

Current property prices

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Chapter 13. Current property prices

13.1 Introduction

This paper summarises information on the prices of properties sold between January and March 2006. It is based on information held by the Land Registry. The data is provided at a district level and covers Cambridge City Council, and the district councils of East Cambridgeshire, Fenland, Huntingdonshire and South Cambridgeshire, plus the Suffolk Districts of Forest Heath and St. Edmundsbury. Where appropriate, the analysis provides comparisons with the first quarter of 2005 (that is, January to March). The review looks at the average, median and lower quartile (25%) house prices. The paper will also look at "Entry Level" house prices in each area. The entry level is the lowest price band covering a reasonable number of sales in order to exclude properties sold below the market level (e.g. within a family). The final section analyses affordability by comparing property prices and earnings.

The appendices provide a breakdown of sales by price band for each district and of property types sold by price band by district. Change and comparison of house prices in the last six years is examined in chapter 14.

13.2 Average Prices by Property Type

Table 1: Average Prices by Property Type Jan-Mar 2006

	Detached	Semi-detached	Terraced	Flat/Maisonette	All Properties
Cambridge City	£455,389	£255,512	£263,694	£165,358	£262,070
East Cambridgeshire	£237,368	£162,858	£148,701	£113,565	£183,813
Fenland	£182,601	£122,666	£111,734	£75,393	£141,260
Huntingdonshire	£247,809	£157,555	£134,433	£127,693	£178,734
South Cambridgeshire	£338,580	£215,632	£168,254	£144,051	£247,603
Forest Heath	£234,728	£149,827	£120,679	£99,983	£160,921
St Edmundsbury	£261,402	£169,046	£155,278	£110,959	£189,152
Sub-region	£262,318	£173,346	£158,211	£132,234	£194,151

Source: Land Registry

Table 2: Average Prices by Property Type – Index, Sub-Region = 100, Jan-Mar 2006

	Detached	Semi-detached	Terraced	Flat/Maisonette	All Properties
Cambridge City	174%	147%	167%	125%	135%
East Cambridgeshire	90%	94%	94%	86%	95%
Fenland	70%	71%	71%	57%	73%
Huntingdonshire	94%	91%	85%	97%	92%
South Cambridgeshire	129%	124%	106%	109%	128%
Forest Heath	89%	86%	76%	76%	83%
St Edmundsbury	100%	98%	98%	84%	97%
Sub-region	100%	100%	100%	100%	100%

Source: Land Registry

The average house price in Cambridge City and South Cambridgeshire is higher for all types of property than for the sub-region as a whole. All the other districts are lower than the sub-regional index. The average house price in Fenland is 70-71% lower than the sub-regional average for detached, semi-detached and terraced properties and just over half the average for flats.

13.3 Average Prices, All Properties: Comparison Jan-Mar 2003 - 2006

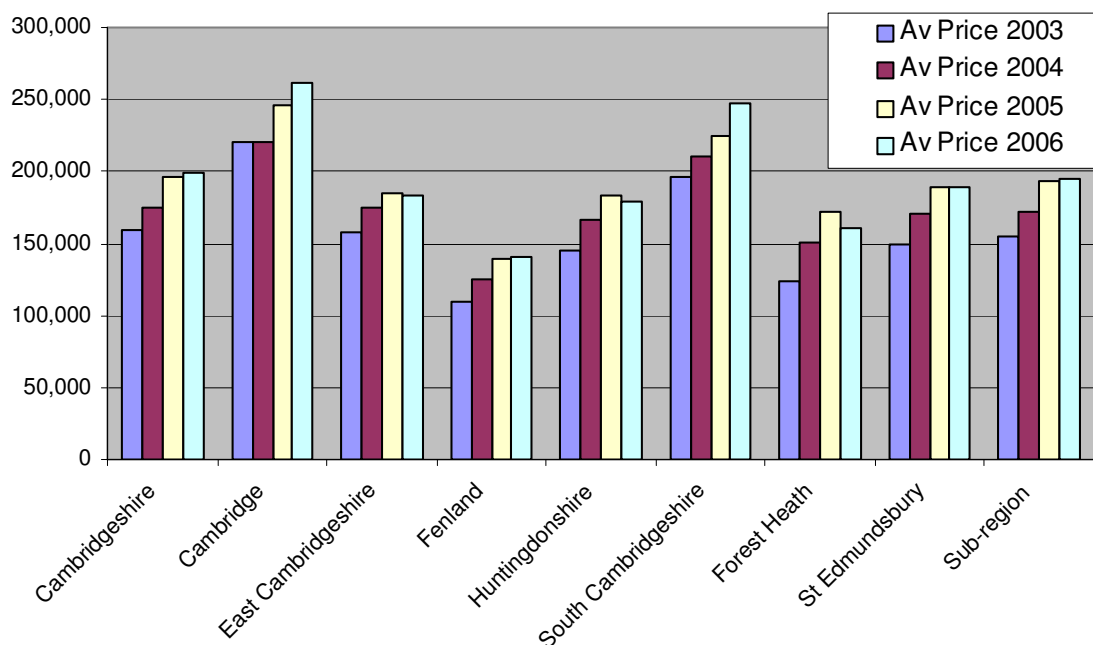
Table 3: Average Prices, 1st Quarters (Jan to March) 2003-2006

	Av Price 2003	Av Price 2004	Av Price 2005	Av Price 2006
Cambridge City	£221,086	£220,301	£245,445	£262,070
East Cambridgeshire	£158,149	£174,241	£185,455	£183,813
Fenland	£108,817	£125,015	£139,348	£141,260
Huntingdonshire	£144,938	£165,858	£183,725	£178,734
South Cambridgeshire	£196,373	£211,031	£225,281	£247,603
Forest Heath	£124,333	£150,387	£172,031	£160,921
St Edmundsbury	£149,174	£170,928	£188,419	£189,152
Sub-region	£154,753	£172,418	£193,289	£194,151

Source: Land Registry

Table 3 and Figure 1 show a comparison of the average house prices of properties sold in the first quarter of the last four years. They show a steady increase in most districts between 2003-2005. Between 2004 and 2005 the average house price for the county increased by just over 12%.

