Housing Market Bulletin

Published April 2010

CAMBRIDGE HOUSING SUB-REGION

Housing market bulletin

# Our third edition

Welcome to the third 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

The second edition was published in October 2009, and can be found at:

http://www.cambridgeshirehorizons.co.uk/documents/crhb/publications/summer_edition.pdf

The third edition uses Hometrack data correct at September 2009, with a few additional details correct as at October 2009.

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 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.

The Bulletin acts as a supplement to our Strategic Housing Market Assessment, which is available from: www.cambridgeshirehorizons.co.uk/shma

**Tip:** To follow links in this bulletin, hold down the "Ctrl" button and click on the blue underlined text. Hopefully this should take you to the information or the page you are seeking. If this does not work, try copying and pasting the blue text into your internet navigation bar.

## Edited highlights

In this bulletin you can find out about...

- House prices edging up for the fourth month in a row nationally, but not uniformly in all parts of the country.
- The fall in number of property sales has slowed down a bit, between March 2009 and September 2009, which reflects national and regional trends.
- Average property prices for England, the region, and our sub-region seem to follow the same trends, levelling or picking up between March and September 2009.
- The average house price varied from £296,031 in the City to £136,668 in Fenland, in September 2009.
- The time taken to sell properties has decreased in all seven districts between March and September 2009.
- Similarly, all seven districts showed an increase in sales prices achieved, another indicator of the "health" of the housing market.
- All districts saw a drop in the number of viewings before an offer was made, though the decrease was greater in some districts than others.
- Across the housing sub-region the ratio of house price to income has fallen slightly, from 5.9 to 5.8.

**Some highlights in this issue...**

# Maps

## The East of England region

Map 1 shows the East of England Region, shaded in orange and boundaried with a blue line. The Region covers a wide variety of housing markets and settlements.

The East of England region is the second largest of nine English regions, covering Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk and the Unitary Authorities of Luton, Peterborough, Southend-on-Sea and Thurrock. The region's population is around 5.6 million.

Back in September 2009 "Home Truths 2009 - East of England" was published by the National Housing Federation (NHF), highlighting that regional house prices have fallen 16%, but the recession and credit crunch have stopped in its tracks any positive benefit to the housing market. With unemployment up by a third, house prices still high by past standards, affordable mortgages hard to come by, private rents 75% higher than social rents and national repossessions rising, social housing is the only alternative for many people in the East.

Some of the main findings of the report include:

- The average house price in the East of England in 2008 was £225,967, still nearly 11 times the average regional income
- A 90% mortgage to buy a home in the cheapest part of the market requires an income 75% higher than the regional average
- Some 147,845 households were on social housing waiting lists in the East in 2008 and over 5,000 households were accepted as homeless last year
- The number of overcrowded families in the region jumped by more than 11% in the period to 2008, the second largest increase in the country

Source: http://www.housing.org.uk/Uploads/File/HomeTruths/EofE%20HOME%20TRUTHS%202009.pdf

Map 1: **The East of England region**

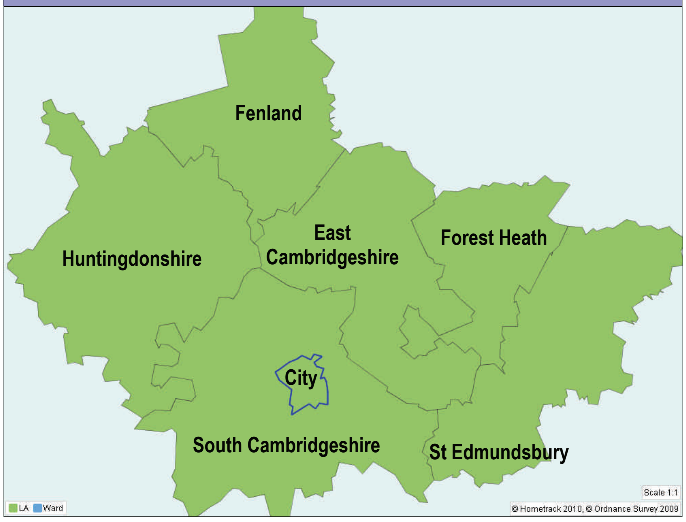

## The Cambridge housing sub-region

Map 2 shows the boundaries of each district in our housing sub-region, covered in this Bulletin, namely:

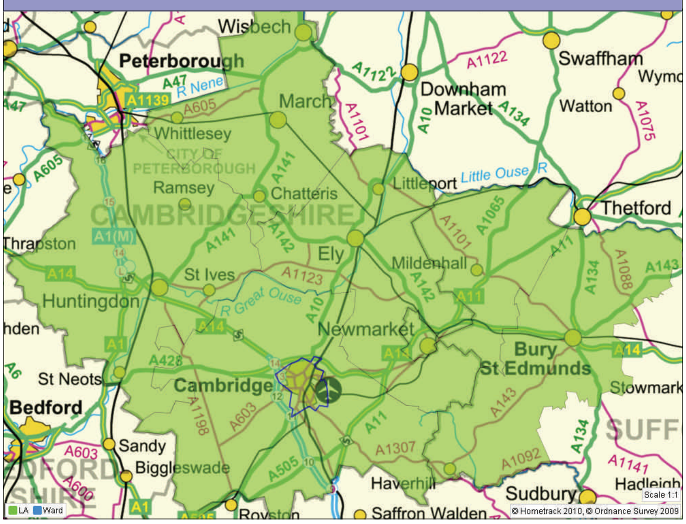
- Cambridge City
- East Cambridgeshire
- Fenland
- Huntingdonshire
- South Cambridgeshire
- Forest Heath
- St Edmundsbury

Map 3 shows the same areas a Map 2, but includes Ordnance Survey background including rivers, roads and settlements to help highlight the geographical areas covered by the districts.

Map 2: **Districts within the housing sub-region**




Map 3: **Geography of the housing sub-region**



# National trends from Hometrack: House prices edge up for fourth month in a row

**Table 1:** Summary of market, up to November 2009

| | Sep-09 | Oct-09 | Nov-09 |
|---|---|---|---|
| Monthly price change | 0.2% | 0.2% | 0.2% |
| 12 month price change | -5.6% | -4.2% | -2.9% |
| % change in new buyers registering with agents | 1.1% | 1.2% | 0.1% |
| % change in volume of property listings | 0.1% | 0.6% | -0.4% |
| % change in sales agreed | 2.5% | 4.0% | 2.8% |
| Average time on the market | 8.6 weeks | 8.4 weeks | 8.4 weeks |
| % of the asking price being achieved | 92.4% | 92.9% | 93.2% |
| % postcode districts with price increase over month | 15.2% | 15.7% | 17.6% |

This article was written by Richard Donnell, Director of Research at Hometrack.

### Fourth consecutive month of house price growth...

House prices rose by 0.2% in November 2009. This represents the fourth consecutive increase in house prices and brings the year on year rate of growth to -2.9%.

### But pick up in market activity is not being seen across the entire country...

This is the third consecutive month that the survey has posted a 0.2% price rise. But this pick up in market activity and prices is not one that has been felt across the whole country. There remain large swathes of the country where prices continue to be unchanged or have seen continued price falls.

Looking at prices today and comparing them to six months ago reveals that the house price recovery has been felt across 37% of the country. Furthermore, compared to a year ago prices are higher across just 2% of the country.

### New buyer registrations slow...

The pick up in market activity over 2009 has been driven by rising demand yet the latest survey shows that new buyer registrations grew by just 0.1% in November, the lowest level since the start of the year. A decline in demand is inevitable in the run up to Christmas but there are signs that the upward pressure on prices is likely to decline in the months ahead.

### London and the South East continue to have most buoyant markets...

Over the last six months London and the South East have consistently seen the largest number of postcodes registering price rises - values are up across 78% of London and over half of the South East. Yet in five regions less than 20% of the market has registered any price rise.

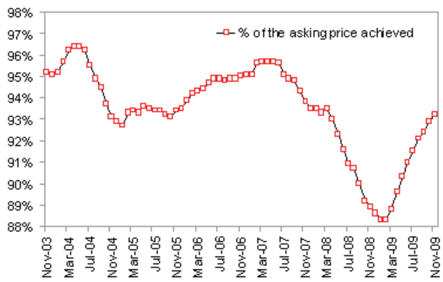
### Achieved asking prices firm...

While overall pricing levels are still lower than a year ago, achieved prices have firmed significantly. The proportion of the asking price being achieved currently stands at 93.2% and is still rising month on month.

