

## Snapshot of property prices (Feb 2008) – 2009 update

Summary .....	1
13.1 Introduction .....	2
13.2 Average prices by property type .....	2
Table 1: Average property price by type .....	2
Table 2: Average prices by property type – Index: Sub-Region = 100 .....	2
Table 3: Average price and percentage change .....	3
Fig 1: Percentage price change by property type, February 2007 and 2008.....	3
Fig 2: Number of sales, all properties by district, Feb 2007 and Feb 2008.....	4
Table 4: Properties sold by type.....	4
Table 5: Average price by size and type of property.....	5
Fig 3: Average price by size and district, Feb 2008 .....	5
Table 6: Lower quartile price by property size and type.....	5
Table 7: Average price of second hand and new build houses and flats.....	6
13.3 House prices and incomes.....	6
Table 8: Average house price (Nov 2007 to April 2008) to earnings ratio .....	7
Table 9: Lower quartile house price (Nov 2007-April 2008) to earnings ratio.....	7
13.4 Change in income multipliers between 2006 and 2007/8 .....	7
Table 10: Comparing income to house price ratios.....	8
Appendix 1. Average and lower quartile house price by size, by district .....	9
Appendix 2. Hometrack and Land Registry data comparison .....	13
Appendix 3. Comparison of Hometrack “Sales and Valuations” and “Sales Only” Data .....	14

## **Snapshot of property prices (Feb 2008) – 2009 update**

### **Summary**

---

- Cambridge City is the most expensive area and Fenland is the cheapest for all types of properties. Average house prices have increased in the last year in all areas except for Cambridge City where there has been a slight fall.
- Forest Heath is the second cheapest area overall, but is the second most expensive area for flats.
- There was a large drop in the number of homes sold in February 2008 compared to the same month of 2007.
- In all areas, there is a large difference in price between three and four bedroom houses. The difference in price between other sizes of property varies between districts. An appendix to this paper shows the average and lower quartile house prices by size of property for each of the districts individually.
- New build flats are significantly more expensive than second hand flats but the difference in price between new build and second hand houses is less uniform, with older properties being more expensive in some districts, and there being very little difference in other areas.

## Chapter 13. Snapshot of property prices (Feb 2008) – 2009 update

### 13.1 Introduction

This paper summarises information on the prices of properties sold in February 2008. This was the most current data available at the time of writing in May 2008. All data is taken from Hometrack unless otherwise stated and covers the five Cambridgeshire districts and the Suffolk districts of Forest Heath and St Edmundsbury. Where appropriate, the analysis provides comparisons with February 2007. The review looks at the average and lower quartile house prices by type of property and size.

Affordability ratios comparing house prices and income has been updated based on data from November 2007 to April 2008, and is compared to affordability ratios produced in the original SHMA published in June 2008.

### 13.2 Average prices by property type

**Table 1: Average property price by type**

	Detached	Semi-Detached	Terraced	Flats/ Maisonettes	All
Cambridge	£552,600	£320,000	£291,000	£206,600	£300,100
East Cambridgeshire	£332,700	£179,100	£174,800	£125,700	£230,600
Fenland	£230,800	£141,600	£122,800	£94,800	£176,900
Huntingdonshire	£322,300	£193,600	£160,500	£132,700	£226,500
South Cambridgeshire	£423,100	£233,800	£207,600	£178,100	£311,300
Forest Heath	£283,800	£164,500	£157,600	£133,700	£201,200
St Edmundsbury	£337,100	£193,400	£166,800	£111,600	£222,600
Sub-region	£335,634	£199,981	£183,013	£157,755	£239,232

Source: Hometrack Feb 2008

**Table 2: Average prices by property type – Index: Sub-Region = 100**

	Detached	Semi-Detached	Terraced	Flats/ Maisonettes	All
Cambridge City	165%	160%	159%	131%	125%
East Cambridgeshire	99%	90%	96%	80%	96%
Fenland	69%	71%	67%	60%	74%
Huntingdonshire	96%	97%	88%	84%	95%
South Cambridgeshire	126%	117%	113%	113%	130%
Forest Heath	85%	82%	86%	85%	84%
St Edmundsbury	100%	97%	91%	71%	93%
Sub-region	100%	100%	100%	100%	100%

Source: Table 1

Table 1 shows that Cambridge City is the most expensive area by individual property type. South Cambridgeshire has a higher overall price because of a higher number of sales of detached properties.

Table 2 compares the individual district prices to the sub-region. The overall price is Cambridge City is 130% of the overall price of the sub-region. Aside from Cambridge City and South Cambridgeshire the other districts are all cheaper than the sub-regional average.

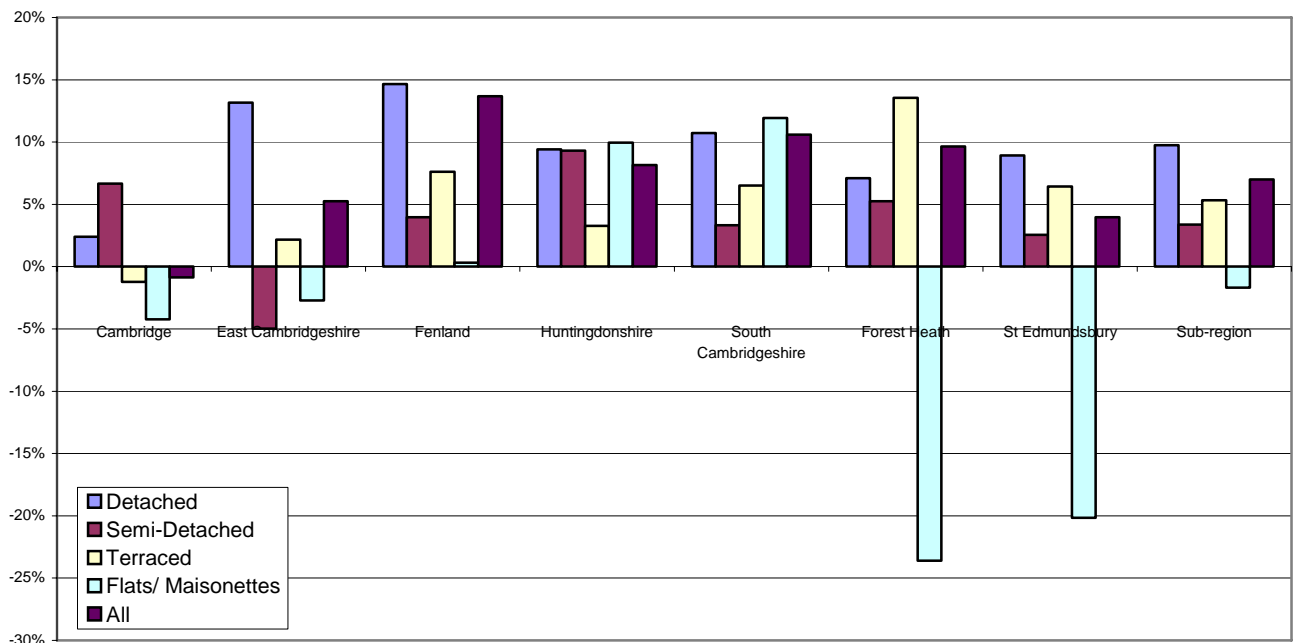
Fenland is the cheapest area for all types of properties and is between £50,000-£100,000 cheaper than the sub-regional average, depending on the type of property. Forest Heath is the second cheapest area for houses, but the third most expensive for flats where St Edmundsbury is the second cheapest, despite being one of the more expensive areas for houses.