Fig 1: Average House Prices by District Jan-Mar 2003, 2004, 2005 & 2006



Source: Land Registry

Table 4: Average Prices and percentage change, Jan-Mar 2005 & 2006

	2005	2006	Difference 05/06	Change 05/06
Cambridge City	£245,445	£262,070	£16,625	6.8%
East Cambridgeshire	£185,455	£183,813	-£1,642	-0.9%
Fenland	£139,348	£141,260	£1,912	1.4%
Huntingdonshire	£183,725	£178,734	-£4,991	-2.7%
South Cambridgeshire	£225,281	£247,603	£22,322	9.9%
Forest Heath	£172,031	£160,921	-£11,110	-6.5%
St Edmundsbury	£188,419	£189,152	£733	0.4%
Sub-region	£193,289	£194,151	£862	0.4%

Source: Land Registry

Table 4 compares January to March 2005 with 2006. In this period, the average house price in the sub-region increased by £862 (0.4%). The largest increase was in South Cambridgeshire (9.9% or £22,322). The average house price in East Cambridgeshire, Huntingdonshire and Forest Heath decreased between 2005 and 2006.

13.4 Housing Affordability

This section moves from the mean average house price to assessing relative affordability in each area. The mean average house price can be distorted by a small number of very expensive sales. Using the median – where 50% of all sales fall below and 50% are above – produces a lower figure (£169,995 compared to £199,562 for Cambridgeshire as a whole).

Cambridge and South Cambridgeshire both have large differences between the median and mean, and in both cases there were two sales for over a million pounds. The smallest difference between these measures was in Fenland, which possibly reflects the relatively small number of very expensive homes available.

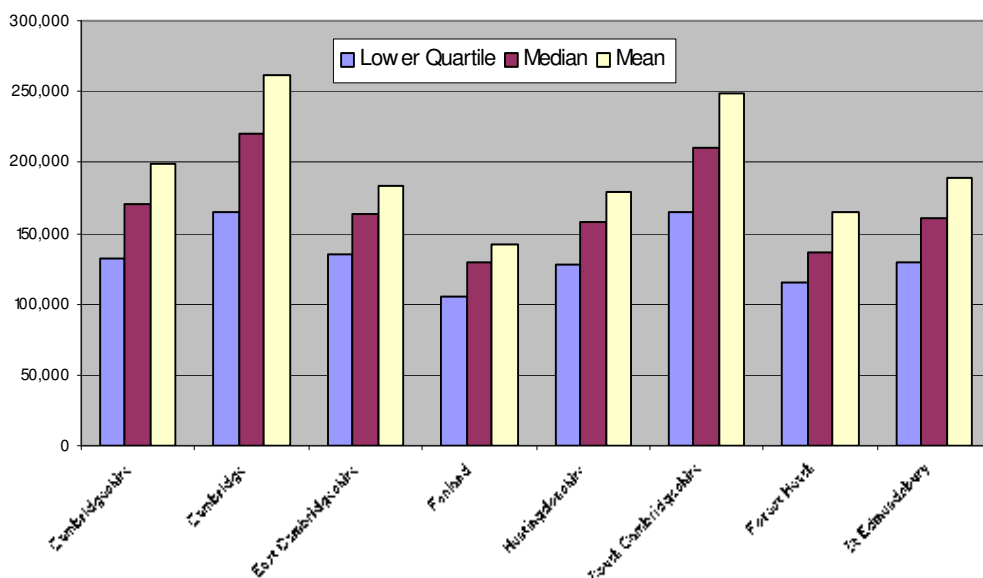
Table 5 and Figure 2 compare the lower quartile price (i.e. 25% of homes sold were priced below this level), the median and the mean average. The lower quartile price was below £120,000 in Fenland and Forest Heath. In both Cambridge and South Cambridgeshire, the lower quartile price was £165,000.

Table 5: Lower Quartile, Median and Mean Prices for properties sold Jan-Mar 2006.

	Lower Quartile	Median	Mean
Cambridge City	£165,000	£220,000	£262,007
East Cambridgeshire	£134,700	£164,000	£184,029
Fenland	£105,000	£130,000	£141,846
Huntingdonshire	£128,000	£157,500	£178,802
South Cambridgeshire	£165,000	£210,000	£249,127
Forest Heath	£115,000	£137,000	£165,120
St Edmundsbury	£129,500	£161,248	£189,543

Source: Land Registry

Fig 2: Lower Quartile, Median and Mean House Prices in Cambridgeshire Sub-Region Jan-Mar 2006



Source: Land Registry

Table 6 looks at another measure of affordability: the share of all homes sold for £120,000 or less. The table compares the first quarters (January to March) of 2005 and 2006.

Table 6: Properties sold for under £120,000 Jan-Mar 2005 & 2006

	2005		2006	
	Percentage sold	Number sold	Percentage sold	Number sold
Cambridge City	7.7%	26	6.7%	28
East Cambridgeshire	17.5%	45	16.9%	74
Fenland	45.2%	156	45.1%	233
Huntingdonshire	21.7%	114	21.2%	193
South Cambridgeshire	7.3%	30	5.6%	33
Forest Heath	33.7%	60	33.4%	113
St Edmundsbury	21.2%	66	18.2%	99
Sub-region	21.0%	497	20.6%	773

Source: Land Registry

More properties were sold for less than £120,000 in 2006 than in 2005, but there were more sales generally in January to March 2006 than the previous year. For this reason, the percentage sold for less than £120,000 has decreased by a small amount in all areas.

Fenland has the largest number and percentage of homes sold for under £120,000 in both 2005 and 2006. In 2006, Cambridge City had the smallest number of homes sold below this level, while South Cambridgeshire had the smallest percentage in both years. St Edmundsbury shows the largest percentage decrease in the number of homes sold at this level, but the actual number increased by 50%. Forest Heath experienced a very small change in percentage, but the actual number almost doubled.

The final way to compare relative affordability is to look at “entry level” house prices. This analysis uses the Land Registry’s “price band” data, which provides a comparison of the number of homes sold by price band in the first quarters of 2005 and 2006. The entry level band is taken to be the bottom price band with more than 20 sales recorded. This means that the data omits some very low prices, which could reflect property exchanges between family members etc, and so provides a better picture of properties available on the open market.

Table 7: Entry Level Prices (all properties), Jan-Mar 2005 & 2006

	Q1 2005	Q1 2006
Cambridge City	£120-150k	£120-150k
East Cambridgeshire	£100-120k	£100-120k
Fenland	£70-80k	£80-90k
Huntingdonshire	£100-120k	£90-100k
South Cambridgeshire	£120-150k	£120-150k
Forest Heath	£100-120k	£100-120k
St Edmundsbury	£100-120k	£100-120k

Source: Land Registry

The only districts experiencing changes in the entry level band are Fenland and Huntingdonshire. The entry “floor” for Fenland has risen from £70,000 to £80,000. In Huntingdonshire, it has decreased from £100,000 to £90,000.

13.5 Property Sold and Affordability by type

Unfortunately, the Land Registry does not record information on the number of rooms or bedrooms of properties sold. However it does record the broad type – detached, semi-detached, terraced and flats/maisonettes. This final section shows looks at the mix of properties sold in the first quarter (Jan to March) of 2006.

