



Housing market bulletin

Second edition

Welcome to the second edition of the Cambridge sub-region's housing market bulletin.

The first edition was published in November 2008, and can be found at:

http://www.cambridgeshirehorizons.co.uk/documents/publications/horizons/november_2008_bulletin_1.pdf

Now the time has come to update the bulletin and to add some more detail, following feedback on the first edition.

As always, your views on this edition are very welcome and if you have any suggestions to improve it, please do get in touch. Contact details and some feedback questions are provided on the back page.

The housing market bulletin aims to show market changes, particularly for our sub-region and how it compares to the rest of the East of England region, and to England as a whole. It uses Hometrack data.

As there is a lag between changes in the housing market and the relevant data becoming available, the Bulletin acts as a supplement to the data in our Strategic Housing Market Assessment.

You can access the full SHMA at:

www.cambridgeshirehorizons.co.uk/shma

The Cambridge sub-regional housing board (known as CRHB) has decided to renew our licence to use Hometrack for 2009/10, which is the main source of data for this Bulletin. This means we can use the web-based system to look at trends and changes in each of our seven districts (see page 3) and more widely, over time.

Tip: To follow links to other websites in this bulletin, hold down the "Ctrl" button and click on the underlined text. Hopefully this should take you to the web page in question. Otherwise, type the underlined text into your address bar instead.

How we have improved the bulletin...

This Bulletin uses data released by Hometrack in August 2009, which provides information to June 2009.

Dates and sources are provided for all data in this bulletin in case of any variations.

It is not easy to fit a lot of information into a short bulletin without over-loading it, so we have followed the same outline as the first edition, tackling one major issue on each page, supported by graphs, maps, a short description of the data and a brief commentary on the trends shown.

Where possible we have compared data for each district to the housing sub-region, the East of England Region, and the whole of England.

The Hometrack system has been improved since the first edition of the Bulletin, which has led to some slight adjustments to the data available. We hope this makes the bulletin even more useful.

Please do get in touch if you have any question or comments...!

Some highlights in this issue...

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Why do Land Registry and Hometrack's average prices differ?

We have had a number of requests in recent months asking about the comparability of the Hometrack data and other sources of data, in particular the data published on the Land Registry website from their house price index.

The Hometrack data is a simple average of all property sold or valued in an area based on individual sales listed by the Land Registry as well as property valuations by lenders. This provides the largest dataset available on price levels which is important as we move to very low levels of turnover. A simple average approach also provides transparency on understanding the sample sizes driving the average price.

There are, of course, a whole range of methodologies employed in measuring house prices and changes in prices. The lack of homogeneity in the housing market and the major decline in transaction volumes presents major problems in accurately measuring pricing levels. The Halifax, Nationwide, DCLG and Land Registry all produce indices and average prices using a range of statistical modelling techniques that are based on a sample of data from which they derive price

changes and average prices.

The Land Registry stopped publishing a listing of simple average house prices in 2006 and replaced this with a new house price index. This index is based on what is called a Repeat Sales Regression model. Rather than using all the available pricing data the index uses data from property that has sold more than once. Since 2000 the Land Registry dataset has around 10 million price points. Around a third of these (3 million properties) have sold more than once - so called 'matched pairs'. It is these 'matched pairs' that form the basis of the Land Registry index.

In October 2008 there were just under 10,000 'matched pairs' and these properties formed the basis for the creation of the October index figure. For local authority based indices the sample size will clearly be much smaller each month. Statistical modelling techniques are applied to the matched pairs to calculate a % change for the month. For local areas the index also calculates % changes. Thus the output of the index is a whole series of monthly % price changes. These are used to create an index of house prices.

The index does not produce, as an

output, an 'average' house price. The average house prices listed on the Land Registry website are based on applying these % changes to a 'base' average price calculated at a point in time. In the case of the Land Registry index this was the average price in April 2000. Other indices employ different statistical techniques to calculate the price change but also apply this change to an average price from a point in time.

The net result is that the average price from an index may differ significantly from the average price of property that has actually changed hands in an area in a particular month. For those who require house price data for policy and market monitoring purposes the issue is whether the need is for an accurate measure of monthly price changes over time which drives an average price or a measure of prices that reflects market activity. Hometrack delivers the latter at numerous levels of geography and most importantly by property type and bedroom count.

Source: http://chopin.hometrack.co.uk/housing-intelligence/newsletter_question.cfm?mappedonce=true

The region and the sub-region

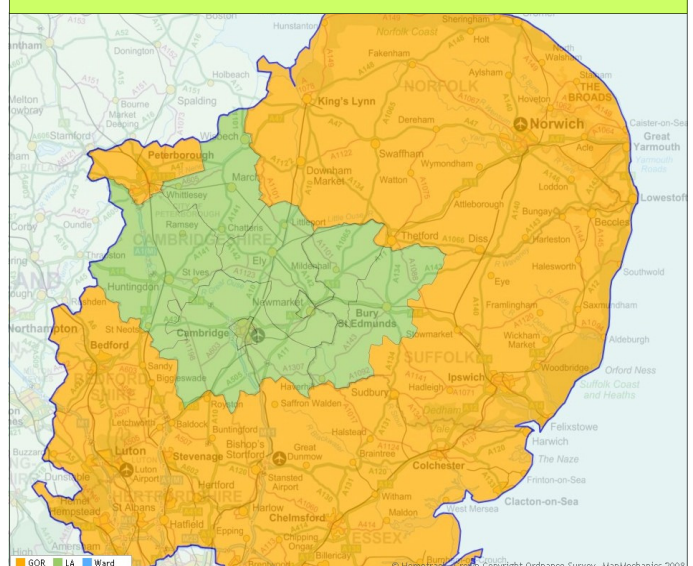
Map 1 clarifies where the Cambridge housing sub-region (shaded green) fits within the East of England Region (shaded orange).

This bulletin covers the local authority areas of:

- * Cambridge City
- * East Cambridgeshire
- * Fenland
- * Huntingdonshire
- * South Cambridgeshire
- * Forest Heath
- * St Edmundsbury

A more detailed map on page 3 shows these individual district boundaries. Hometrack data can be broken down to smaller areas, however some data is not available for small areas. Initially this note focuses on England, the region and our sub-region, so larger areas are used covering enough data to be robust. We would welcome your feedback on the detail provided.

Map 1: The East of England region and the Cambridge housing sub-region



Hometrack's forecasts for the housing and mortgage markets

House prices grew by 0.1% in August 2009 nationally, according to the latest national house price survey published by Hometrack. This is the first monthly increase in house prices since July 2007 and follows three consecutive months of no price change. The year-on-year rate of growth currently stands at -6.7% (see Table 1).

Commenting on this month's survey, Richard Donnell, Hometrack's Director of Research said, "Taken at face value these headline results provide further support to talk of the 'green shoots of recovery'. They suggest that after seven consecutive months of rising demand, agents and surveyors now believe that prices can be pushed upwards without any detrimental impact on sales volumes. But dig beneath the headlines and the reality is quite different. The results of the latest survey show that far from a national housing market on the up, the headline figures are being skewed by price rises that are restricted to relatively small pockets of the market suffering from a lack of housing for sale, primarily in London and the south east."

The latest Hometrack survey, based on responses from over 6,000 agents and surveyors covering the whole market, shows that price increases in August were limited to just 11% of the country with London and the south east making up three quarters of the areas reporting price rises. Prices were static across the remaining 89% of the country.

In August prices were limited to just 3 regions - London, the South East and East Anglia - and were unchanged across the remaining 7 regions. In London average prices rose by 0.3% through August on the back of a rapidly dwindling supply of quality homes for sale and rising demand.

Recent Hometrack surveys show that over the last 4 months the London housing market has seen a 2.6% fall in the number of homes for sale compared to a 34% increase in demand. In the South East there has been an even larger 5% decrease in supply over the same period but in all other regions of the country, supply has risen and this has limited upward pressure on prices.

Donnell again, "There is a danger that an increasingly severe shortage of housing for sale in a relatively limited number of markets is impacting on prices and the headline performance of the housing market. This is creating the impression of a national housing market recovery.

"While average house prices are down by 12% over the last 2 years some of the fundamental obstacles to a sustainable housing market recovery still remain. Mortgage availability continues to be an issue for first time buyers who require large deposits to access the market, while unemployment levels - set to rise further - will continue to impact on buyer confidence and suppress demand.

"There will continue to be activity in the less mortgage reliant parts of the market but a fully functioning housing market requires first time buyers and activity across a broader spectrum of would-be purchasers than we have at present.

"While rising sales volumes and a broad stabilisation in house prices has resulted in a modest improvement in market sentiment, the market remains in a fragile state. Low sales volumes and a general scarcity of housing for sale are likely to persist over the remainder of the year and act as a support to prices in London and the south east.

"Across the rest of the country housing

Table 1: Hometrack's monthly national housing survey: August 2009

Summary	June 09	July 09	Aug 09
Monthly price change	0.0%	0.0%	0.1%
12 month price change	- 8.7%	- 7.7%	- 6.7%
Change in new buyers registering with agents	4.6%	2.8%	1.4%
Change in volume of property listings	0.8%	0.5%	0.8%
Change in sales agreed	6.4%	6.6%	4.8%
Average time on the market	9.4 weeks	9.0 weeks	8.7 weeks
% of the asking price being achieved	91.0%	91.5%	92.1%
% postcode districts with price increase over month	7.6%	10.3%	11.1%

scarcity is likely to be less pronounced and overall prices are set to track sideways. The key short term risks to the market are either a sudden reversal in buyer sentiment or a marked increase in the number of properties coming to the market for sale. Both of which will have the effect of driving down prices."