**Table 3: Average price and percentage change**

	Feb-07	Feb-08	Difference	Change
Cambridge City	£302,700	£300,100	−£2,600	−1%
East Cambridgeshire	£219,100	£230,600	£11,500	5%
Fenland	£155,600	£176,900	£21,300	14%
Huntingdonshire	£209,400	£226,500	£17,100	8%
South Cambridgeshire	£281,500	£311,300	£29,800	11%
Forest Heath	£183,500	£201,200	£17,700	10%
St Edmundsbury	£214,100	£222,600	£8,500	4%
Sub-region	£223,568	£239,232	£15,664	7%

Source: Hometrack Feb 2007 and Feb 2008

**Fig 1: Percentage price change by property type, February 2007 and 2008**



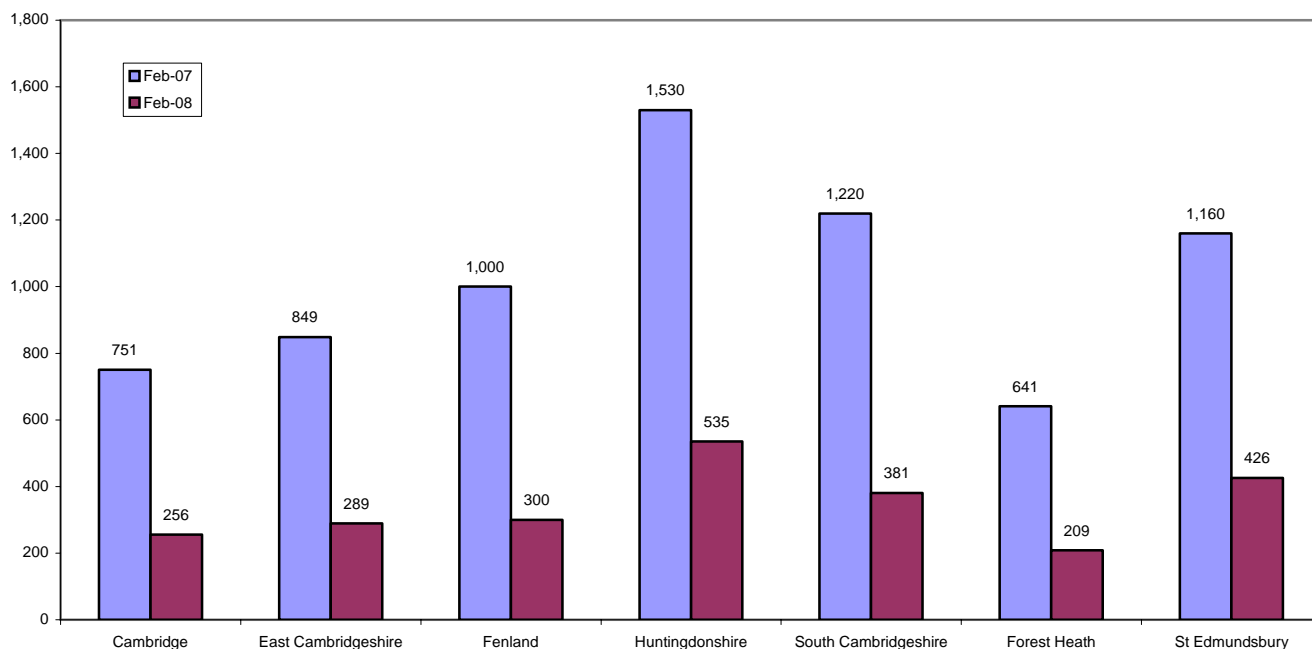
Source: Hometrack Feb 2007 and Feb 2008

Prices mostly increased in the sub-region between Feb 2007 and 2008. In the City the overall average price dropped slightly, mostly due to a comparatively small increase in the average price of detached and semi-detached properties and a decrease in the price of terraced houses and flats. The price of flats also decreased in East Cambridgeshire and the two Suffolk districts (quite sharply), but the price of flats in South Cambridgeshire and

Huntingdonshire has increased more sharply than for other types of properties. Generally growth was slower in the second half of the year than first.

The number of properties of all types and in all districts has decreased significantly, by around two thirds (see fig 2). In February last year there were 7,151 homes sold in the sub-region. For the same month in 2008, only 2,396 properties were sold. This supports news from national papers reporting increasing difficulty in getting mortgages, especially for buyers with smaller deposits. Although the numbers have decreased, the profile of the properties sold in each district has not changed.

**Fig 2: Number of sales, all properties by district, Feb 2007 and Feb 2008**



Source: Hometrack Feb 2007 and Feb 2008

**Table 4: Properties sold by type**

	Detached	Semi-Detached	Terraced	Flats/ Maisonettes	All
Cambridge	27	54	99	76	256
East Cambridgeshire	105	89	78	17	289
Fenland	137	89	65	9	300
Huntingdonshire	201	124	162	48	535
South Cambridgeshire	173	109	77	22	381
Forest Heath	74	48	64	23	209
St Edmundsbury	134	94	170	28	426
Sub-region	851	607	715	223	2,396

Source: Hometrack Feb 2008

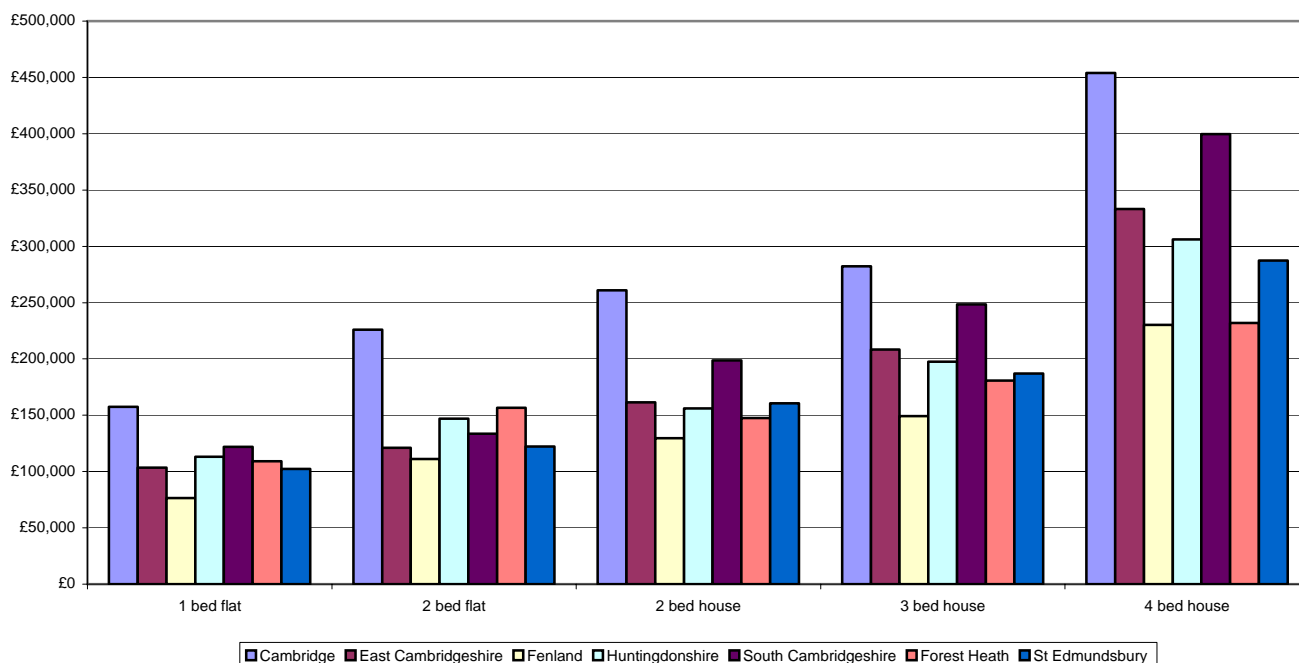
Hometrack also provides information on the price by size of property, provided on a six-month basis. These data shown in table 4 and 5 show the average and lower quartile house prices from September 2007- February 2008.