Table 8: Properties sold, Jan-Mar 2006

	Detached	Semi-detached	Terraced	Flat/Maisonette	Total
Cambridge City	50	112	158	96	416
East Cambridgeshire	165	110	140	23	438
Fenland	198	176	124	19	517
Huntingdonshire	312	249	243	108	912
South Cambridgeshire	232	177	149	35	593
Forest Heath	100	91	125	22	338
St Edmundsbury	174	126	204	40	544
Sub-Region	1231	1041	1143	342	3757

Source: Land Registry

Table 9: Percentage of properties sold by type, Jan-Mar 2006

	Detached	Semi-detached	Terraced	Flat/Maisonette
Cambridge City	12%	27%	38%	23%
East Cambridgeshire	38%	25%	32%	5%
Fenland	38%	34%	24%	4%
Huntingdonshire	34%	27%	27%	12%
South Cambridgeshire	39%	30%	25%	6%
Forest Heath	30%	27%	37%	7%
St Edmundsbury	32%	23%	38%	7%
Sub-Region	33%	28%	30%	9%

Source: Land Registry

Table 10: Privately owned stock by type (unshared homes)

	Detached	Semi-Detached	Terraced	Flat/Maisonette	Caravan/mobile structure	Total Private stock
Cambridge City	14%	33%	33%	20%	0%	100%
East Cambridgeshire	51%	29%	15%	4%	1%	100%
Fenland	51%	28%	15%	5%	1%	100%
Huntingdonshire	48%	29%	17%	6%	1%	100%
South Cambridgeshire	50%	31%	15%	3%	1%	100%
Forest Heath	42%	28%	20%	8%	1%	100%
St Edmundsbury	43%	26%	25%	5%	1%	100%
Sub-region	43%	29%	20%	7%	1%	100%

Source: Census, 2001

Huntingdon is the largest of the districts and had the highest number of sales. Cambridge has a different property profile to the rest of the sub-region as shown in Table 10. Only 12% of homes sold were detached properties, compared to 33% for the sub-region as a whole. South Cambridgeshire had the highest number of detached properties.

There is little difference in the proportion of semi-detached properties in each district. The districts with the lowest shares sold was St. Edmundsbury with 23% and the highest was Fenland with 34%.

Terraced homes contributed to 30% of sales across the area and were the most popular properties sold in Cambridge and St Edmundsbury, with 38% of the market. The lowest share recorded was in Fenland (24%).

Almost a quarter of the properties sold in Cambridge were flat/maisonettes. This was a long way ahead of Huntingdonshire with 10%. In the other three districts of Cambridgeshire, flats contributed to only 5% of the properties changing hands. In both districts in Suffolk, the share of flats was 8%.

Comparing the average price of property types for the period, detached houses were the most expensive property type in all areas and flat/maisonettes were the cheapest, as seen in Table 1). A detached property in Cambridge is nearly twice the cost of a semi-detached or terraced house and nearly three times the cost of a flat. In the sub-region as a whole a flat is

about half the price of a detached house and semi-detached and terraced properties about two thirds of the price.

Table 11: Private stock turnover by property type, 2005/06

	Detached	Semi-detached	Terraced	Flat/Maisonette	All Properties
Cambridge City	6%	4%	7%	8%	6%
East Cambridgeshire	6%	7%	13%	8%	7%
Fenland	5%	7%	11%	5%	6%
Huntingdonshire	5%	6%	10%	11%	7%
South Cambridgeshire	5%	6%	9%	9%	6%
Forest Heath	5%	6%	10%	6%	6%
St Edmundsbury	5%	6%	9%	10%	6%
Sub-Region	5%	6%	9%	8%	6%

Source: HSSA, Land Registry

The turnover for all properties is 6-7%, but this varies by property type. In most districts detached houses turnover quite slowly and terraced homes more quickly. Turnover for semi-detached properties in Cambridge City is 4% - quite low compared to the rest of the sub-region which is between 6% and 7%. The rate of turnover for flats/maisonettes in Fenland (5%) and Forest Heath (6%) is quite low compared to the rest of the sub-region where it is between 8% and 11%

Table 12: Property types of properties sold for under £120,000 Jan-Mar 2006

	Detached	Semi-detached	Terraced	Flat/Maisonette
Cambridge City	0%	11%	14%	75%
East Cambridgeshire	14%	19%	47%	20%
Fenland	8%	41%	43%	8%
Huntingdonshire	4%	16%	53%	27%
South Cambridgeshire	6%	12%	45%	36%
Forest Heath	8%	26%	53%	13%
St Edmundsbury	1%	16%	51%	32%
Sub-Region	6%	25%	47%	21%

Source: Land Registry

Table 12 shows the percentage of property types sold for under £120,000. Overall, terraced houses made up the largest percentage of the properties sold for less than £120,000. Semi-detached properties comprise a quarter of these lower cost properties. Because there is little difference in the average prices of semi-detached and terraced houses in the region, there must be some very expensive terraced properties, which have an influence on this measure.

The exceptions to this pattern are Cambridge, East Cambridgeshire and Fenland. In Cambridge there were no sales of detached properties for under £120,000. Three quarters of the properties sold in the city at this price were flats or maisonettes. The remainder were quite evenly divided between semi-detached and terraced properties.

Terraced properties comprised 47% of the lower cost properties in East Cambridgeshire (in line with the sub-regional figure), but numbers of detached, semi-detached and flat/maisonette type properties were quite close.

Some 8% of the properties sold for under £120,000 in Fenland were detached. Numbers of semi-detached and terraced properties were roughly the same. Although the proportion of flats sold for under £120,000 was 8%, this figure accounts for 95% of all the flats sold in Fenland.

Table 13 shows the entry band prices for the different property types by district. Because of the low number of flats/maisonettes sold in some areas, the entry level band for this table is the bottom price band with 5% of sales or the first with more than 5 sales.

Table 13: Entry band by property type

	Detached	Semi-detached	Terraced	Flat/Maisonette
Cambridge City	200-300K	120-150K	120-150K	90-100K
East Cambridgeshire	120-150K	100-120K	100-120K	80-90K
Fenland	100-120K	80-90K	80-90K	70-80K
Huntingdonshire	150-200K	120-150K	90-100K	60-70K
South Cambridgeshire	150-200K	120-150K	120-150K	100-120K
Forest Heath	120-150K	100-120K	90-100K	50-60K
St Edmundsbury	120-150K	100-120K	100-120K	90-100K

Source: Land Registry

The district with the highest entry band for detached properties was Cambridge, while Fenland had the lowest. Entry bands for semi-detached and terraced properties were the same in most districts, except for Huntingdonshire where there was a large difference in entry band: £90-100,000 for a terraced property compared to £120-150,000 for a semi-detached house.