Source: <http://www.hometrack.co.uk/commentary-and-analysis/house-price-survey/20090831.cfm>

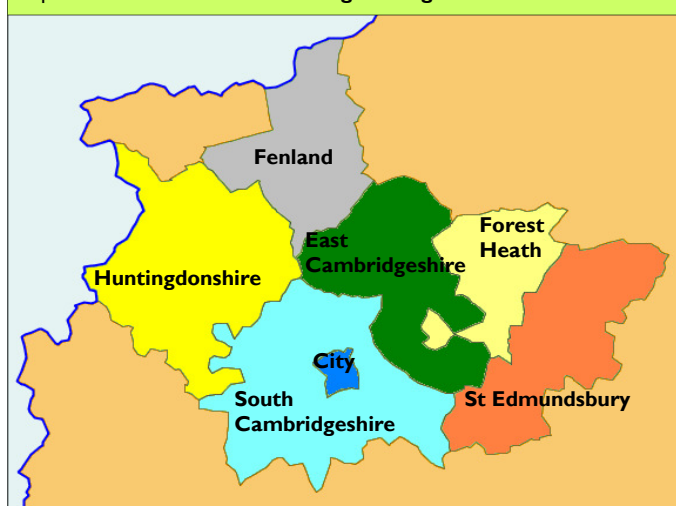
Our housing sub-region

Map 2 highlights where each district is located, and its boundaries.

The pale orange area represents the Region, edged with a royal blue line. This map is presented without the Ordnance Survey background which shows rivers, roads and settlements to try to highlight district coverage.

Maps included later in this Bulletin include backgrounds, to help with orientation. Hopefully districts and wards are presented clearly on each map, but again we'd welcome your feedback.

Map 2: Districts within the housing sub-region



Number of sales

This page provides information on the number of sales completing, which is the sample of properties driving average property price data for all types of housing (see pages 8, 9 and 10).

Graph 1 shows the number of sales across England and the East of England region. Graph 2 shows numbers of sales by district within the housing sub-region.

Table 2 shows the number of sales occurring in past years, from December 2005 to June 2009, to highlight the huge drop in numbers of sales, particularly recently.

Comment

This information helps set other information in this Bulletin into context, showing a significant reduction in the number of sales at all geographical levels and over time.

Comparing June 2009 to June 2008, this page clearly highlights the slow-down in sales across the sub-region, falling from 16,245 to 7,342, or -55%.

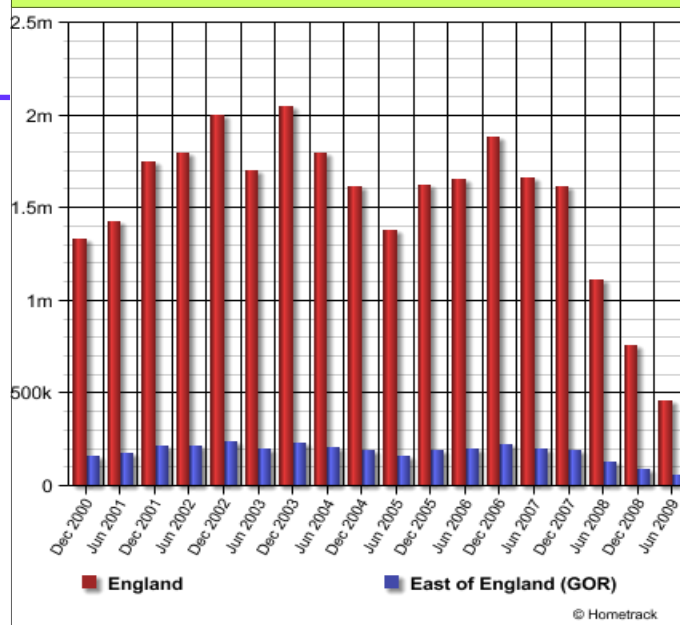
The change in number of sales for each district in the sub-region varies, the biggest drops between June 2008 to June 2009 being seen in Forest Heath (61%) and St Edmundsbury (59%). The least affected (though still a significant reduction) was Cambridge City which fell by 51%.

Average prices quoted later in this bulletin are affected by the types of homes which actually sell. In brief, where the number of sales drops radically, if the sales which are completing tend to be the more expensive properties, the average price will look higher. However this can mask the fact that lower priced homes are failing to sell at all. So the number of sales and prices achieved have a huge effect on the average price, particularly when fewer sales are completing.

On pages 6 and 7 more information is provided about the types of homes selling in each district, to shed more light on the issue.

Source: Hometrack's Automated Valuation Model, latest update June 2009

Graph 1: Number of sales over time, England and East of England



Graph 2: Number of sales over time, Cambridge sub-region

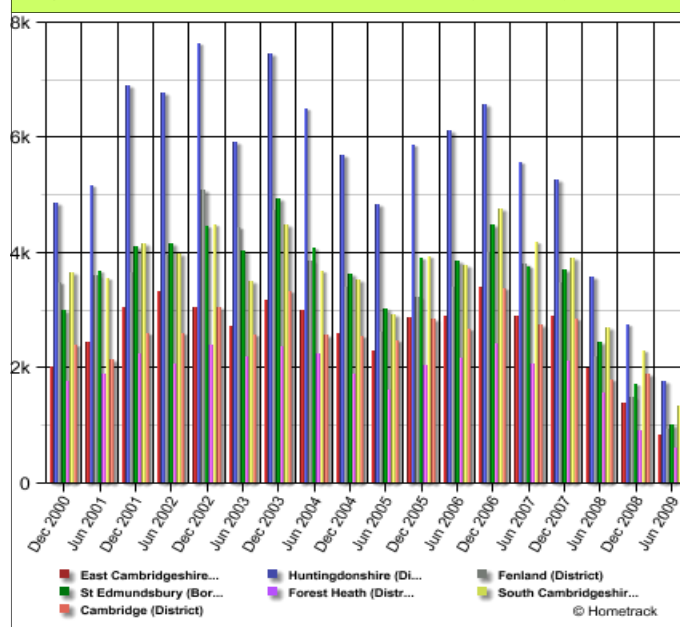


Table 2: Number of sales completed by district

	Dec-05	Jun-06	Dec-06	Jun-07	Dec-07	Jun-08	Dec-08	Jun-09	% change Jun-08 to Jun-09
Cambridge	2,847	2,656	3,370	2,747	2,838	1,798	1,875	874	-51%
East Cambridgeshire	2,875	2,886	3,406	2,889	2,892	1,988	1,377	826	-58%
Fenland	3,217	3,403	3,988	3,804	3,468	2,181	1,481	941	-57%
Huntingdonshire	5,862	6,114	6,569	5,570	5,270	3,573	2,742	1,758	-51%
South Cambridgeshire	3,929	3,762	4,760	4,174	3,887	2,686	2,280	1,343	-50%
Forest Heath	2,038	2,168	2,416	2,059	2,115	1,568	916	604	-61%
St Edmundsbury	3,888	3,854	4,486	3,738	3,689	2,451	1,699	996	-59%
Total for sub-region	24,656	24,843	28,995	24,981	24,159	16,245	12,370	7,342	-55%

Annual turnover

Map 3 shows the number of residential sales in 2008 and enables us to compare the volume of residential sales in each district.

Districts with more sales are shown in darker shades, the key shows the range of numbers of sales within each area. Table 3 shows the volume of sales for each whole district in the sub-region, comparing 2007 and 2008.

Comment

There is a huge difference between turnover rates in 2008, compared to 2007, as shown in Table 3. This is true both for the number of homes and the percentage of stock turning over.

In total across the sub-region, turnover fell from 35,846 homes in 2007 to 18,548 in 2008, a drop of 48%.

Huntingdonshire shows the highest number of homes sold in 2008, though not the highest percentage of stock turnover. East Cambridgeshire shows a lower number of sales, but these represent a higher percentage of the stock.

Annual turnover as a % of stock

Map 4 shows the volume of residential sales in 2008 as a percentage of overall housing stock as gathered by the 2001 Census.

The map enables us to compare market activity in terms of the percentage of stock turning over. It is different from the Map 3 which shows the simple number of transactions.

Comment

This map highlights the difference between turnover rates and turnover as a percentage of stock.

The most interesting factor may well be the overall fall in turnover, again shown both in numbers and percentages, in table 3.

Sources:

Turnover figures are available annually only from Land Registry (2007 and 2008).

Housing stock from Census 2001.