### But the time taken to sell begins to plateau...

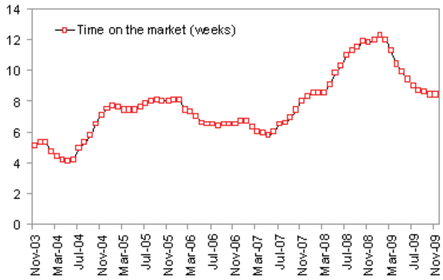
The time taken to sell has now started to plateau, having fallen for each of the last nine months. Further price rises could well result in an increase in the time to sell as stronger pricing meets greater resistance from would-be buyers whose numbers are also growing more slowly. The net result is likely to be less upward pressure on prices in the months ahead.

The Hometrack survey is the largest monthly survey and provides the latest insight into market trends right across the whole market. The November 2009 survey was based on 6,185 responses from 1,804 agents and surveyors across all 2,300 postcodes in England and Wales.



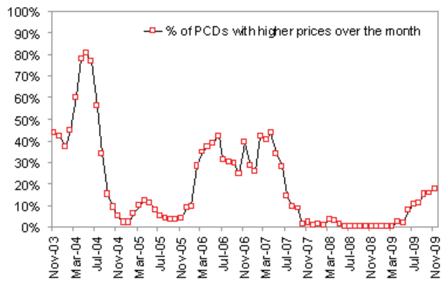

### % asking price being achieved

"The proportion of the asking price achieved rose to 93.2% in November from a low of 88.3%. As long as this measure remains below 93% prices are likely to remain static or under downward pressure."




### Time on the market (weeks)

"The time on the market has been falling for the last nine months. For those properties that are selling the current average time on the market is 8.4 weeks, down from a recent high of 12.3 weeks seen in January 2009."




### % postcodes registering price rises

"Agents have spent the last 2 years re-pricing the market to a level where sales are starting to occur once again, albeit off a very low base. With sales volumes up for the last 10 months and a growing scarcity of housing in some markets so prices are rising across a small proportion of the market."

Richard Donnell, Nov 2009

**Source:** [http://www.hometrack.co.uk/commentary-and-analysis/house-price-survey/20091130.cfm](http://www.hometrack.co.uk/commentary-and-analysis/house-price-survey/20091130.cfm)

# Number of sales

This data was produced by Hometrack in September 2009 and shows the number of sales completing, which is the sample of properties driving average property price data for all types of housing.

Graph 1 shows the number of sales across England (in red) and the East of England region (in blue).

Graph 2 shows numbers of sales for each of the seven districts in the Cambridge housing sub-region.

Table 2 shows the number of sales occurring in past years, from March 2006 to September 2009, to highlight the 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 March 2006 to September 2009, this page clearly highlights the slow-down in sales across the sub-region, falling from 8,046 to 3,221, or –34%.

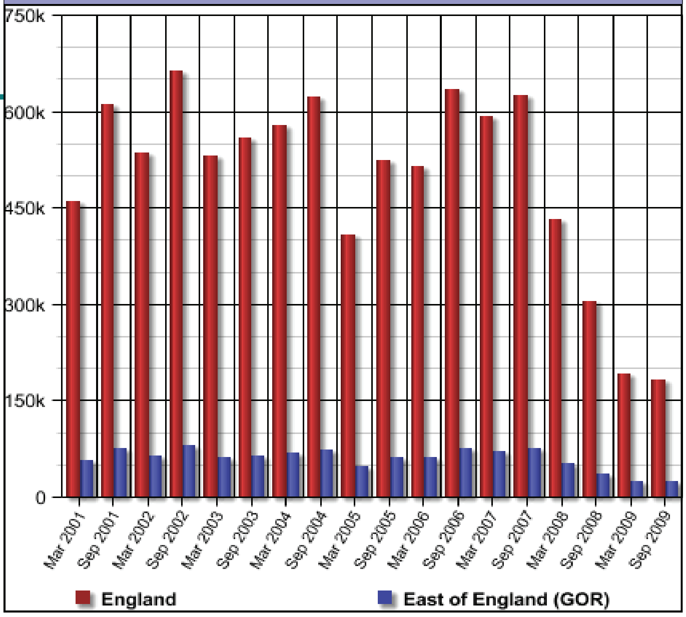
The change in number of sales for each district in the sub-region varies, however the fall in numbers seems to have slowed between March and September 2009, as compared to the previous Bulletin.