The district with the lowest entry band for flats/maisonettes was Forest Heath, although the district shows an unusual profile for this property type in this quarter. Huntingdonshire was the second lowest. South Cambridgeshire had the highest entry level band for a flat/maisonette at £100-120,000.

13.6 House prices and Incomes

This section compares the average and lower quartile earnings by residence and house prices. "Earnings" in this case means the earnings of an adult in full time employment, living (but not necessarily working) in the district.

Table 14: Average House Price (all properties) Jan-Mar 2006 and Average Earnings by Residence by district, 2006

	Average House Price	Average Annual Earnings by Residence	Ratio of Earnings to House Price
Cambridge City	£262,070	£33,805	7.75
East Cambridgeshire	£183,813	£30,072	6.11
Fenland	£141,260	£23,930	5.90
Huntingdonshire	£178,734	£29,078	6.15
South Cambridgeshire	£247,603	£36,670	6.75
Forest Heath	£160,921	£24,055	6.69
St Edmundsbury	£189,152	£27,383	6.91

Source: Land Registry and Office of National Statistics

Table 15: Lower Quartile House Price (all properties) Jan-Mar 2006 and Lower Quartile Earnings by Residence by district, 2006

	Lower Quartile House Price	Lower Quartile Earnings by Residence	Ratio
Cambridge City	£165,000	£18,756	8.80
East Cambridgeshire	£134,700	£17,805	7.57
Fenland	£105,000	£16,104	6.52
Huntingdonshire	£128,000	£16,723	7.65
South Cambridgeshire	£165,000	£19,297	8.55
Forest Heath	£115,000	£13,374	8.60
St Edmundsbury	£129,500	£16,141	8.02

Source: Land Registry and Office of National Statistics

Average house prices in the sub-region are around 6 times the average annual earnings by residence in most areas. In Cambridge City the prices are almost 8 times the average earnings.

When lower quartile prices and wages are compared, house prices are about seven times the annual earnings for the county, although in most of the districts they are more than eight times higher. This means that in relative terms it is easier for someone on average earnings to be able to afford to buy an average-priced property than it is for someone on lower quartile earnings to afford a lower quartile priced house. However, just because someone earns the “average” income, it doesn’t necessarily mean that they will look for an “averagely”-priced house. In all districts the ratio of lower quartile house price are between 4 and 5 times average earnings.

13.7 Summary

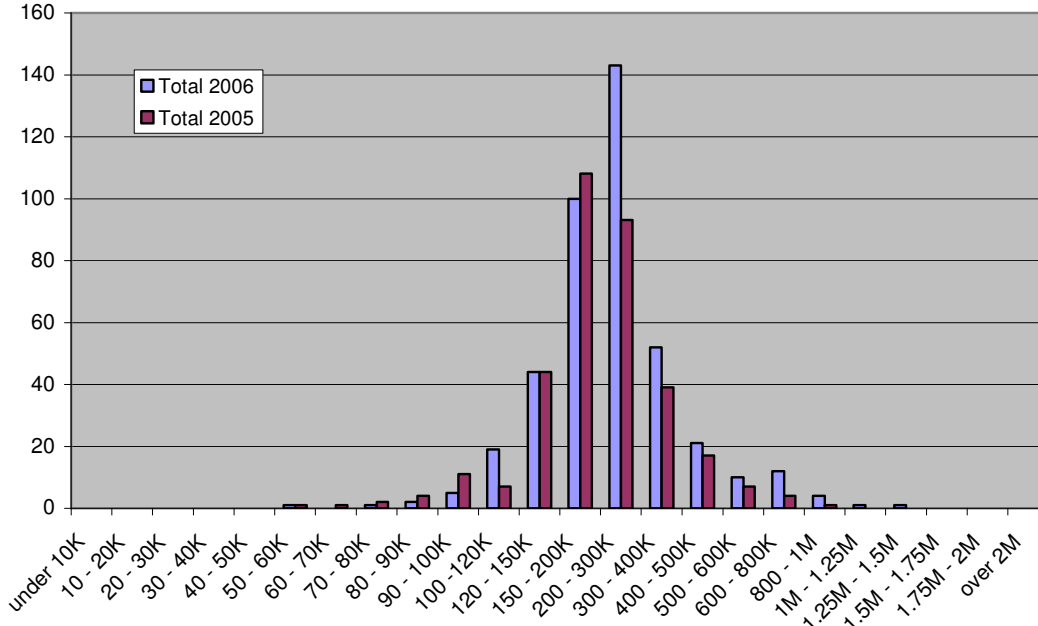
The average house price for the sub-region is £194,000. House prices are highest in Cambridge City and lowest in Fenland. Detached properties are the most expensive type of home and flats are the cheapest. Detached houses are the most common property type in all parts of the sub-region (except for the city) and make up most of the sales.

Terraced homes have the highest turnover in the sub-region and detached homes have the lowest. Terraced homes make up 47% of all the properties sold for less than £120,000.

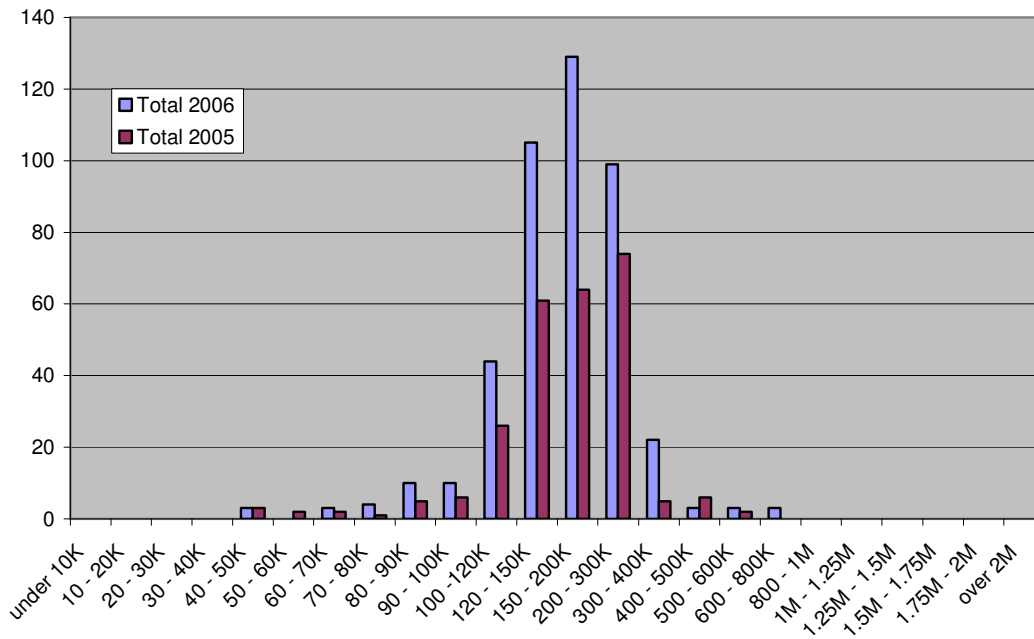
Average house prices in the sub-region are 7 times average earnings. Lower quartile house prices are between 6.6 and 8.8 times lower quartile earnings. It is harder for people with lower quartile earnings to be able to afford a cheaper house than for someone with average earnings to afford an “average” priced house.