**Table 5: Average price by size and type of property**

	1 bed flat	2 bed flat	2 bed house	3 bed house	4 bed house	All
Cambridge	£157,391	£225,923	£260,933	£282,347	£454,025	£307,100
East Cambridgeshire	£103,400	£121,040	£161,409	£208,403	£333,020	£231,100
Fenland	£76,583	£111,250	£129,612	£149,289	£230,367	£166,300
Huntingdonshire	£113,115	£147,056	£155,973	£197,459	£306,097	£224,100
South Cambridgeshire	£121,903	£133,625	£198,740	£248,418	£399,546	£310,000
Forest Heath	£109,129	£156,512	£147,600	£180,716	£231,964	£187,500
St Edmundsbury	£102,243	£122,277	£160,641	£186,964	£287,303	£223,200

Source: Hometrack Feb 2008

**Fig 3: Average price by size and district, Feb 2008**



Source: Hometrack Feb 2008

**Table 6: Lower quartile price by property size and type**

	1 bed flat	2 bed flat	2 bed house	3 bed house	4 bed house	All
Cambridge	£130,000	£166,000	£220,000	£230,000	£293,000	£210,000
East Cambridgeshire	£93,500	£114,000	£142,000	£168,000	£240,000	£154,000
Fenland	£70,000	£92,500	£114,995	£125,000	£185,000	£121,000
Huntingdonshire	£98,000	£120,000	£135,000	£157,000	£232,000	£146,500
South Cambridgeshire	£120,000	£121,500	£170,000	£200,000	£285,000	£195,000
Forest Heath	£97,000	£117,000	£129,950	£150,000	£189,995	£135,000
St Edmundsbury	£90,000	£110,000	£139,000	£140,000	£218,500	£141,000

Source: Hometrack Feb 2008

Cambridge City is the most expensive area for all types of properties by quite a long way. The other districts in the sub-region are fairly close in price for flats and there is more variation in the price of houses, particularly larger homes.

In each district the average price for all properties is between the price of a three and four bed house. The largest difference in price by size is between three and four bedroom properties. Four bedroom houses are between £51,000 and £172,000 more expensive than three bedroom homes.

Forest Heath is the second most expensive area for two-bedroom flats after Cambridge City, despite being the second cheapest area overall. Two bed flats in the district actually appear to cost more than two bed houses, although there is no data on the number of sales by size, only by type. However there were significantly fewer flats sold in Forest Heath than in the City and it would take fewer outliers to skew the average in this district. This may also be due to the comparative premium on new build properties compared to second hand (see below).

**Table 7: Average price of second hand and new build houses and flats.**

	Second Hand Prices (Flat)	New Build Prices (Flat)	Second Hand Prices (House)	New Build Prices (House)	New Build Premium (Flat)	New Build Premium (House)
Cambridge	£194,842	£272,850	£335,494	£405,813	40%	21%
East Cambridgeshire	£114,108	£143,168	£224,176	£221,165	25%	-1%
Fenland	£82,055	£102,176	£155,882	£157,369	25%	1%
Huntingdonshire	121,224	184,975	213,247	276,203	53%	30%
South Cambridgeshire	£145,967	£183,366	£287,530	£286,298	26%	0%
Forest Heath	£178,739	£237,281	£178,360	£158,773	33%	-11%
St Edmundsbury	£133,279	£169,743	£229,394	£263,835	27%	15%

Source: Hometrack Feb 2007

This data is available for the year as a whole rather than month by month. New build flats are consistently more expensive than similar second hand properties. For houses, the picture is less clear - new build properties in Cambridge City, Huntingdonshire and St Edmundsbury are more expensive than older houses. For houses in Fenland and South Cambridgeshire there is only a small difference in price between new build and second hand. Second hand properties in East Cambridgeshire and Forest Heath are more expensive than new build. This may be due to building a larger number of smaller properties, but it may also be due to a comparatively large number of period homes in the district. This needs to be checked against the stock condition data, which contains information on the age of properties.

### 13.3 House prices and incomes

Affordability is covered in more depth in Chapter 21 *Current affordability and income*, which compares housing costs for different tenures and sizes.

This section compares the average and lower quartile earnings by residence with the average and lower quartile house price from Hometrack, between November 2007 and April 2008. Data about earnings is taken from ASHE, for 2007/08.

**Table 8: Average house price (Nov 2007 to April 2008) to earnings ratio**

	Average House Price	Earnings 2007/08	Ratio 2007/08
Cambridge	£301,548	£33,228	9.08
East Cambridgeshire	£225,436	£32,838	6.87
Fenland	£165,516	£24,123	6.86
Huntingdonshire	£226,458	£37,258	6.08
South Cambridgeshire	£299,164	£39,255	7.62
Forest Heath	£198,617	£25,454	7.80
St Edmundsbury	£220,115	£27,342	8.05

Source: ASHE & Hometrack

In 2007/08 the average house price was around 7.48 times the average earnings across the sub-region. Although South Cambridgeshire is the second most expensive area, it is slightly more affordable than St Edmundsbury because although the prices are lower, so are the wages. In Cambridge City, the average house price was around 9 times earnings, which is the least affordable area on this measure. Huntingdonshire is the most affordable area on this measure. However, 6 times earnings is still more than most buyers would be able to get a mortgage for.

**Table 9: Lower quartile house price (Nov 2007-April 2008) to earnings ratio**

	Lower quartile house price	Lower quartile earnings 2007/08	Ratio 2007/08
Cambridge City	£185,000	£19,126	9.67
East Cambridgeshire	£150,000	£18,148	8.27
Fenland	£118,000	£15,621	7.55
Huntingdonshire	£145,000	£18,782	7.72
South Cambridgeshire	£185,000	£19,235	9.62
Forest Heath	£130,000	£16,567	7.85
St Edmundsbury	£138,000	£16,515	8.36

Source: ASHE & Hometrack

The lower quartile price was around 8.43 times lower quartile income in 2007/08 across the sub-region. City and South Cambridgeshire are the least affordable districts for people at the lower end of the wage scale. Fenland and Huntingdonshire are the most affordable areas, but again, most lenders would feel uncomfortable lending at this ratio.

### 13.4 Change in income multipliers between 2006 and 2007/8

#### Comparing average house prices and average earnings

Our first SHMA, published in June 2008, produced comparisons of house price and income in a similar way to the above. Average house prices in the sub-region were around 6 times the average annual earnings by residence in most areas based on 2006 data, from Land Registry and Office of National Statistics. In Cambridge City the prices were almost 8 times the average earnings.