For example, the biggest drop between June 2008 to June 2009 was seen in Forest Heath (61%) and St Edmundsbury (59%). This time around, between September 2008 and September 2009, sales have dropped by 33% in Forest Heath and 25% in St Edmundsbury.

Average prices quoted later in this bulletin are affected by the types of homes which sell. In brief, where the number of sales drops radically, if the sales completing tend to be more expensive properties, average prices will appear higher. Similarly, if all the smaller homes or lower value sales are successfully completing, the average price will be lower. So the number and value of sales achieved has a huge effect on average prices, particularly when fewer sales are completing.

**Source:** Hometrack's Automated Valuation Model, latest update Sept 2009.

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




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

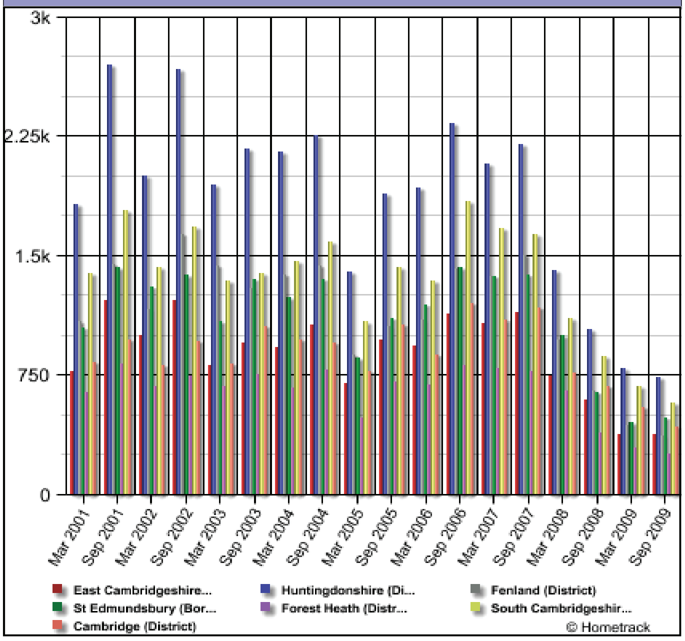



Table 2: **Number of sales completed by district**

| | Mar-06 | Sep-06 | Mar-07 | Sep-07 | Mar-08 | Sep-08 | Mar-09 | Sep-09 | % change Sep-08 to Sep-09 |
|---|---|---|---|---|---|---|---|---|---|
| Cambridge | 879 | 1,197 | 1,092 | 1,171 | 768 | 679 | 550 | 428 | -37% |
| East Cambridgeshire | 931 | 1,131 | 1,077 | 1,137 | 748 | 593 | 374 | 381 | -36% |
| Fenland | 1,098 | 1,411 | 1,369 | 1,497 | 967 | 648 | 434 | 366 | -44% |
| Huntingdonshire | 1,922 | 2,328 | 2,078 | 2,202 | 1,401 | 1,039 | 789 | 732 | -30% |
| South Cambridgeshire | 688 | 813 | 795 | 778 | 649 | 389 | 294 | 250 | -36% |
| Forest Heath | 1,337 | 1,836 | 1,670 | 1,633 | 1,108 | 869 | 681 | 579 | -33% |
| St Edmundsbury | 1,191 | 1,424 | 1,370 | 1,376 | 996 | 646 | 454 | 485 | -25% |
| **Total for sub-region** | **8,046** | **10,140** | **9,451** | **9,794** | **6,637** | **4,863** | **3,576** | **3,221** | **-34%** |

# Number of sales by type and district

This data was produced by Hometrack in October 2009. For each district, tables 3 to 9 show the number of sales completing, broken down into 1 bed flat, 2 bed flat, 2 bed house, 3 bed house and 4 bed house, from April 2007 to October 2009. Table 10 shows the total across the housing sub-region (all seven districts).

## Comment

Graph 3 shows the number of sales by property type across the whole sub-region.