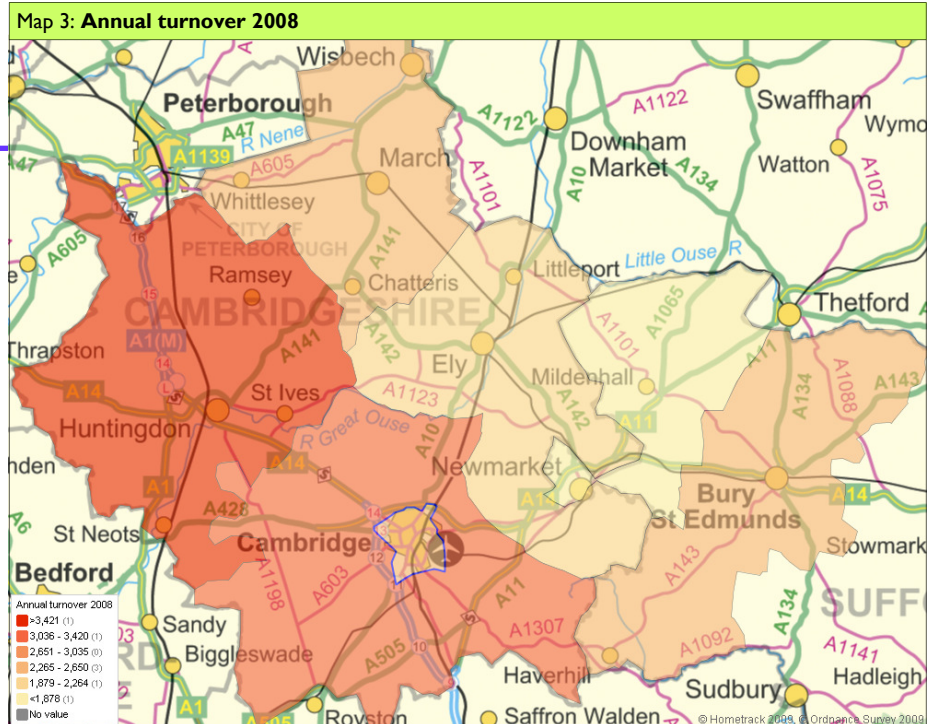
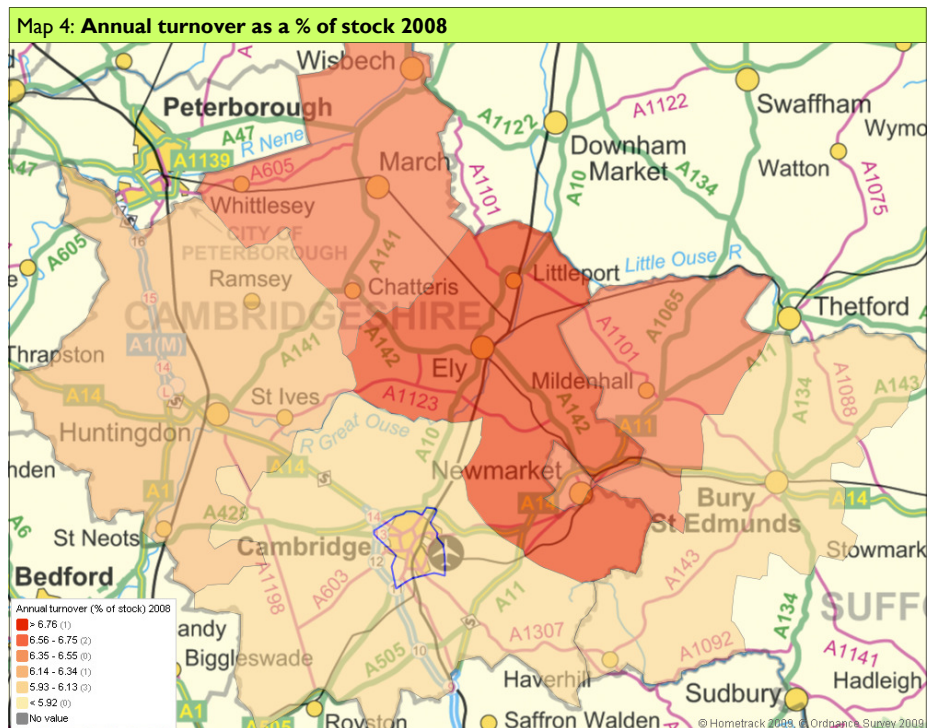


Table 3: Comparing housing turnover in 2007 and 2008

	Turnover 2007	% turnover 2007	Turnover 2008	% turnover 2008	% drop in turnover
Cambridge City	4,218	9.58%	2,609	5.93%	38%
East Cambridgeshire	4,140	13.52%	2,132	6.96%	49%
Fenland	5,471	15.04%	2,454	6.74%	55%
Huntingdonshire	7,978	12.25%	4,001	6.15%	50%
South Cambridgeshire	5,915	11.04%	3,227	6.02%	45%
Forest Heath	3,009	12.34%	1,608	6.6%	47%
St Edmundsbury	5,115	12.13%	2,517	5.97%	51%



Sales by type

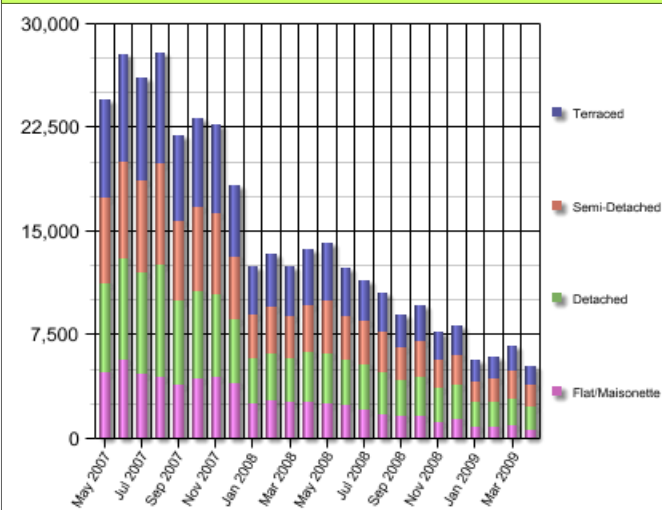
Hometrack has produced new graphs which show the type of homes sold over time. These graphs were not available for the first Housing Market Bulletin, but have been added to the second edition to give a quick view of the change in the type of homes selling over the years, within each district.

These graphs show the profile of sales for the East of England region (graph 3), and each district in our housing sub-region (graphs 4 to 10).

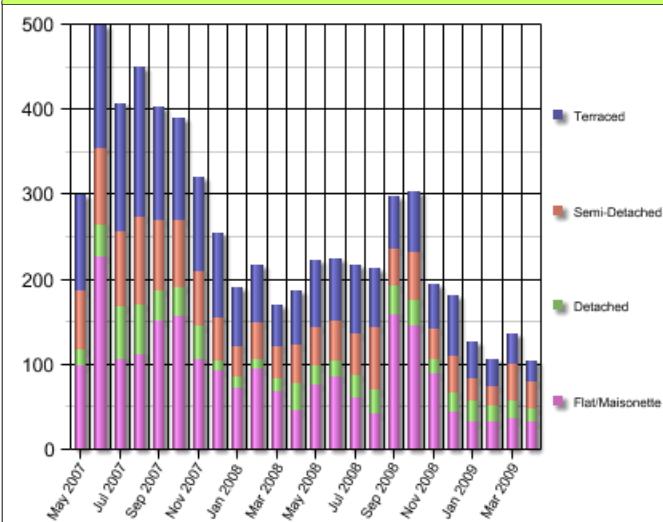
They show the number of properties sold each month for the selected area, by property type - that is, terraced (blue) semi detached (red) detached (green) and flat / maisonette (pink). There is a delay of approximately 3 months between sales taking place and being recorded in the Land Registry. For that reason, the latest month for which data is available is not as recent as for price data (as shown in the rest of this Bulletin).

Source: Land Registry, latest data April 2009

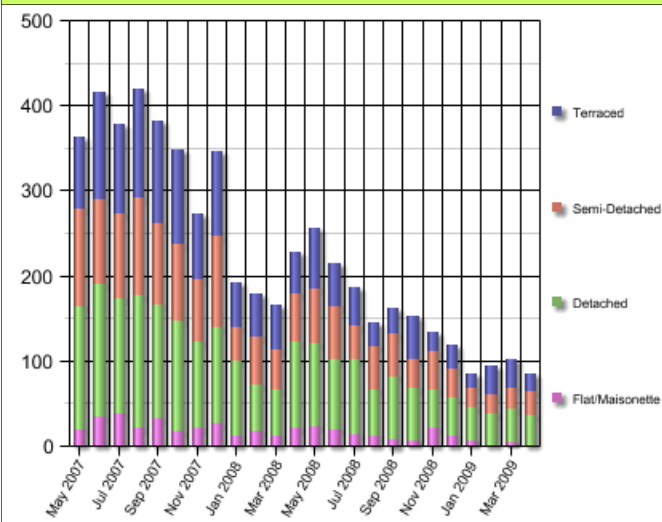
Graph 3: Profile of sales by type over time, East of England



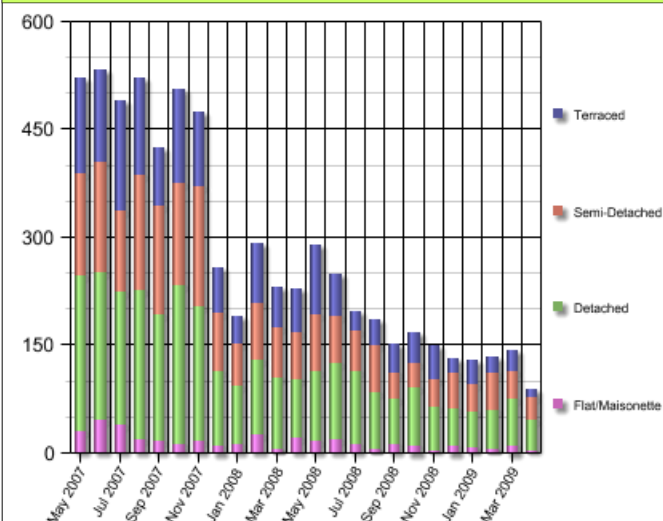
Graph 4: Profile of sales by type over time, Cambridge City



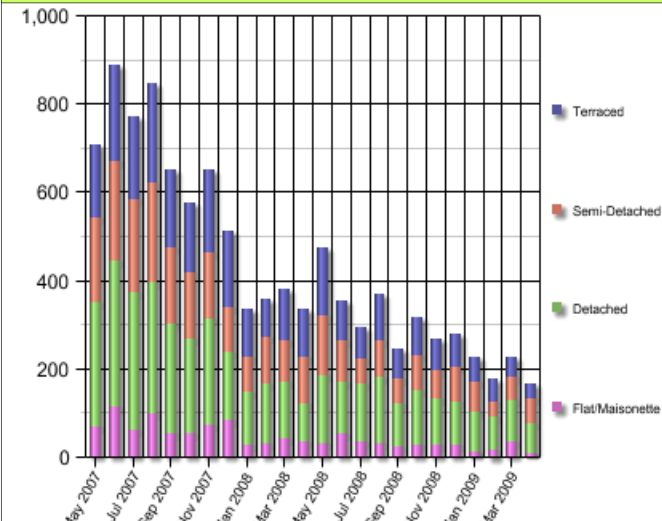
Graph 5: Profile of sales by type over time, East Cambridgeshire