Appendix 1: Sales by price band, Jan-Mar 2005 & 2006

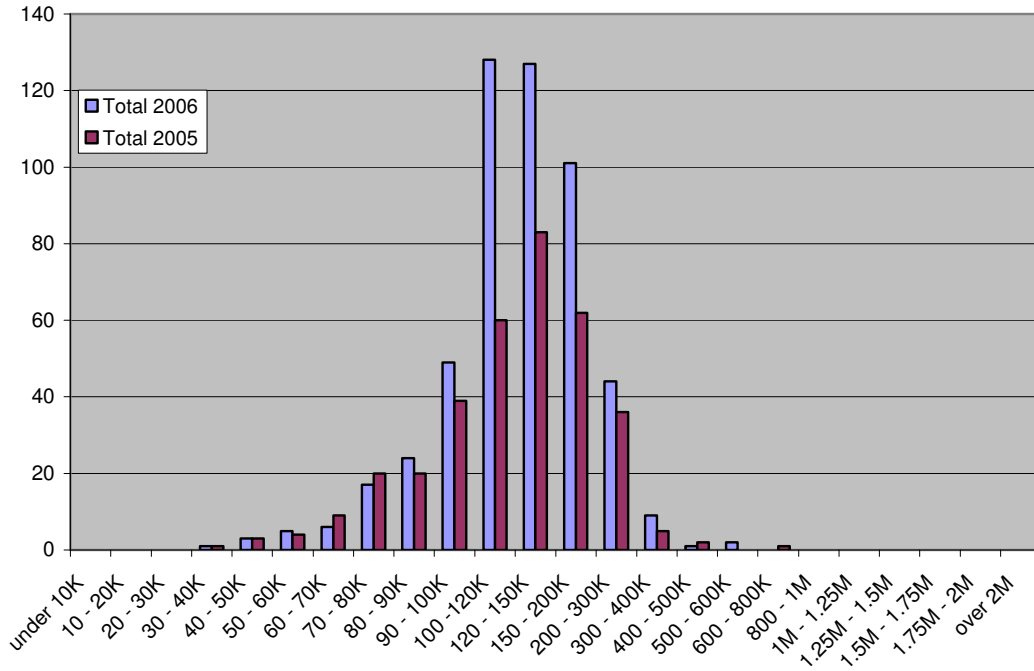
Properties Sold by Price Band Jan-Mar 2005 & 2006, Cambridge City



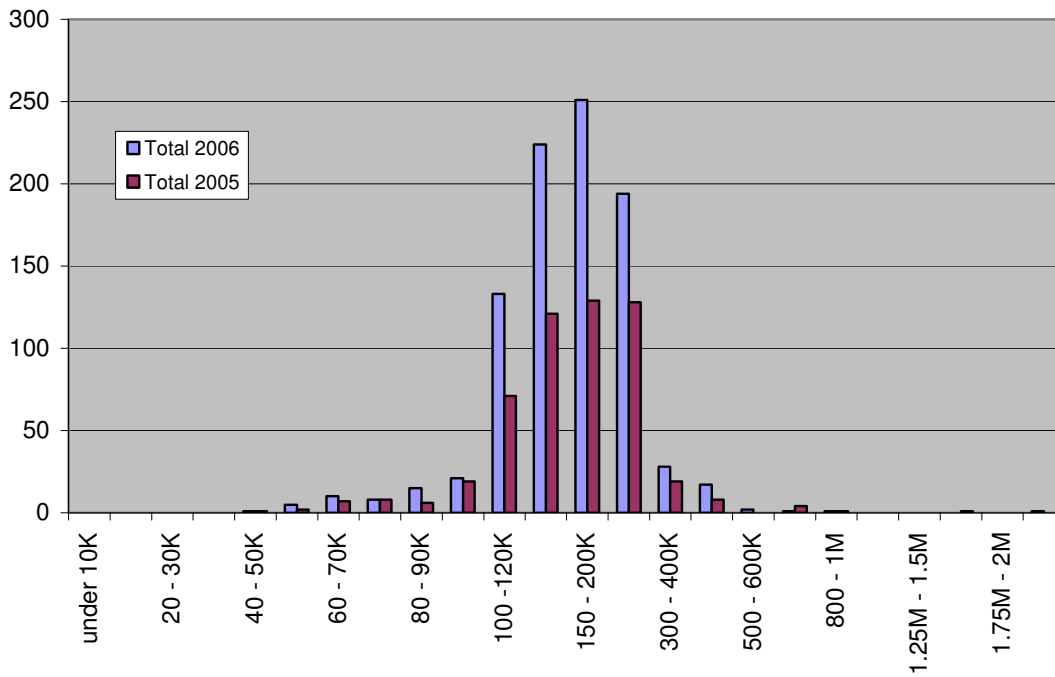
Properties Sold by Price Band Jan-Mar 2005 & 2006, East Cambridgeshire