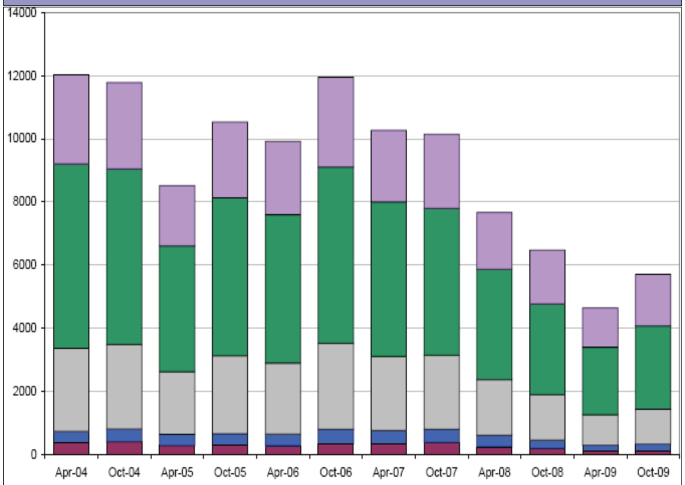
Graph 4 shows the same information, presented to show the percentage of sales by property type. This shows a relative increase in the proportion of sales of 4 bed houses (lilac), and a decrease in sales of smaller properties, particularly 2 bed houses (grey).

The number of sales across the whole sub-region varies between a peak of 12,024 sales in April 2004 to a low of 4,639 sales in April 2009. The number of sales then picked to reach 5,706 by October 2009.

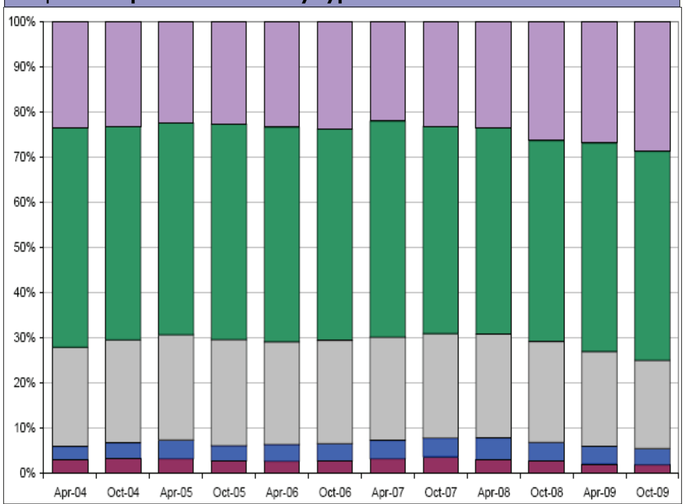
The main change in types is an increasing proportion of 3 and 4 bed houses, and a balancing decrease in the proportion of 1 and 2 beds.

**Source:** Hometrack's automated valuation model, data at Oct 2009.

Graph 3: **Number of sales by type**




Graph 4: **Proportion of sales by type**




**Key:**

1 bed Prices (Flat) | 2 bed Prices (Flat) | 2 bed Prices (House) | 3 bed Prices (House) | 4 bed Prices (House)

Table 3: **Number of sales by type, Cambridge City**

| | Apr 07 | Oct 07 | Apr 08 | Oct 08 | Apr 09 | Oct 09 |
|---|---|---|---|---|---|---|
| 1 bed flat | 115 | 141 | 82 | 62 | 37 | 46 |
| 2 bed flat | 147 | 148 | 128 | 112 | 72 | 91 |
| 2 bed house | 188 | 213 | 125 | 141 | 95 | 112 |
| 3 bed house | 448 | 450 | 326 | 303 | 229 | 288 |
| 4 bed house | 146 | 148 | 113 | 140 | 95 | 107 |

Table 4: **Number of sales by type, East Cambridgeshire**

| | Apr 07 | Oct 07 | Apr 08 | Oct 08 | Apr 09 | Oct 09 |
|---|---|---|---|---|---|---|
| 1 bed flat | 24 | 24 | 24 | 19 | 7 | 9 |
| 2 bed flat | 26 | 37 | 26 | 23 | 12 | 16 |
| 2 bed house | 318 | 315 | 220 | 178 | 116 | 118 |
| 3 bed house | 598 | 568 | 430 | 317 | 239 | 331 |
| 4 bed house | 300 | 279 | 216 | 220 | 152 | 208 |

