i>To let</i></td> <td></td> </tr> <tr> <td><i>As second homes</i></td> <td></td> </tr> <tr> <td><i>For relatives (e.g. children at university)</i></td> <td></td> </tr> <tr> <td><i>Organisations buying for employees</i></td> <td></td> </tr> <tr> <td><i>Other (please state)</i></td> <td></td> </tr> <tr> <td>.....</td> <td></td> </tr> </table>	To live in as primary residence		<i>To let</i>		<i>As second homes</i>		<i>For relatives (e.g. children at university)</i>		<i>Organisations buying for employees</i>		<i>Other (please state)</i>						
To live in as primary residence																			
<i>To let</i>																			
<i>As second homes</i>																			
<i>For relatives (e.g. children at university)</i>																			
<i>Organisations buying for employees</i>																			
<i>Other (please state)</i>																			
.....																			
b)	Of the above how many of these were bought for capital investment purposes?																		
14. How many of your customers are financed their purchases in the following ways?																			
	<table border="1"> <tr> <td>Mortgage</td> <td></td> </tr> <tr> <td><i>Buying outright</i></td> <td></td> </tr> <tr> <td><i>Mortgage and sharing costs with friend(s)</i></td> <td></td> </tr> <tr> <td><i>HomeBuy scheme</i></td> <td></td> </tr> <tr> <td><i>Mortgage and assistance from relatives</i></td> <td></td> </tr> <tr> <td><i>Mortgage and taking in lodger(s)</i></td> <td></td> </tr> <tr> <td><i>Other (please state)</i></td> <td></td> </tr> <tr> <td>.....</td> <td></td> </tr> <tr> <td>.....</td> <td></td> </tr> </table>	Mortgage		<i>Buying outright</i>		<i>Mortgage and sharing costs with friend(s)</i>		<i>HomeBuy scheme</i>		<i>Mortgage and assistance from relatives</i>		<i>Mortgage and taking in lodger(s)</i>		<i>Other (please state)</i>		
Mortgage																			
<i>Buying outright</i>																			
<i>Mortgage and sharing costs with friend(s)</i>																			
<i>HomeBuy scheme</i>																			
<i>Mortgage and assistance from relatives</i>																			
<i>Mortgage and taking in lodger(s)</i>																			
<i>Other (please state)</i>																			
.....																			
.....																			
15. Of the customers who are buying homes to live in as primary residence, how many would you estimate are keeping the home they are moving from?																			

We are particularly interested in finding out about first time buyers and buy-to-let investors.

D – First Time Buyers			
16. Between 1 st January –31 st December 2006, how many sales were to first time buyers?			
17. What types of property are in high demand for first time buyers?			
18. What types of property are in low demand for first time buyers?			
19. Please rank the three most common ways first time buyers finance their purchase? (1="most common" etc.)			
	<i>Rank</i>		<i>Rank</i>
<i>Mortgage</i>		<i>Mortgage and assistance from relatives</i>	
<i>Buying Outright</i>		<i>HomeBuy scheme</i>	
<i>Mortgage and sharing costs with friend(s)</i>		<i>Mortgage and taking in lodger(s)</i>	

<i>Other</i>			
20. Roughly how many of first time buyers moved from...			
<i>within 2 miles</i>			
<i>2-5 miles</i>			
<i>5-10 miles.</i>			
<i>10-40 miles</i>			
<i>Over 40 miles</i>			
<i>Outside the UK</i>			
21. What is the most common price band for properties sold to first time buyers?			
Less than £80,000.....	<input type="checkbox"/> 1		
£80,001-100,000.....	<input type="checkbox"/> 2		
£100,001-120,000.....	<input type="checkbox"/> 3		
£120,001-150,000.....	<input type="checkbox"/> 4		
£150,001-200,000.....	<input type="checkbox"/> 5		
22. How many of first time buyers failed to complete?			
23. What would make it easier for first time buyers to buy property within your branch area? (Attach additional sheets if necessary)			
.....			
.....			
.....			
E – Buy-to-Let			
24. What type of property is in high demand by buy-to-let investors?			
25. What type of property is in low demand by buy-to-let investors?			
26. Please rank the three most common ways buy-to-let investors finance their purchase? (1= “most common)			
	<i>Rank</i>		<i>Rank</i>
Mortgage		Mortgage and assistance from relatives	
Buying outright		Sharing costs with a friend	
Other (please state)			
27. How many buy-to-let sales are to...			
	Individuals?		
	Organisations?		

Appendix 2 – Number of Sales Cambridge Sub-Region

Total Sales in Cambridge Sub-Region, 2006	Sales Under £120,000	Sales to First Time Buyers	Buy-to-Let Sales
18,745	2,624	3,187	3,374
Percentage	14%	17%	18%

According to Land Registry Data, some 18,745 homes were sold in the Cambridge Sub-Region in 2006. If the data from the survey is a true reflection of all sales,

- 2,624 of these were sold for less than £120,000.
- 3,187 of these were to first time buyers.
- 3,374 were buy-to-let sales.