In 2007/8 the income multiplier has increased in all districts but one, where a slight drop is seen in Huntingdonshire (by 0.07). Although data sources have changed between the two SHMAs (in that the 2007/8 version relies on Hometrack's house price information which



includes and element of valuations, rather than just completed sales via Land Registry used previously) there is enough of a change to conclude that affordability has worsened between the 2006 and 2007/8. The biggest increase in multiplier is Cambridge City rising from 7.75 to 9.08.

**Table 10: Comparing income to house price ratios**

	"Average" ratio			"Lower quartile" ratio		
	2006	2007/08	Change	2006	2007/08	Change
Cambridge	7.75	9.08	1.33	8.80	9.67	0.87
East Cambridgeshire	6.11	6.87	0.76	7.57	8.27	0.7
Fenland	5.90	6.86	0.96	6.52	7.55	1.03
Huntingdonshire	6.15	6.08	-0.07	7.65	7.72	0.07
South Cambridgeshire	6.75	7.62	0.87	8.55	9.62	1.07
Forest Heath	6.69	7.80	1.11	8.60	7.85	-0.75
St Edmundsbury	6.91	8.05	1.14	8.02	8.36	0.34

Source: Tables 14 and 15, Current property prices (SHMA published June 2008); and Tables 8 and 9 (above)

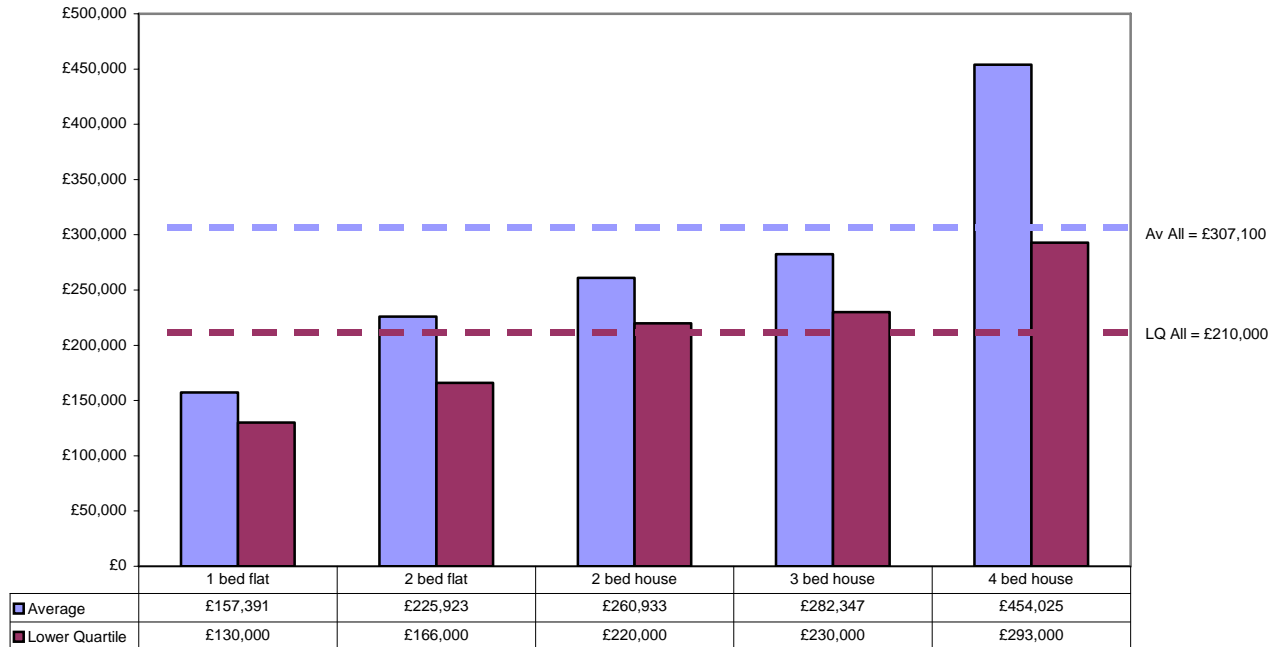
### Comparing lower quartile prices and lower quartile earnings

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. In all districts the ratio of lower quartile house price are between 4 and 5 times average earnings based on 2006 data.

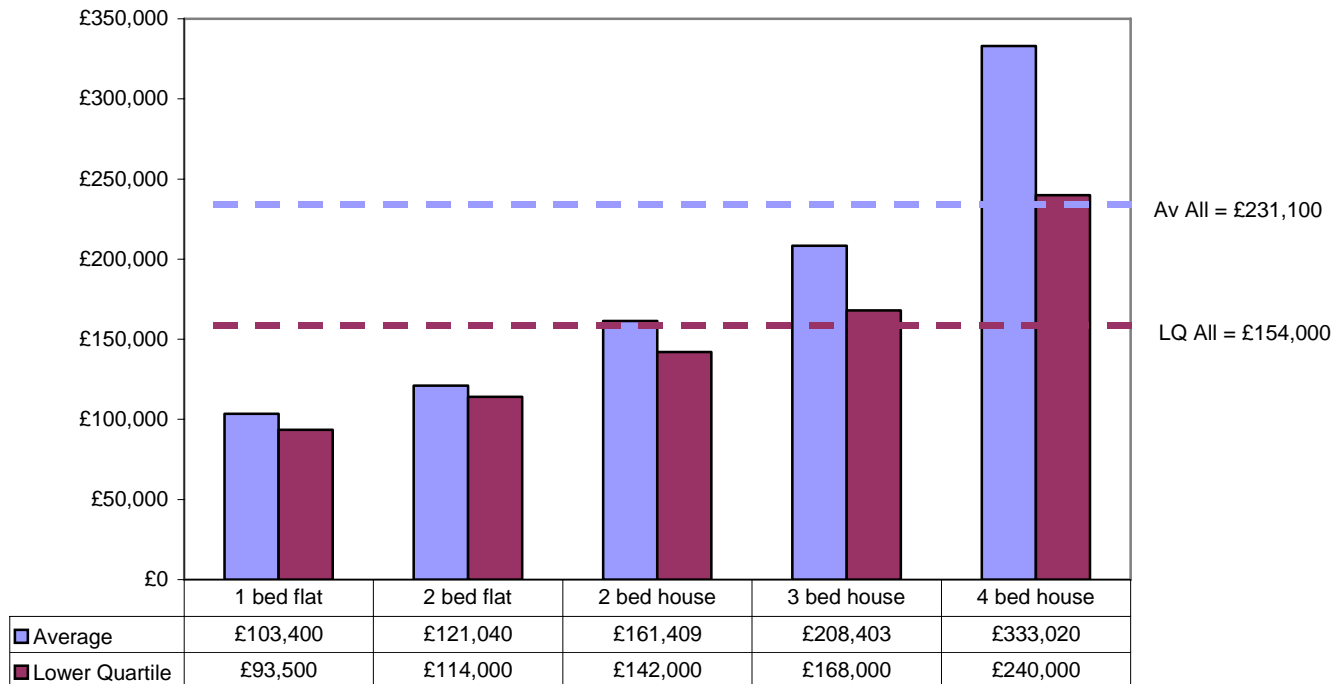
Again, there is an increase in the income multiplier in all districts but one (this time, Forest heath shows a drop by 0.75). Like average prices, affordability for lower quartile prices and incomes has worsened between 2006 and 2007/8. The biggest increase in "lower quartile" multiplier is seen in South Cambridgeshire, moving from 8.55 to 9.62.