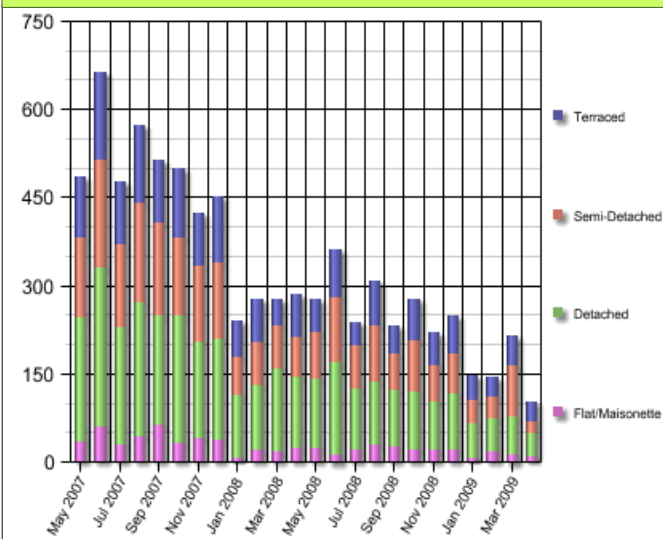
Graph 6: Profile of sales by type over time, Fenland



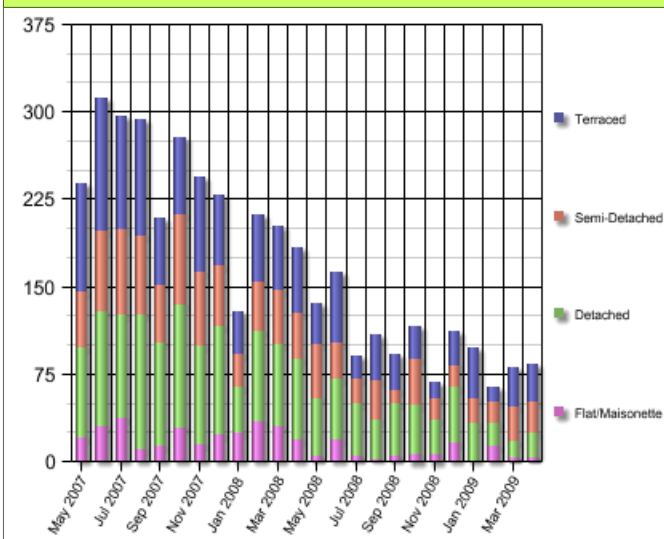
Graph 7: Profile of sales by type over time, Huntingdonshire



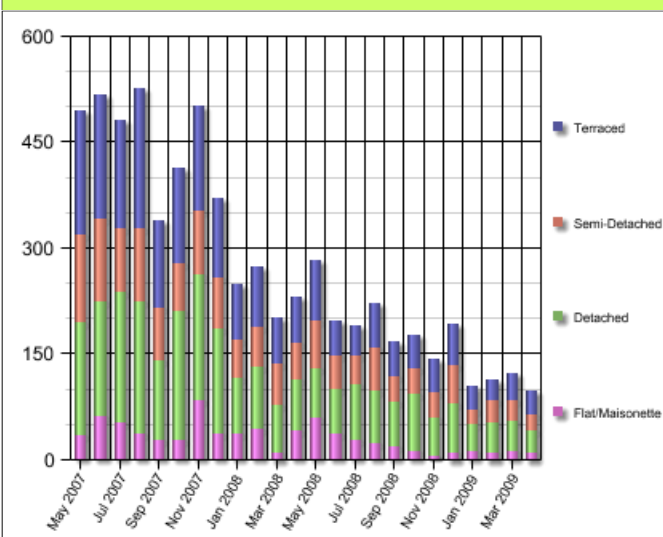
Graph 8: Profile of sales by type over time, South Cambridgeshire



Graph 9: Profile of sales by type over time, Forest Heath



Graph 10: Profile of sales by type over time, St Edmundsbury



Comment

One of the most striking trends is, again, the overall drop in number of sales.

Looking closer at the types of property selling across the sub-region (see Table 4) sales have fallen from 1,672 in April 2008 to 723 in April 2009.

When looking at the types of homes selling, there is a marked drop in the proportion of terraced homes and flats / maisonettes selling, and an increase in semi-detached homes selling. Detached homes maintain the same proportion of all sales when comparing April 2008 to April 2009.

Later pages in this Bulletin show that average property prices appear to be falling, which may be partly due to falling prices being achieved; it may also imply that lower-value homes are now selling at a healthier rate. Due to the 3-month delay in figures used on pages 6 and 7, this may take some time to show in the figures.

It is also interesting to note the differences in the number of sales, by type, between districts.

Table 4: Number of sales by type

		Terraced	Semi-Detached	Detached	Flat/Maisonette
Cambridge	Apr-08	64	44	32	46
	Apr-09	24	32	15	32
East Cambridgeshire	Apr-08	50	56	102	20
	Apr-09	21	28	35	0
Fenland	Apr-08	61	66	80	21
	Apr-09	12	33	42	2
Huntingdonshire	Apr-08	110	102	89	33
	Apr-09	36	57	65	9
South Cambridgeshire	Apr-08	72	68	122	22
	Apr-09	32	22	39	8
Forest Heath	Apr-08	56	39	70	18
	Apr-09	32	27	21	3
St Edmundsbury	Apr-08	65	52	72	40
	Apr-09	32	24	31	9
Sub-region number	Apr-08	478	427	567	200
	Apr-09	189	223	248	63
Sub-region percentage	Apr-08	29%	26%	34%	12%
	Apr-09	26%	31%	34%	9%

Average price

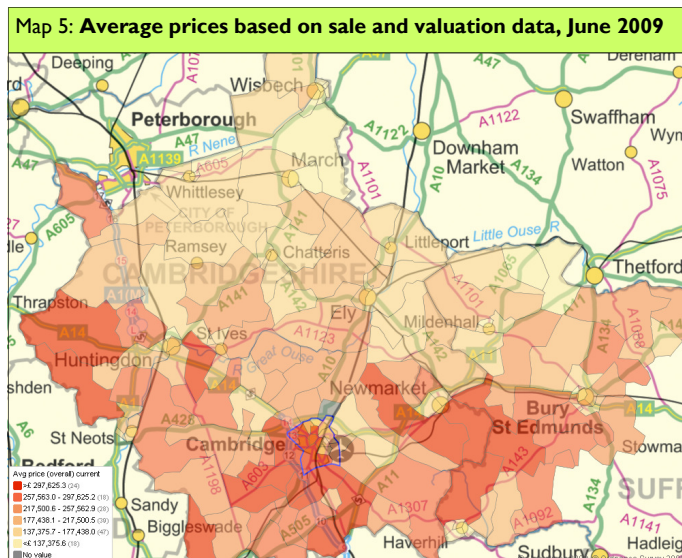
Map 5 shows overall prices for all types of property across the sub-region at ward level, and uses average prices achieved over the last 6 months to ensure a robust sample. This is based on sales and on valuation data. Page 10 compares sales and valuation data, to sales only data, to highlight the difference between the two data sets.

Graph 11 shows the average property price over time for all types of housing across England and for our Region. Graph 12 shows average prices for each district in the sub-region. Table 5 shows average prices by district since Dec 2005.

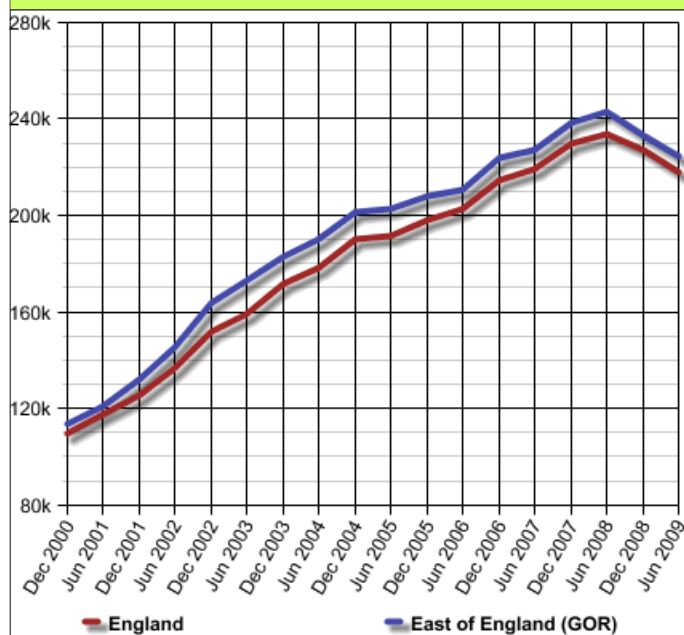
Comment

The trend for the country, region and districts in our sub-region seem to follow the same pattern, that is building to a high average price between December 2007 and June 2008, then falling away to June 2009 with the most marked decline between December 2008 and June 2009.