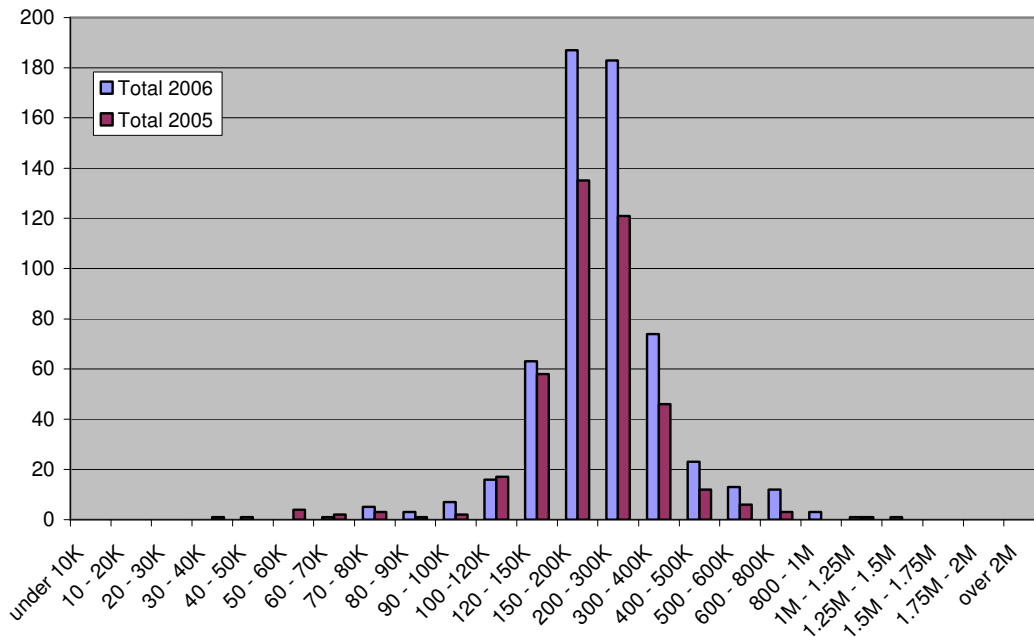
Properties Sold by Price Band Jan-Mar 2005 & 2006, Fenland



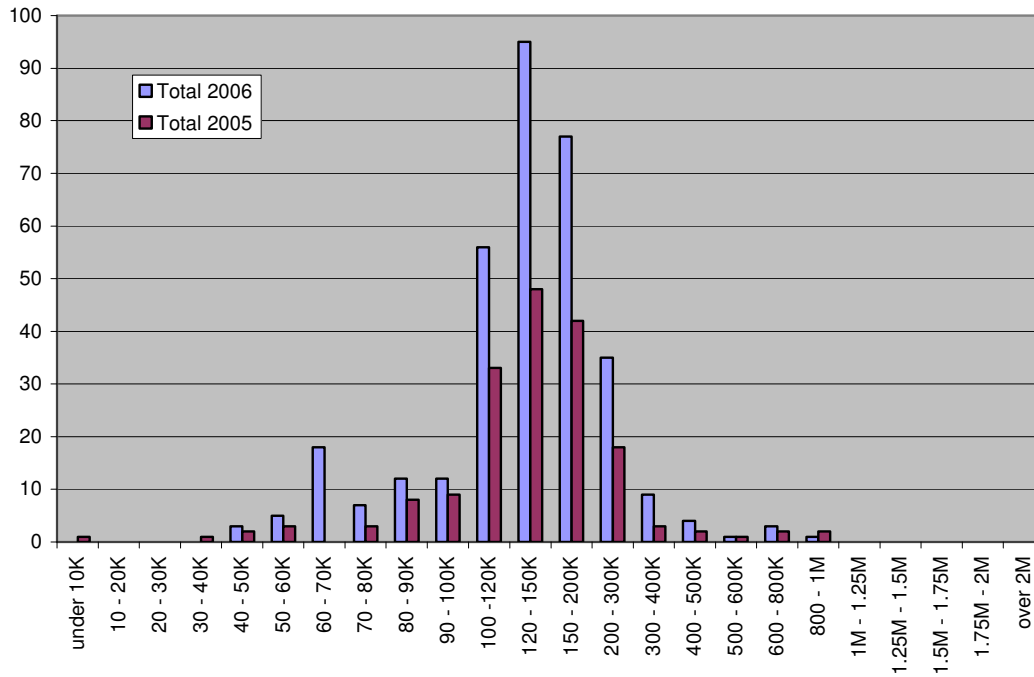
Properties Sold by Price Band Jan-Mar 2005 & 2006, Huntingdonshire



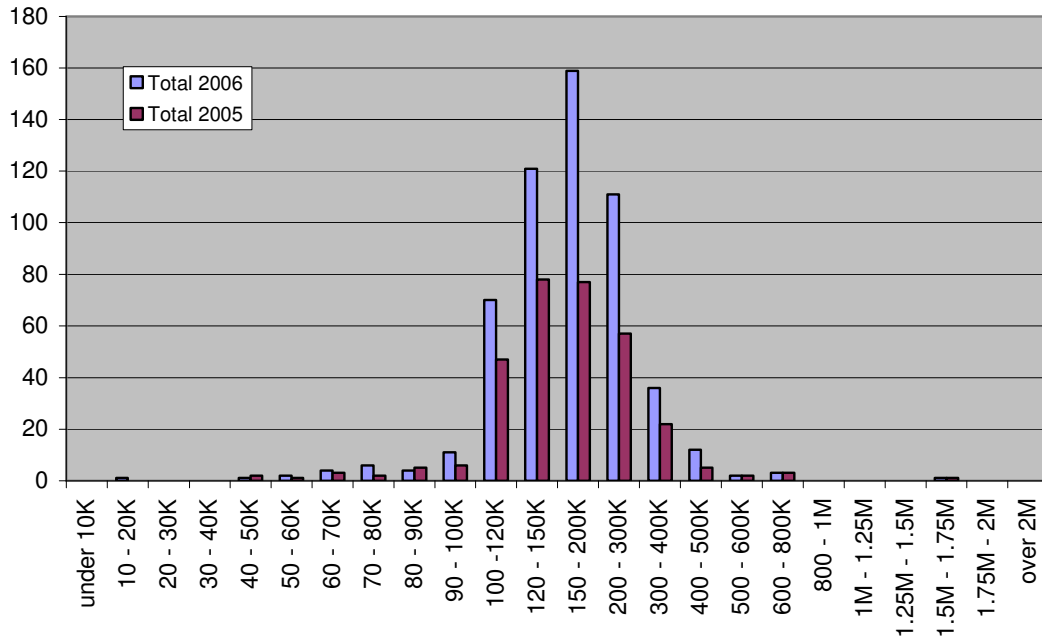
Properties Sold by Price Band Jan-Mar 2005 & 2006, South Cambridgeshire