## Appendix 1. Average and lower quartile house price by size, by district

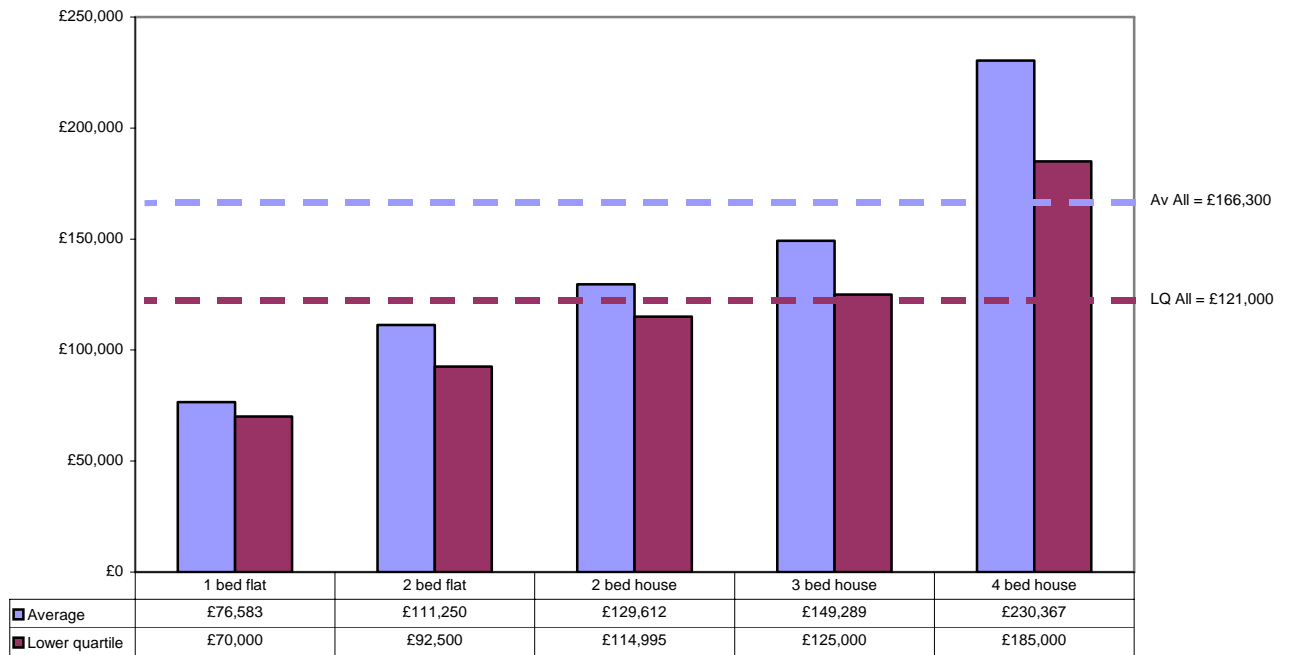
### Cambridge City



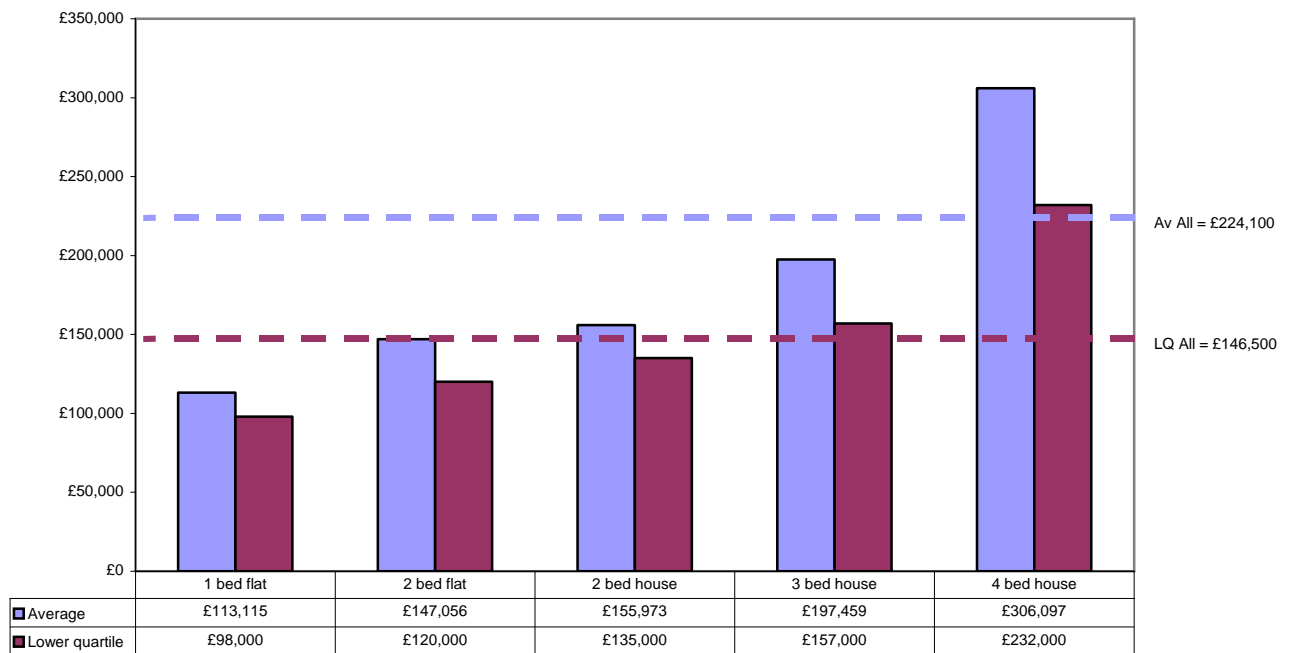
### East Cambridgeshire



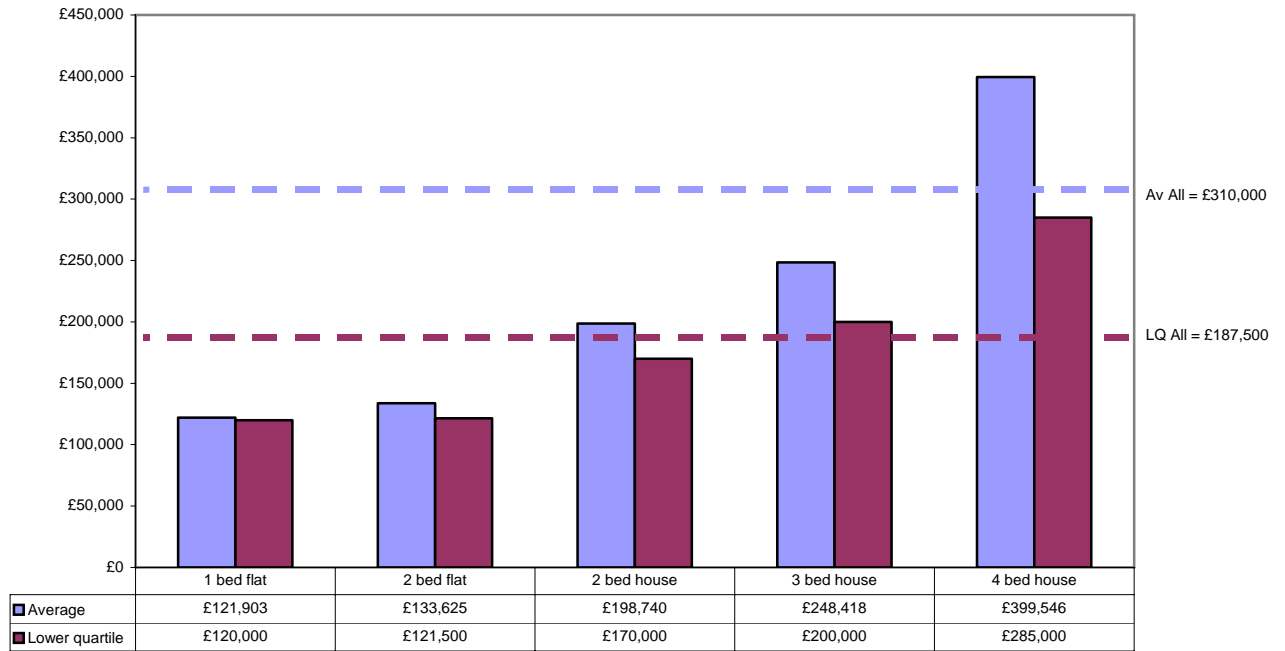
### Fenland



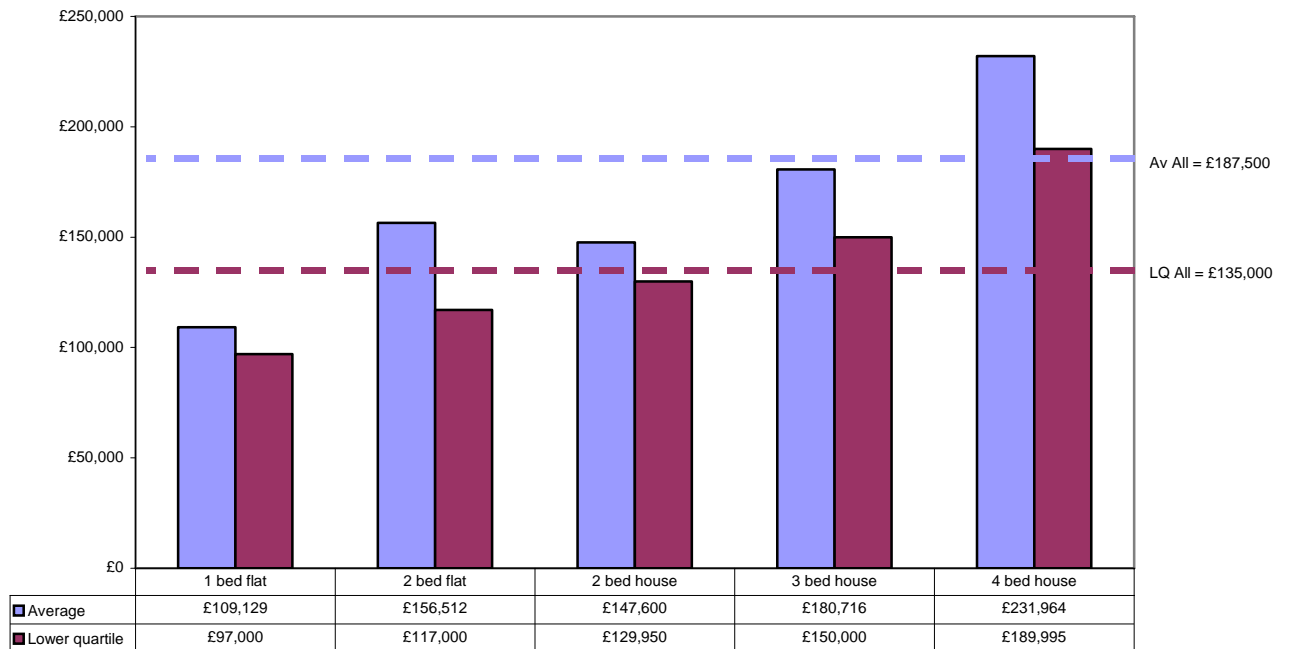
### Huntingdonshire



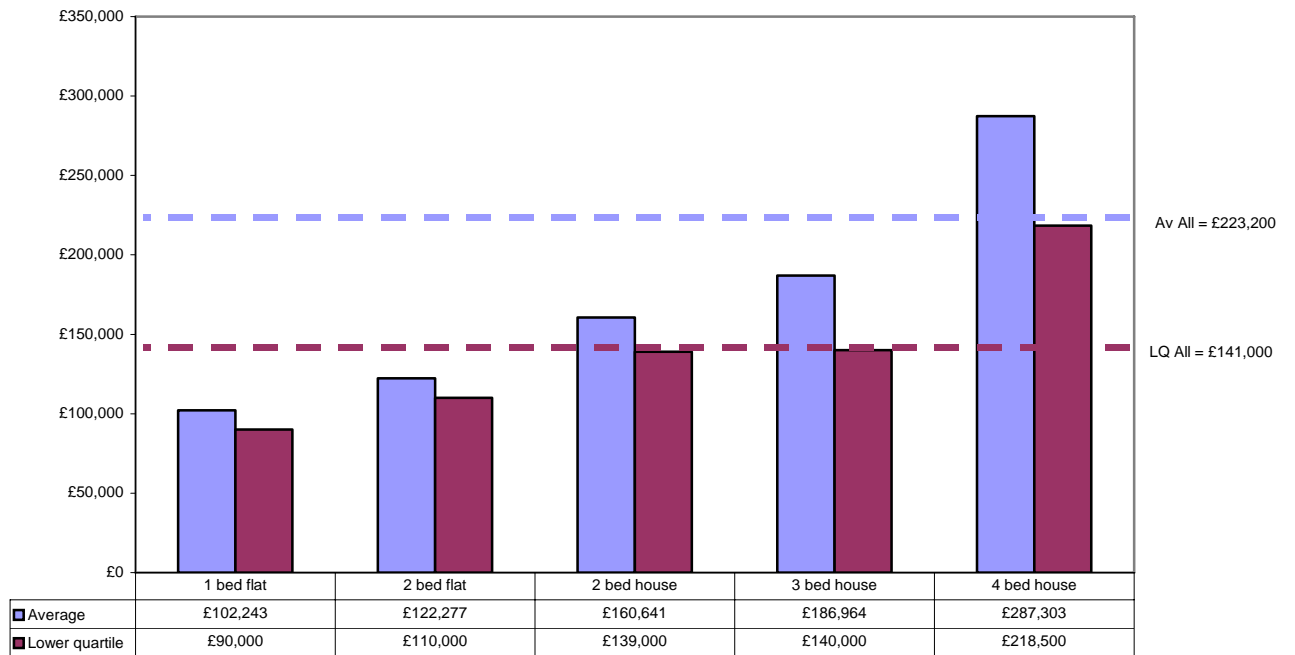
### South Cambridgeshire



### Forest Heath



### St Edmundsbury



## Appendix 2. Hometrack and Land Registry data comparison

The previous version of this chapter used Land Registry data. Hometrack is a more useful tool in the current market as the information it produces is available more quickly and given the current financial situation it is useful to have timely data. The data is also more flexible because it is split by property size and type.

The Land Registry data is released more slowly, but also goes back further. Tables 1 and 2 show the different sources.