Source: Hometrack's Automated Valuation Model, latest data June 2009



Graph 11: Average price from sales and valuations over time, England and Region



Graph 12: Average price from sales and valuations over time, Cambridge sub-region

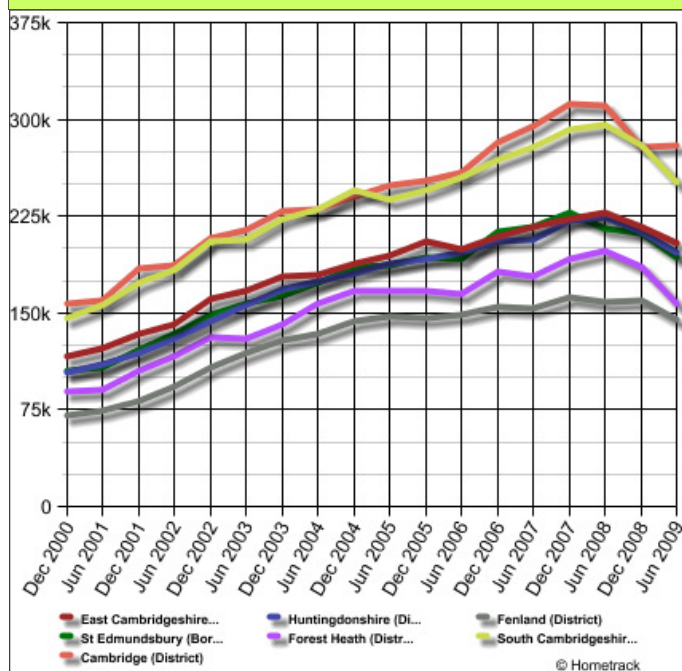


Table 5: Average prices from sales and valuations

	Dec-05	Jun-06	Dec-06	Jun-07	Dec-07	Jun-08	Dec-08	Jun-09	Change from Jun-08 to Jun-09
Cambridge	£253,028	£258,998	£281,945	£295,038	£311,474	£310,385	£278,594	£279,397	£-30,988
East Cambridgeshire	£205,477	£199,583	£209,672	£216,843	£222,261	£227,732	£216,056	£204,601	£-23,131
Fenland	£146,607	£148,769	£154,086	£153,853	£162,347	£158,262	£159,691	£144,782	£-13,480
Huntingdonshire	£192,446	£196,347	£205,618	£206,561	£221,489	£223,555	£212,819	£196,549	£-27,006
South Cambridgeshire	£245,134	£254,664	£267,999	£278,770	£291,490	£295,807	£279,383	£250,761	£-45,046
Forest Heath	£167,133	£164,921	£182,113	£178,122	£191,818	£198,079	£186,079	£156,844	£-41,235
St Edmundsbury	£192,955	£191,430	£212,852	£216,100	£228,291	£214,956	£212,188	£192,654	£-22,302

Average price per metre square (m²)

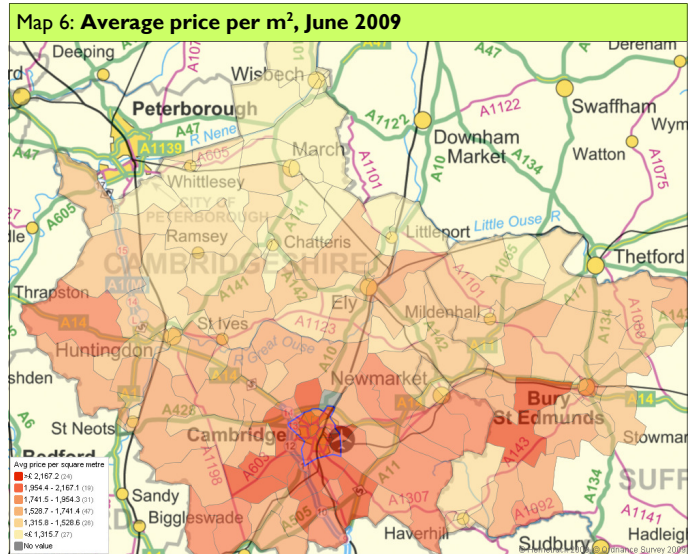
Map 6 shows average price per metre² of all properties selling, at ward level. As there may not be enough transactions to ensure robust data within these small areas, the average prices achieved over the last six months are used for a robust sample.

Graph 13 shows changes in average price per metre² across England and our Region. Graph 14 shows the same data for our seven districts. As districts provide larger numbers of transactions than wards, the sample is reliable enough to show the current average. Finally, Table 6 shows the change in average prices per metre² since Dec 2005 for each district.

Comment:

Price per metre² varies greatly across the sub-region, with a broad pattern of higher prices to the south and lower to the north. However this broad brush comment masks a good deal of variation. Changes in national, regional and local trends in price per metre² follow a similar trend, rising from Dec 2000 to Dec 2007, steadying then dropping from June 2008 to June 2009.

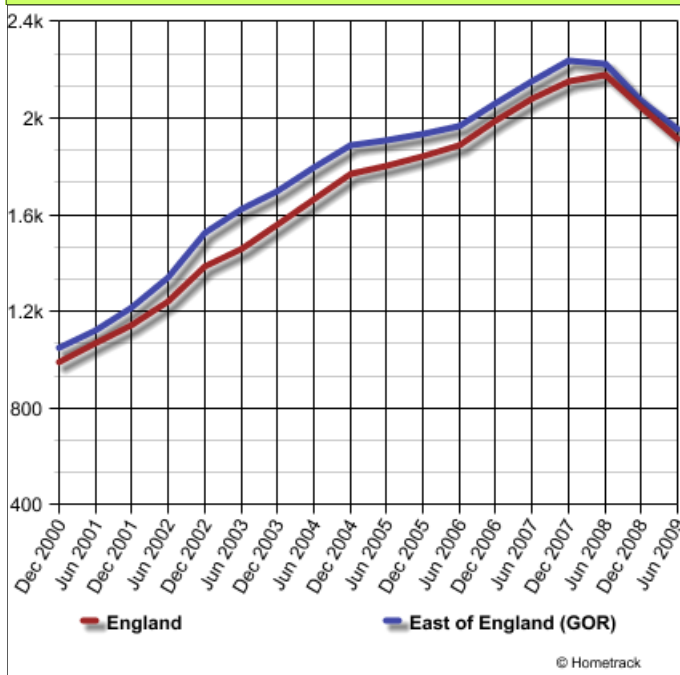
Source: Hometrack's Automated Valuation Model, latest data June 2009



Using price per metre²

By comparing prices per unit of floor area, we can make benchmarking and comparison easier. It's a bit like comparing price per kg of different vegetables. Price per metre square and price per square foot are popular measures for housing developers to use in their calculations.

Graph 13: Average price per m² over time, England and Region



Graph 14: Average price per m² over time, Cambridge sub-region

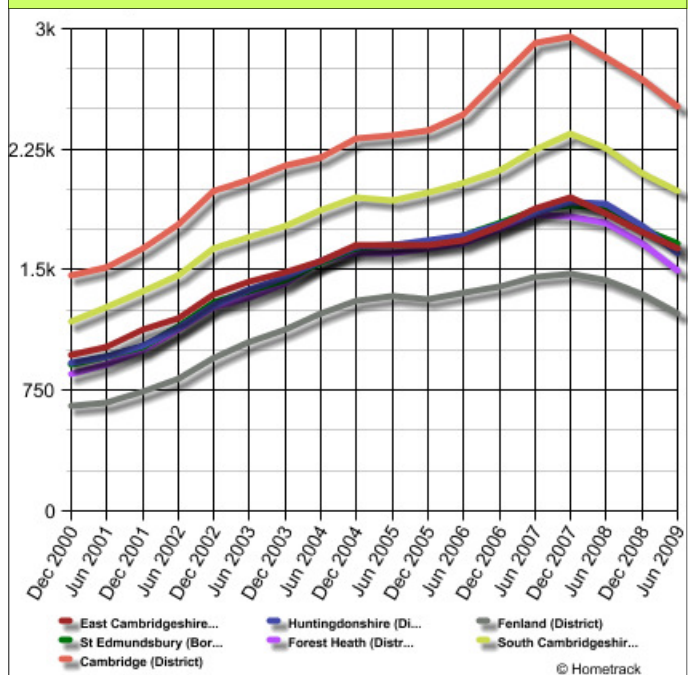


Table 6: Average price per m²

	Dec-05	Jun-06	Dec-06	Jun-07	Dec-07	Jun-08	Dec-08	Jun-09
Cambridge	£2,367	£2,465	£2,689	£2,910	£2,954	£2,822	£2,680	£2,518
East Cambridgeshire	£1,658	£1,686	£1,776	£1,881	£1,953	£1,854	£1,730	£1,629
Fenland	£1,320	£1,359	£1,399	£1,460	£1,478	£1,438	£1,351	£1,225
Huntingdonshire	£1,682	£1,716	£1,780	£1,854	£1,922	£1,911	£1,770	£1,600
South Cambridgeshire	£1,985	£2,039	£2,115	£2,247	£2,342	£2,258	£2,099	£1,990
Forest Heath	£1,632	£1,663	£1,748	£1,842	£1,827	£1,796	£1,666	£1,493
St Edmundsbury	£1,659	£1,715	£1,790	£1,876	£1,903	£1,878	£1,755	£1,664

Average price: comparing data

In the first Housing Market Bulletin, average sales prices could only be provided by Hometrack using a combination of the values of sales completing, with valuations made when a home was put on the market. As the housing market has changed, Hometrack has separated out the two sets of data to show more clearly how the market is moving, especially through sales prices being achieved. In addition to the existing data sets which combine actual sales from Land Registry and Hometrack's own data based on lenders surveyors valuation data, separate reports now show the average sale price, together with the all important property count and price per square foot/metre, based solely only Land Registry data which reports achieved prices only and does not combine valuations.

Tables 7 and 8 show average house prices as they stood in Aug 2007, Feb 2008, Aug 2008 and Feb 2009, and the change from Aug 2008 to Feb 2009.

Table 7 shows achieved sales prices only. Table 8 shows sales and valuation data combined.

To see graphs which compare the data sets for each district, please visit http://www.cambridgeshirehorizons.co.uk/documents/shma/ch13_snapshot_of_current_property_prices.pdf.

One example graph is included on this page to illustrate the difference in the two data sets for an individual district (in this case Fenland, with apologies for the poor resolution).

Comment:

By combining valuation data with achieved prices, table 8 shows consistently higher prices over the years, but benefits from a larger sample size.

Table 7 gives a more accurate picture of the sales prices achieved and is not blurred by valuations data. Graph 15 reinforces this point.

Source: Land Registry for sales, Hometrack's Automated Valuation Model for sales and valuations. Latest data Feb 2009.