Properties Sold by Price Band Jan-Mar 2005 & 2006, Forest Heath

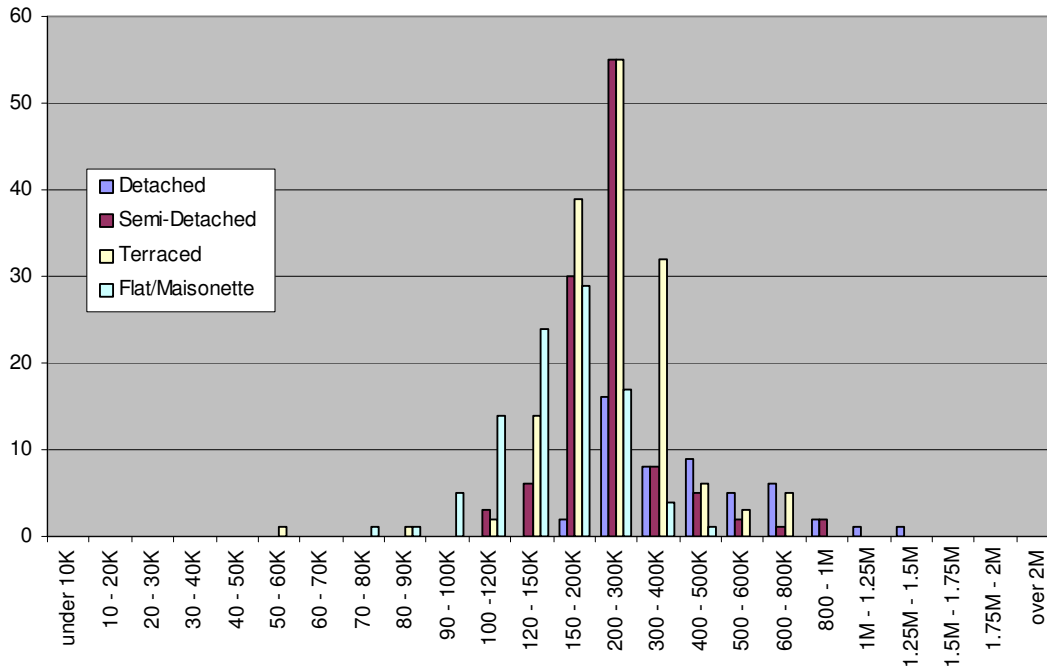


**Properties Sold by Price Band Jan-Mar 2005 & 2006, St
Edmundsbury**

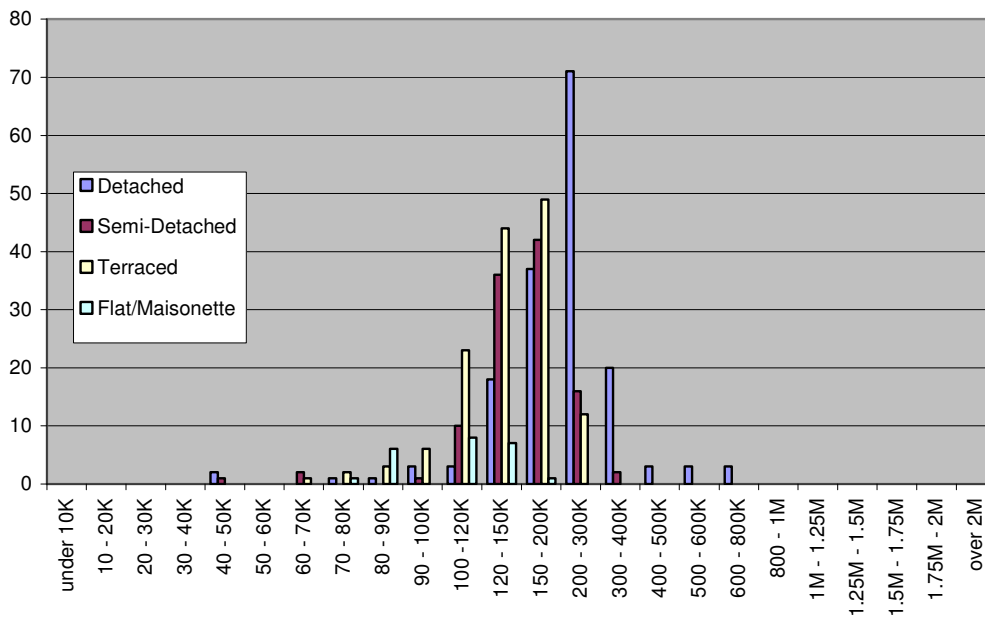


Appendix 2: Properties sold by price band, property types sold January-March 2006

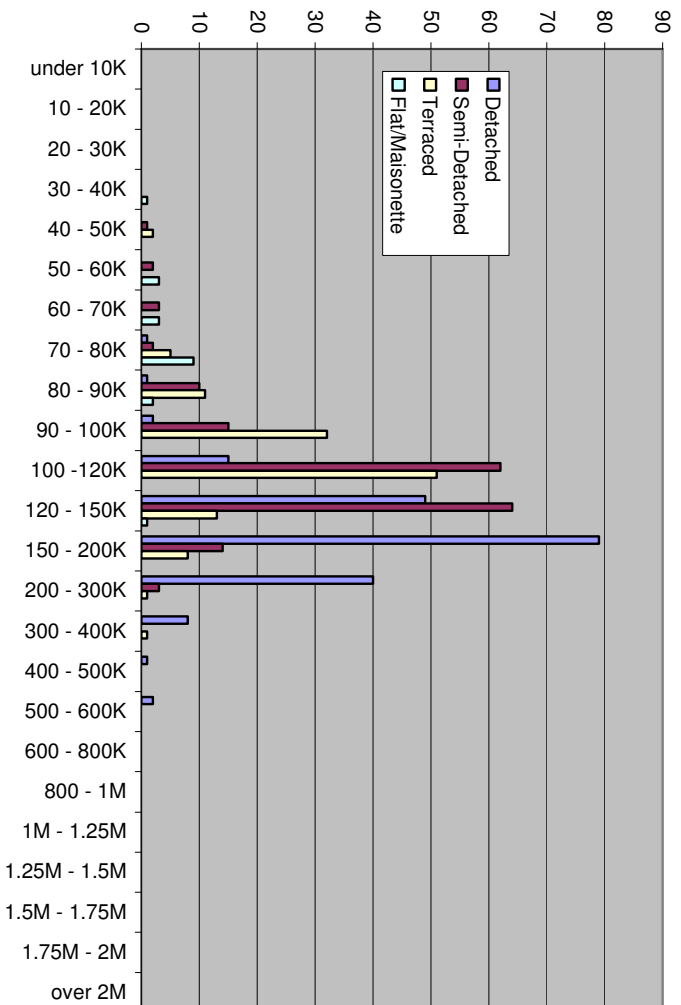
Properties types sold by price band in Cambridge City Jan-Mar 2006