**Table 1: Hometrack Average House Price (All properties) – 2004-2007 (at 27/03/09)**

	2004	2005	2006	2007
Cambridge	£239,900	£254,400	£277,100	£303,500
East Cambridgeshire	£185,600	£202,600	£210,200	£222,800
Fenland	£140,300	£148,100	£155,400	£161,900
Huntingdonshire	£179,900	£190,700	£205,400	£217,500
South Cambridgeshire	£239,800	£244,800	£268,600	£289,800
Forest Heath	£160,100	£165,200	£176,400	£185,000
St Edmundsbury	£177,600	£186,800	£202,800	£222,200

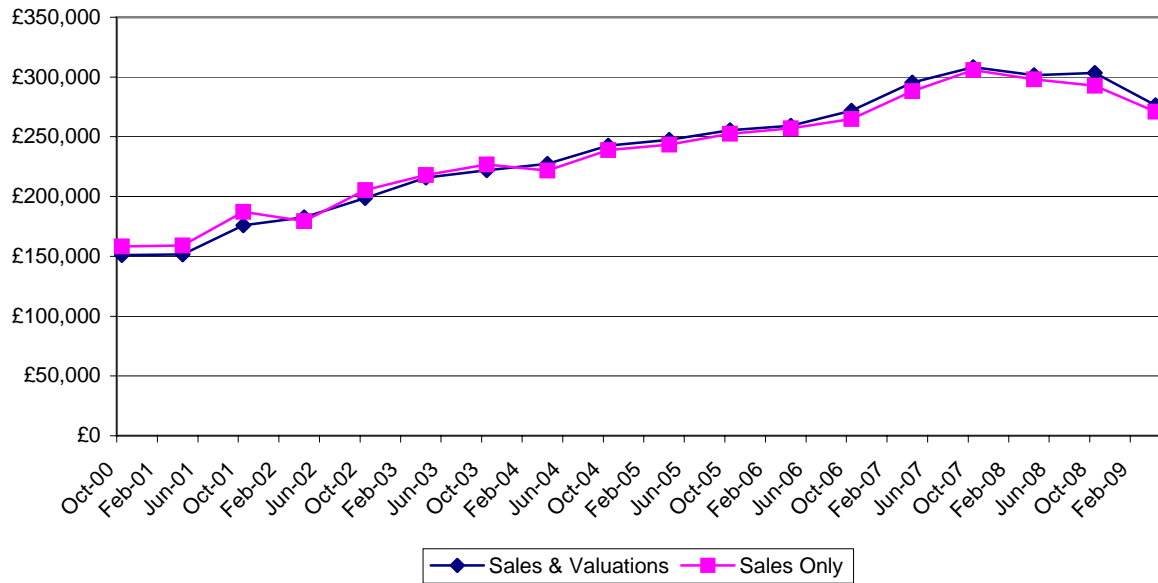
**Table 2: Land Registry Average House Price (All properties) – 2004-2007**

	2004	2005	2006	2007
Cambridge	£231,512	£246,976	£271,198	£297,835
East Cambridgeshire	£182,394	£198,899	£200,401	£215,760
Fenland	£133,567	£142,895	£146,825	£153,684
Huntingdonshire	£171,994	£185,294	£196,070	£208,275
South Cambridgeshire	£233,385	£235,105	£258,990	£278,654
Forest Heath	£162,299	£169,274	£175,129	£184,358
St Edmundsbury	£182,271	£192,390	£205,432	£222,682

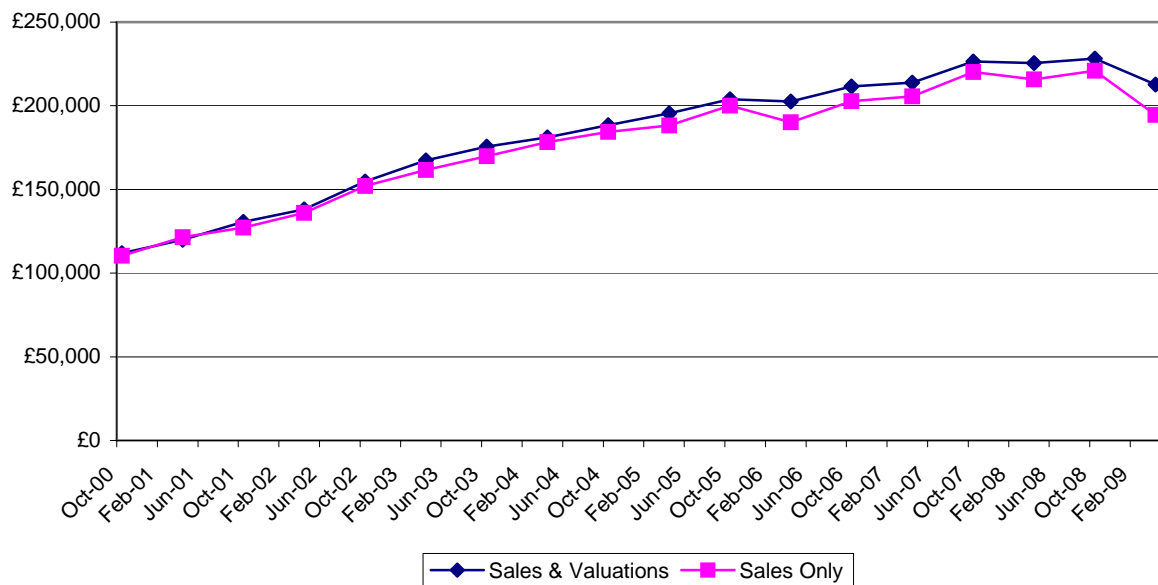
The prices from Hometrack are between £6,000 and £9,000 higher on average in the Cambridgeshire districts and between £1,000 and £3,000 lower in Forest Heath and St Edmundsbury.