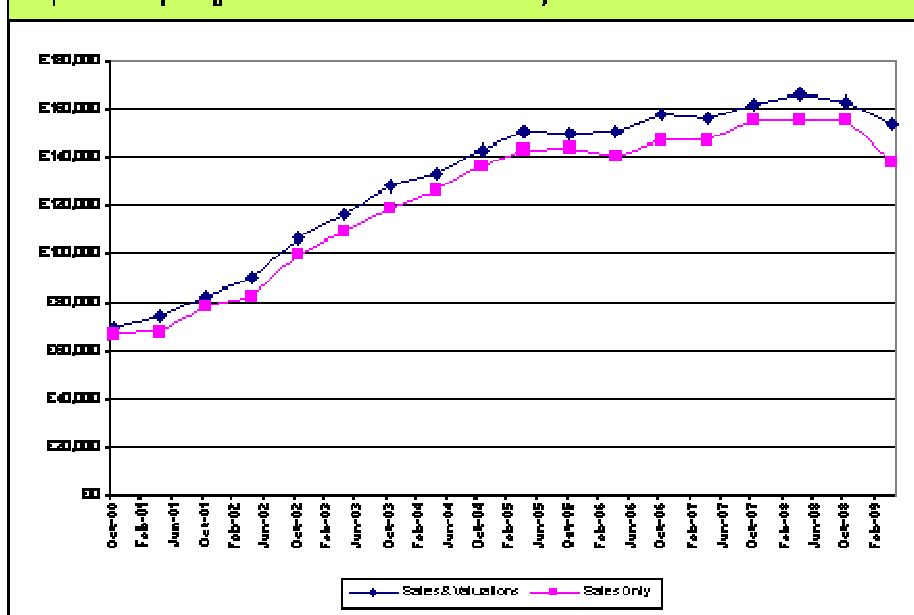
Table 7: Average price based on achieved sales only

	Aug-07	Feb-08	Aug-08	Feb-09	Change Aug 08 to Feb 09
Cambridge City	£305,100	£300,905	£310,084	£269,556	−£40,528
East Cambridgeshire	£215,078	£217,062	£223,349	£201,412	−£21,937
Fenland	£149,611	£159,374	£154,963	£148,298	−£6,665
Huntingdonshire	£208,754	£217,511	£212,583	£195,414	−£17,169
South Cambridgeshire	£278,492	£286,048	£279,863	£253,374	−£26,489
Forest Heath	£181,874	£192,353	£195,227	£177,017	−£18,210
St Edmundsbury	£224,467	£223,188	£206,395	£204,164	−£2,231

Table 8: Average price based on achieved sales and valuations data

	Aug-07	Feb-08	Aug-08	Feb-09	Change Aug 08 to Feb 09
Cambridge City	£306,484	£301,872	£313,383	£276,720	− £36,663
East Cambridgeshire	£222,267	£224,194	£234,279	£209,424	− £24,855
Fenland	£160,879	£164,817	£165,665	£160,436	− £5,229
Huntingdonshire	£215,978	£223,751	£229,326	£206,655	− £22,671
South Cambridgeshire	£283,968	£299,761	£299,272	£274,157	− £25,115
Forest Heath	£182,761	£192,447	£198,072	£173,579	− £24,493
St Edmundsbury	£222,874	£219,338	£217,764	£218,098	+ £334

Graph 15: Comparing sales and valuations to sales only data for Fenland



Time taken to sell

Map 7 shows the average time taken to sell a property in weeks, by district, for our housing sub-region.

Graph 16 shows the change in the average time to sell a property for each of the seven districts in our housing sub-region. This enables us to compare the average time taken to sell a property in each district from July 2007 to June 2009.

Table 9 shows the average time taken to sell, from December 2007, June 2008, December 2008 and June 2009 to help compare between districts.

Please bear in mind this page only reports on sales which have completed. Homes which take a long time to sell will only be reported only once the sale has completed.

Comment

Map 7 shows clearly that Fenland and Forest Heath have the slowest re-sales. Huntingdonshire, East Cambridgeshire and St Edmundsbury sales are somewhat quicker, while City and South Cambridgeshire are the quickest.

In each of the seven districts, ignoring some “ups and downs” the average time to sell was increasing from July 2007 to around January 2009. However since then, there has been a general reduction in the time taken to sell, which is taken as an indication that the market is performing better overall.

Fenland is a notable exception, showing a “spike” in time taken to sell to over 15 weeks in January 2009.

Huntingdonshire also shows a similar, though slightly less dramatic, peak.

Table 9 shows that in July 2009 homes were quickest to sell in South Cambridgeshire (5.6 weeks) and slowest in Fenland (12.1 weeks).

In terms of change between December 2008 and June 2009, South Cambridgeshire showed the greatest reduction in selling time (reduced by 5.5 weeks) followed by the City (reduced by 4.7 weeks). Forest Heath showed the smallest reduction in selling times, with a fall of only 0.5 weeks.

Source: Hometrack’s monthly survey of estate agents, based at postcode district level e.g. CB1, PE15). Latest data June 2009.

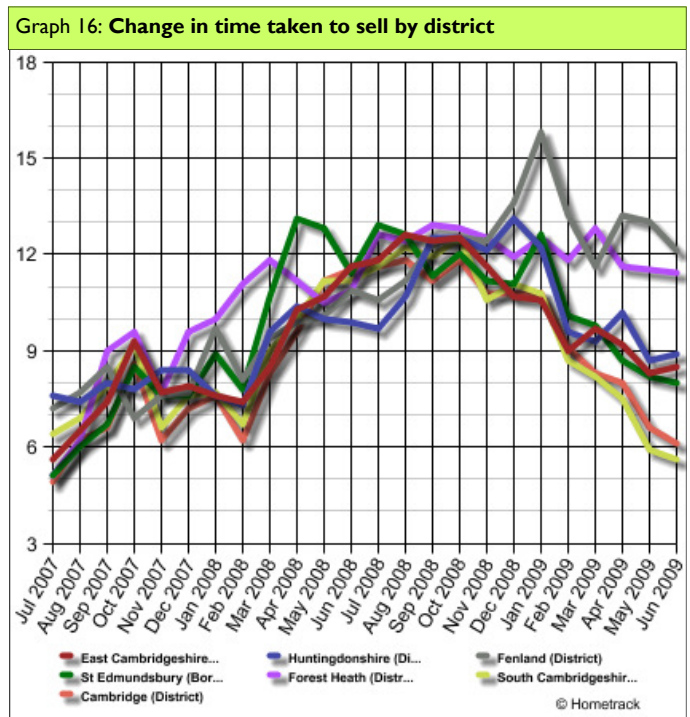
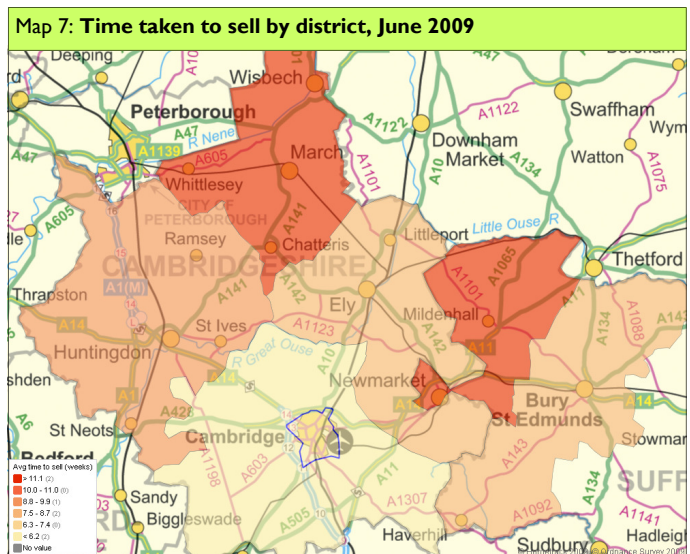


Table 9: Average time taken to sell

	Dec-07	Jun-08	Dec-08	Jun-09	Change from Dec 08 to June 09
Cambridge City	7.2	11.5	10.8	6.1	4.7
East Cambridgeshire	7.9	11.6	10.7	8.5	2.2
Fenland	7.7	10.9	13.6	12.1	1.5
Huntingdonshire	8.4	9.9	13.1	8.9	4.2
South Cambridgeshire	7.6	11.2	11.1	5.6	5.5
Forest Heath	9.6	10.9	11.9	11.4	0.5
St Edmundsbury	7.6	11.4	11.1	8.0	3.1

Comparing sales price to asking price

Map 8 shows the percentage of asking prices actually achieved when the sale completes.

This gives a measure of the health of the housing market, assuming that in a well-balanced housing market, a high proportion of the asking price is achieved.

Graph 17 shows the same, for each district, since July 2007, for comparison.

Table 10 shows the average percentage achieved in Dec 2007, June 2008, Dec 2008 and June 2009, and the change between June 2008 and June 2009.

Comment

Map 8 shows a clear difference between districts, with City and South Cambridgeshire sales achieving a higher proportion of their asking price, followed by East Cambridgeshire, then St Edmundsbury and Huntingdonshire.

Forest Heath and Fenland are both achieving a lower proportion of asking prices.

Graph 17 shows a roughly similar pattern for each district over time.

Following a period of prices achieved falling, there has been marked improvement from around January 2009 to June 2009.

Table 10 shows that four of the seven districts have shown an increase between June 08 and June 09, while three did not - namely Fenland, Huntingdonshire and Forest Heath.

It is important to remember when considering these changes that they might partly be because sellers have reduced asking prices and are able to get an offer closer to their reduced asking price.

Sometimes these negotiations occur late in a transaction and may not be clearly reflected on this page.

Source: Hometrack's monthly survey of estate agents, based at postcode district level e.g. CB1, PE15). Latest data June 2009.