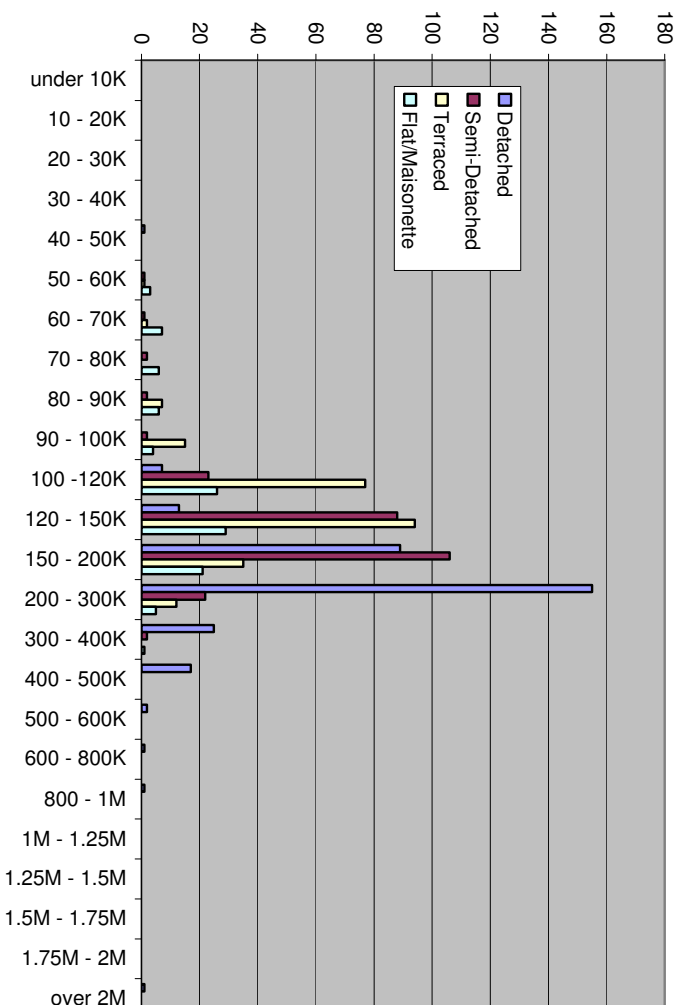
Property types sold by price band in East Cambridgeshire Jan-Mar 2006



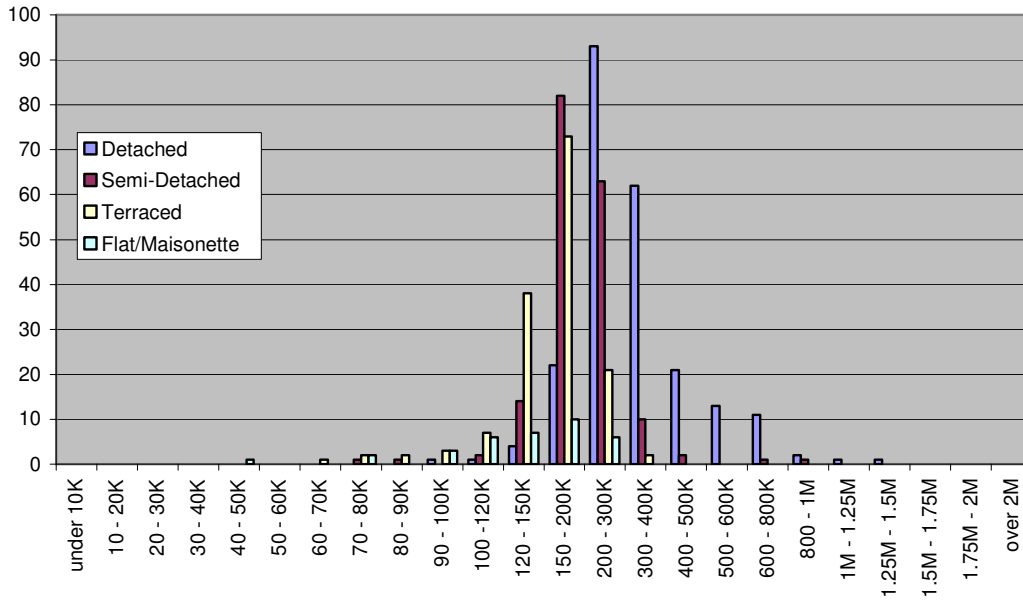
Property types sold by price band in Fenland Jan-Mar 2006



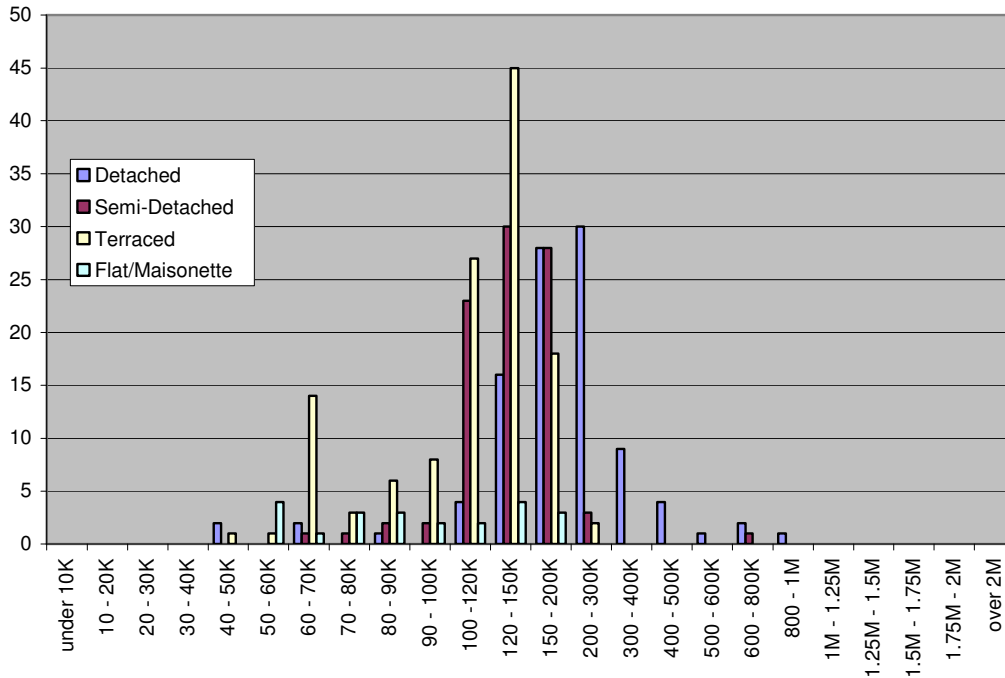
Property types sold by price band in Huntingdonshire Jan-Mar 2006



Property types sold by price band in South Cambridgeshire Jan-Mar 2006



Property types sold by price band in Forest Heath Jan-Mar 2006



Property types sold by price band in St Edmundsbury Jan-Mar 2006