### Appendix 3. Comparison of Hometrack “Sales and Valuations” and “Sales Only” Data

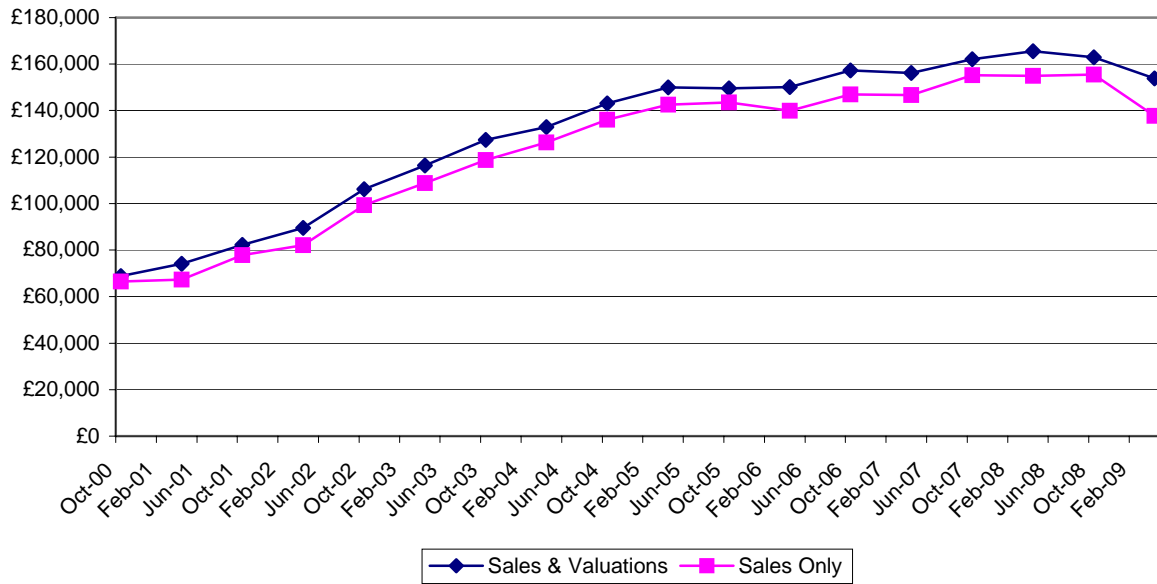
#### Cambridge City



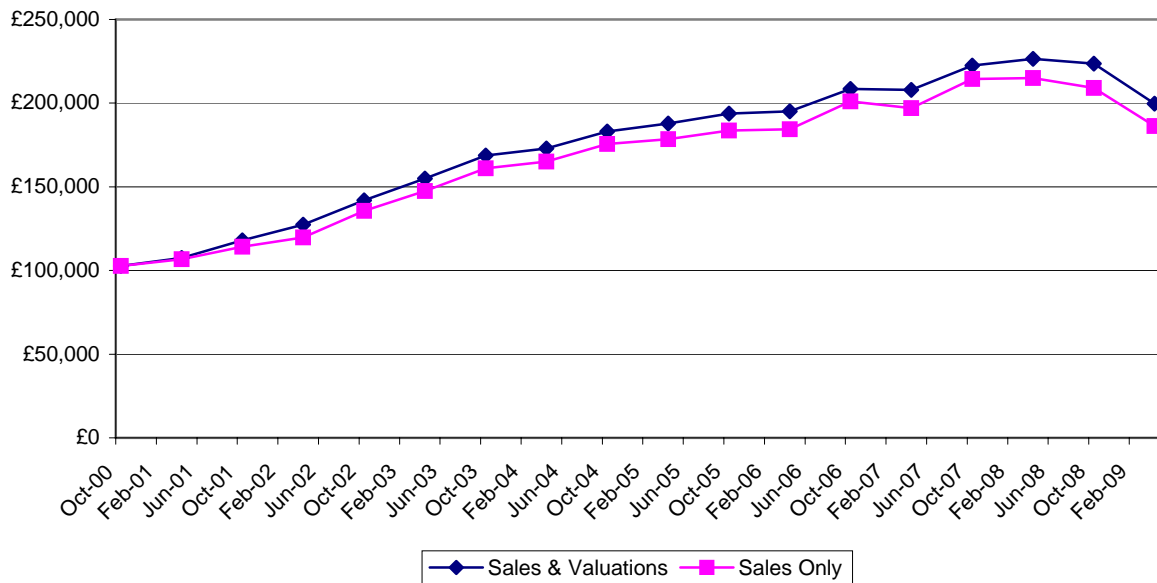
#### East Cambridgeshire



### Fenland

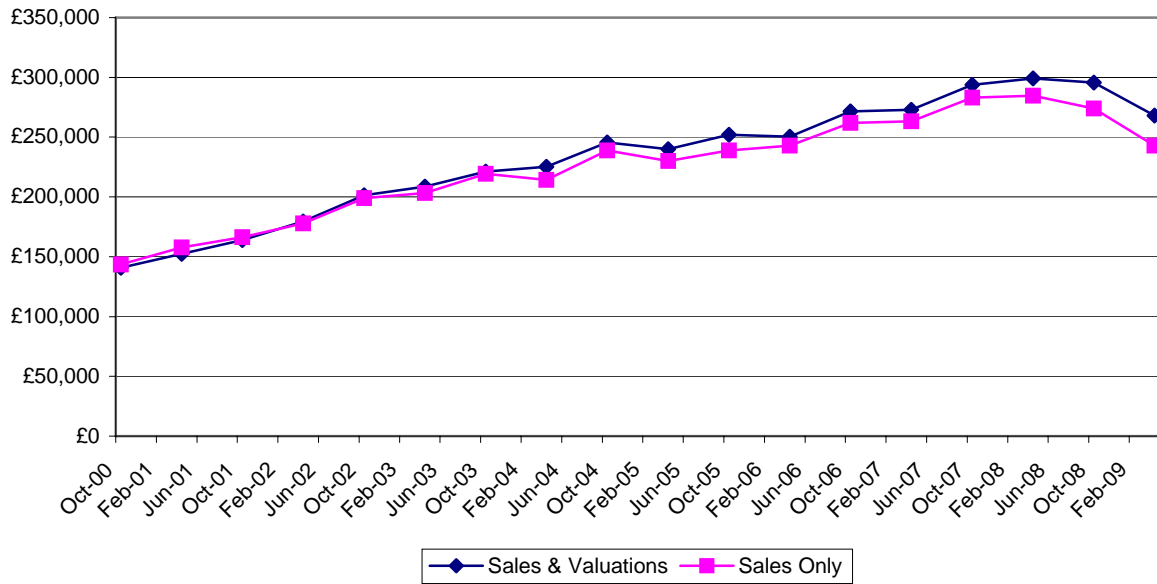


### Huntingdonshire

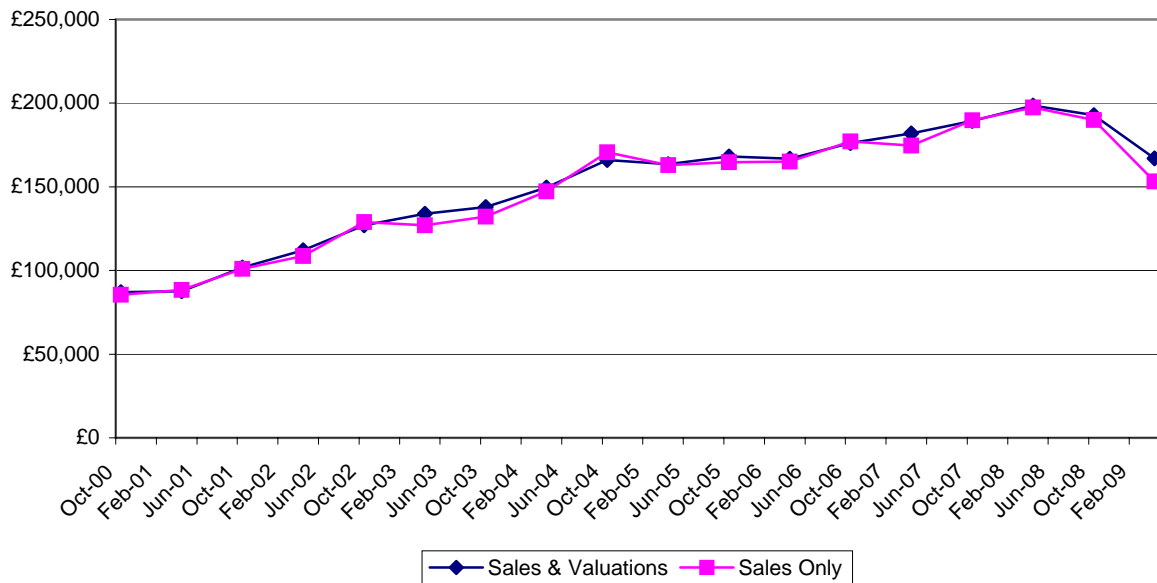




### South Cambridgeshire



### Forest Heath



### St Edmundsbury