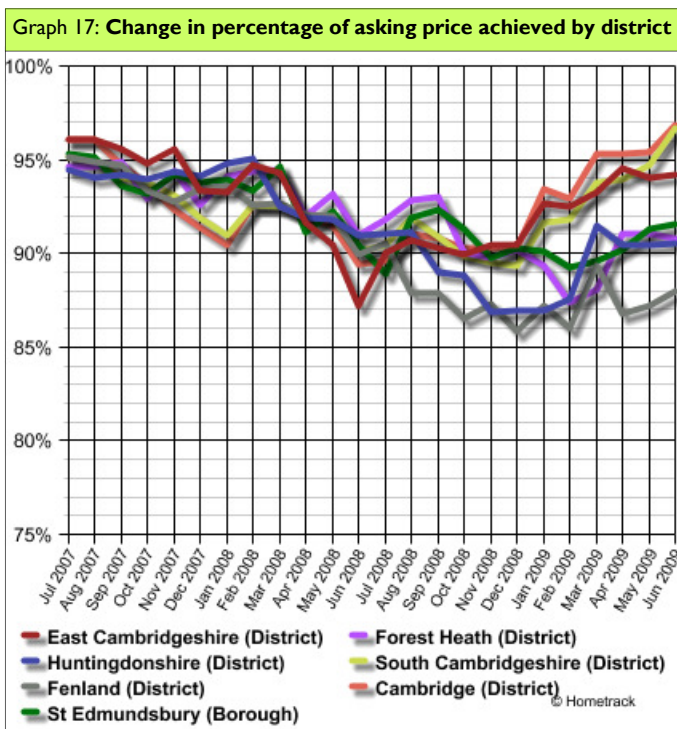
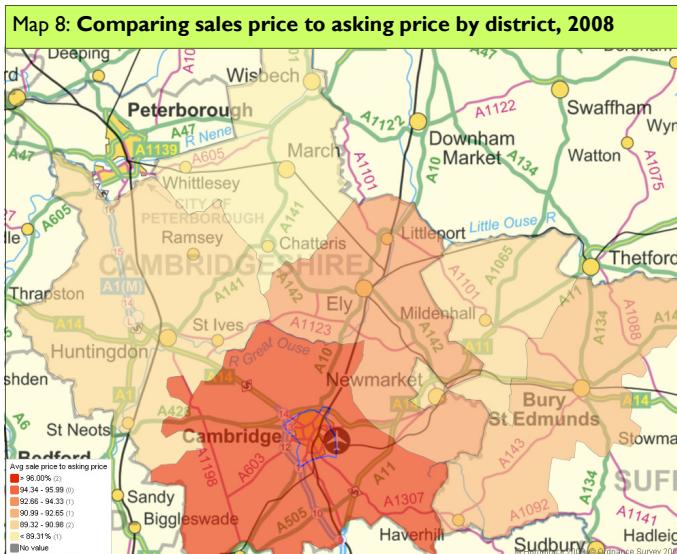


Table 10: Percentage of asking price achieved at sale

	Dec-07	Jun-08	Dec-08	Jun-09	Change June 08 to June 09
Cambridge City	91.4%	89.4%	90.3%	96.9%	7.4%
East Cambridgeshire	93.4%	87.2%	90.4%	94.2%	7.0%
Fenland	93.4%	89.9%	85.8%	88.0%	-1.9%
Huntingdonshire	94.1%	91.0%	87.0%	90.6%	-0.4%
South Cambridgeshire	91.9%	90.1%	89.4%	96.7%	6.6%
Forest Heath	92.6%	90.9%	90.2%	90.8%	-0.2%
St Edmundsbury	93.8%	90.4%	90.3%	91.5%	1.1%

Number of viewings per sale

Map 9 shows the average number of viewings between an average property in the district going onto the market, and going “under offer”.

Again, another useful marker of the health of the housing market, assuming that in a healthy market, less viewings are needed before a sale is achieved. This provides an indicator of speed and enthusiasm in the housing market.

Graph 18 shows the number of viewings per sale for each of our seven districts.

Table 11 shows the average number of viewings per sale in Dec 07, June 08, Dec 08 and June 09, and the change between June 08 and June 09.

Comment

Map 9 shows that more viewings per sale are needed in Fenland, Huntingdonshire and St Edmundsbury. City and South Cambridgeshire need the least viewings per sale, and East Cambridgeshire and Forest Heath fall roughly in the middle.

Graph 18 shows that the number of viewings per sale had decreased overall since October 2008 (barring a slight increase in May 2009).

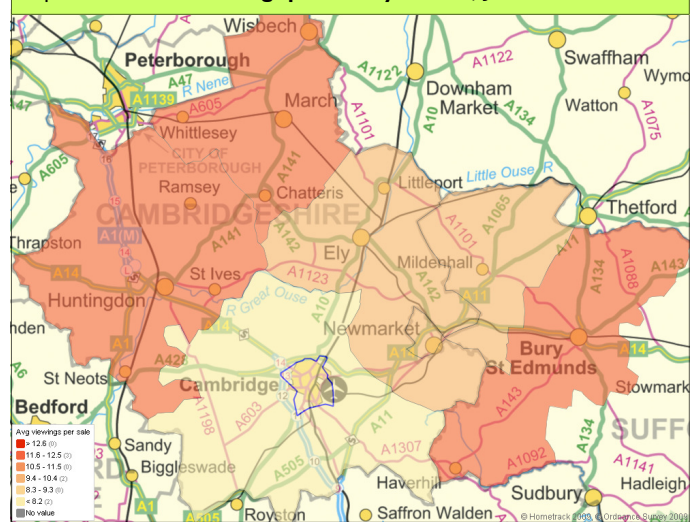
St Edmundsbury shows a different trend, possibly due to the local housing market where a new build development was available for viewing in Spring 2008, which appears to have increased the number of viewings per sale from around April to June 2008. This is not specifically reflected in other market indicators, so it seems a number of people went for a viewing but did not make an offer!

Table 11 shows variations in each district, with the number of viewings falling in all districts between June 08 and June 09. The greatest fall was in Cambridge City, with a fall of 10.9 viewings per sale. The smallest drop was in Fenland, where on average 2.2 less viewings took place for each sale. The least viewings per sale are seen in City (7.1) and South Cambridgeshire (8.0).

It is important to remember the context of the number of sales overall which have fallen so dramatically, when looking at the reduction in viewings per sale (see page 4).

Source: Hometrack's monthly survey of estate agents, based at postcode district level e.g. CB1, PE15). Latest data June 2009.

Map 9: Number of viewings per sale by district, June 2009



Graph 18: Change in number of viewings per sale by district

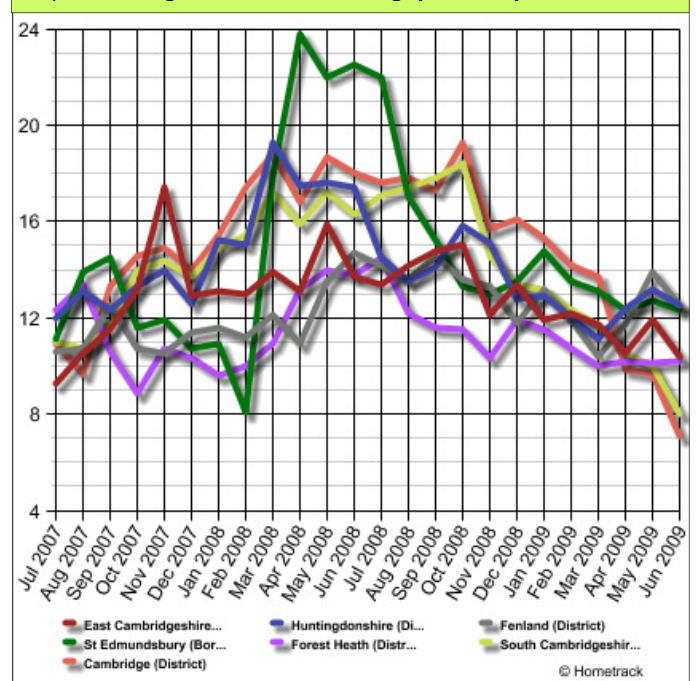


Table 11: Average number of viewings per sale

	Dec-07	Jun-08	Dec-08	Jun-09	Change from June 08 to June 09
Cambridge City	14	18	16.1	7.1	10.9
East Cambridgeshire	12.9	13.7	13.4	10.4	3.3
Fenland	11.4	14.7	11.8	12.5	2.2
Huntingdonshire	12.6	17.4	12.8	12.5	4.9
South Cambridgeshire	13.7	16.3	13.4	8	8.3
Forest Heath	10.3	13.8	11.9	10.2	3.6
St Edmundsbury	10.7	22.5	13.5	12.3	10.2

House price to income ratio

Maps 10 and 11 show relative affordability using the ratio of mean house prices to mean incomes. The ratio shows how many “times” someone’s income, the average house price is. One common rule of thumb is that house prices of 3 to 3.5 times income are affordable. On the maps, the higher the ratio, the darker the shading, the less affordable the area. The ratios are expressed as one number. The number means that an average home in that district costs (for example) 6.9 times the average income. Incomes differ from earnings by including non-earned incomes, such as benefits. These maps use different calculations from the SHMA, however they do help us compare trends across the sub-region and over time. Table 12 shows the ratios for the seven districts in the sub-region in May 2008, August 2008, February 2009 and June 2009.

Comment

The first map shows the relative affordability of each complete district in the housing sub-region. The second map shows affordability on a ward basis, so the pattern looks a little different. Two fairly clear “zones” form on Map 11 with homes generally more affordable to the north and less so to the south.

In June 2009 the highest price to income ratio was seen in the City at 7.9 and the lowest ratio was in Fenland at 4.9. However the ratios have all fallen for each district over time, which ought to mean homes are more affordable compared to incomes. Unfortunately in the current housing market, access to mortgages is problematic, particularly for people with negative equity and/or who hold no equity e.g. first time buyers. So although prices may seem lower, purchasing may not be much easier.

Source: House prices from Hometrack automated valuation model, incomes from CACI paycheck. Latest data June 2009, updated annually.

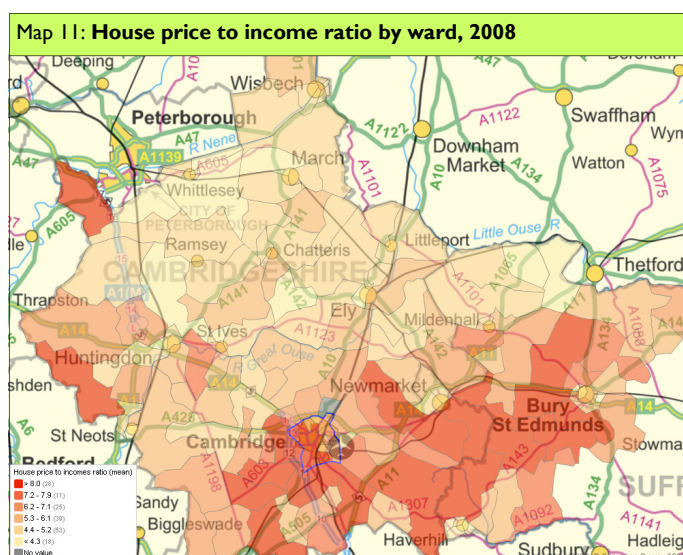
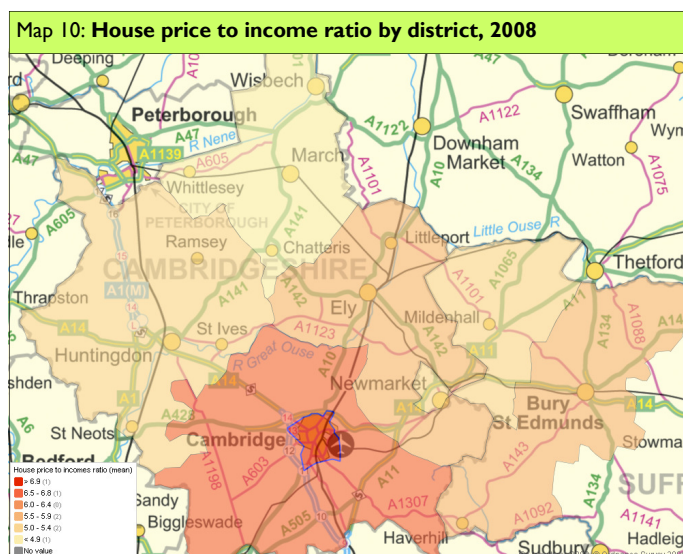


Table 12: Average house price to income ratio

	May 2008	August 2008	Feb 2009	June 2009
Cambridge	8.9	9.1	8.8	7.9
East Cambridgeshire	6.3	6.5	6.3	5.7
Fenland	5.3	5.3	5.3	4.9
Huntingdonshire	5.9	6.1	5.8	5.2
South Cambridgeshire	7.5	7.9	7.4	6.6
Forest Heath	6	6.1	5.9	5.3
St Edmundsbury	6.6	6.4	6.2	5.8

Affordability by income band

Graphs 19 and 20 show the number of households in different household income bands in the area (the grey bars) compared to the lower quartile price for different property types in the same area (horizontal lines). The diagonal lines rising from left to right show the value of property that can be afforded at 3.5 times income, by a first time buyer (the lower, green line) and former owner occupier (the higher, turquoise line).

The affordability calculations are based on a multiple of average household income adjusted by the average loan to value (LTV) for the different types of buyer. Nationally, in May 2009, the average loan to value for first time buyers was 75%, and for owner-occupiers was 67%.

Table 13 shows the percentage of households priced out of the market in each district, and across the East of England region. It differentiates between house types and whether purchasers are first time buyers or not. This is a modelled figure, derived from house price and income assumptions provided by Hometrack's affordability graphs, as per the examples on the right.

The figures in Table 13 are derived from the graphs, and do not account for existing tenures of local residents. Graph 21 shows the change in loan to value percentages from June 2007 to May 2009.

Sources

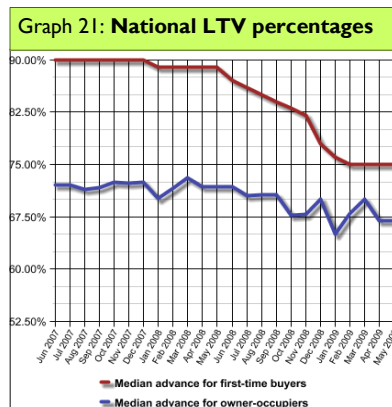
Graphs 19 and 20, Table 13:

* House price from the Hometrack Automated Valuation Model, updated monthly, latest data June 2009

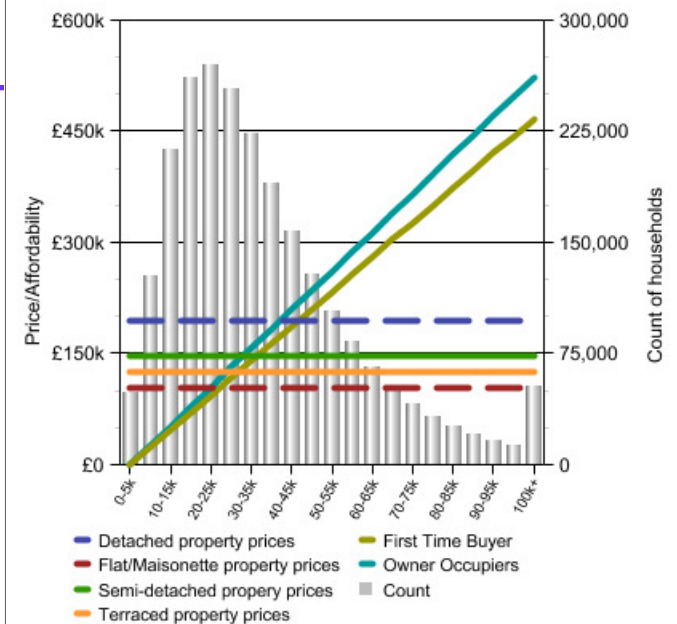
* Incomes data from CACI paycheck, annual

Graph 21:

* Bank of England and Council of Mortgage Lenders, latest data May 2009



Graph 19: East of England Region: affordability at 3.5 x income



Graph 20: East Cambridgeshire: affordability at 3.5 x income

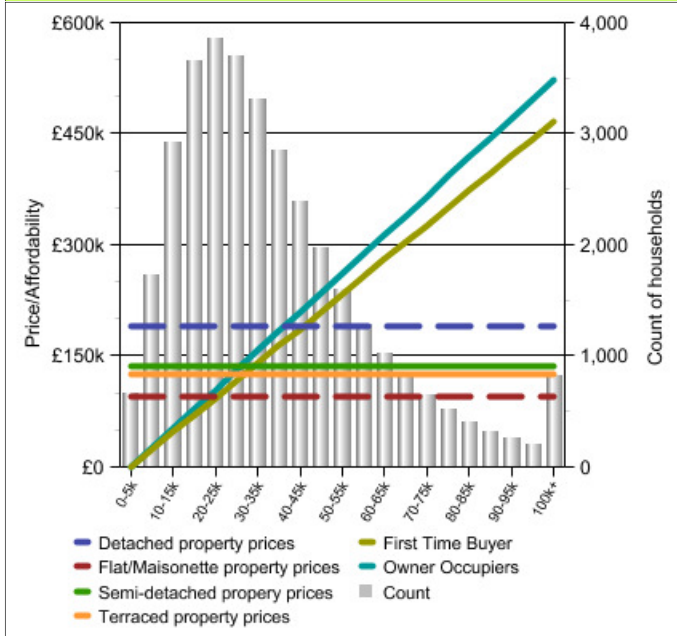
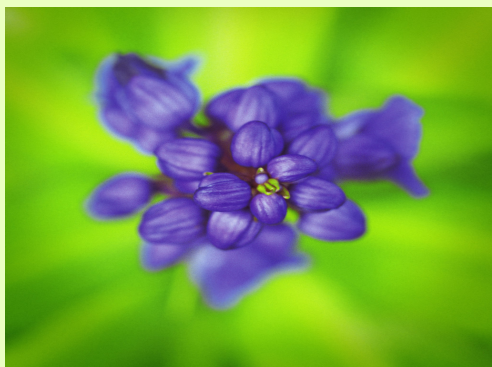


Table 13: Percent of households priced out of market (rounded)

	First time buyer households				Owner occupier households			
	Flats	Terraced houses	Semi-detached houses	Detached houses	Flats	Terraced houses	Semi-detached houses	Detached houses
Cambridge	50%	75%	75%	88%	40%	68%	68%	84%
East Cambridgeshire	37%	47%	47%	72%	26%	37%	47%	65%
Fenland	33%	33%	46%	67%	21%	33%	46%	57%
Huntingdonshire	34%	44%	54%	69%	23%	34%	44%	62%
South Cambridgeshire	42%	51%	60%	78%	31%	42%	51%	73%
Forest Heath	44%	44%	55%	65%	31%	44%	44%	55%
St Edmundsbury	28%	50%	60%	74%	28%	39%	50%	68%
East of England Region	39%	49%	59%	73%	27%	39%	49%	67%

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We would particularly like to know:

- Did you find the bulletin useful?
- Should we continue with the bulletin in future, and if so, how often?
- Does information in the bulletin reflect your experiences of the market, particularly in our housing sub-region?
- Is there other information you'd like included in the bulletin?
- Were parts of the bulletin less useful to you, which could be dropped in future?
- What did you think of the layout and presentation of the bulletin?
- Do you have any other suggestions?

Thank you!

About Hometrack

Hometrack provides information solutions to the UK housing and mortgage industries.

For local authorities and regional government we supply the all-important evidence base for the production of regular Strategic Housing Market Assessments and the development of planning policies based on local market dynamics. For more information please contact:

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