Table 5: **Number of sales by type, Fenland**

| | Apr 07 | Oct 07 | Apr 08 | Oct 08 | Apr 09 | Oct 09 |
|---|---|---|---|---|---|---|
| 1 bed flat | 28 | 23 | 11 | 9 | 5 | 3 |
| 2 bed flat | 24 | 20 | 10 | 12 | 3 | 1 |
| 2 bed house | 382 | 396 | 294 | 215 | 140 | 132 |
| 3 bed house | 712 | 682 | 508 | 369 | 252 | 301 |
| 4 bed house | 235 | 257 | 205 | 174 | 117 | 124 |

Table 6: **Number of sales by type, Huntingdonshire**

| | Apr 07 | Oct 07 | Apr 08 | Oct 08 | Apr 09 | Oct 09 |
|---|---|---|---|---|---|---|
| 1 bed flat | 71 | 60 | 41 | 24 | 19 | 21 |
| 2 bed flat | 78 | 81 | 72 | 41 | 41 | 42 |
| 2 bed house | 392 | 407 | 323 | 289 | 189 | 222 |
| 3 bed house | 1049 | 1062 | 778 | 682 | 559 | 590 |
| 4 bed house | 611 | 618 | 452 | 469 | 361 | 508 |

Table 7: **Number of sales by type, South Cambridgeshire**

| | Apr 07 | Oct 07 | Apr 08 | Oct 08 | Apr 09 | Oct 09 |
|---|---|---|---|---|---|---|
| 1 bed flat | 28 | 38 | 22 | 23 | 14 | 14 |
| 2 bed flat | 54 | 62 | 43 | 28 | 23 | 21 |
| 2 bed house | 306 | 339 | 233 | 227 | 159 | 209 |
| 3 bed house | 745 | 690 | 489 | 461 | 378 | 474 |
| 4 bed house | 452 | 528 | 393 | 386 | 271 | 396 |

Table 8: **Number of sales by type, Forest Heath**

| | Apr 07 | Oct 07 | Apr 08 | Oct 08 | Apr 09 | Oct 09 |
|---|---|---|---|---|---|---|
| 1 bed flat | 26 | 24 | 15 | 12 | 9 | 5 |
| 2 bed flat | 38 | 29 | 46 | 18 | 12 | 19 |
| 2 bed house | 338 | 312 | 262 | 180 | 130 | 133 |
| 3 bed house | 409 | 399 | 301 | 225 | 155 | 209 |
| 4 bed house | 114 | 130 | 123 | 88 | 94 | 67 |

Table 9: **Number of sales by type, St Edmundsbury**

| | Apr 07 | Oct 07 | Apr 08 | Oct 08 | Apr 09 | Oct 09 |
|---|---|---|---|---|---|---|
| 1 bed flat | 38 | 63 | 37 | 31 | 6 | 11 |
| 2 bed flat | 55 | 43 | 47 | 33 | 19 | 15 |
| 2 bed house | 419 | 360 | 303 | 211 | 142 | 188 |
| 3 bed house | 941 | 803 | 666 | 517 | 328 | 444 |
| 4 bed house | 411 | 391 | 302 | 230 | 159 | 231 |

Table 10: **Number of sales by type, whole sub-region**

| | Apr 07 | Oct 07 | Apr 08 | Oct 08 | Apr 09 | Oct 09 |
|---|---|---|---|---|---|---|
| 1 bed flat | 330 | 373 | 232 | 180 | 97 | 109 |
| 2 bed flat | 422 | 420 | 372 | 267 | 182 | 205 |
| 2 bed house | 2,343 | 2,342 | 1,760 | 1,441 | 971 | 1,114 |
| 3 bed house | 4,902 | 4,654 | 3,498 | 2,874 | 2,140 | 2,637 |
| 4 bed house | 2,269 | 2,351 | 1,804 | 1,707 | 1,249 | 1,641 |
| Total | 10,266 | 10,140 | 7,666 | 6,469 | 4,639 | 5,706 |

# Average property prices

Map 4 shows overall prices for all types of property across the sub-region at ward level, using average prices achieved between April and September 2009. The average price is based on both sales and on valuation data.

Graph 5 shows the average property price over time for all types of housing across England (red line) and for the East of England Region (blue line).

Graph 6 shows average prices for each district in the sub-region.

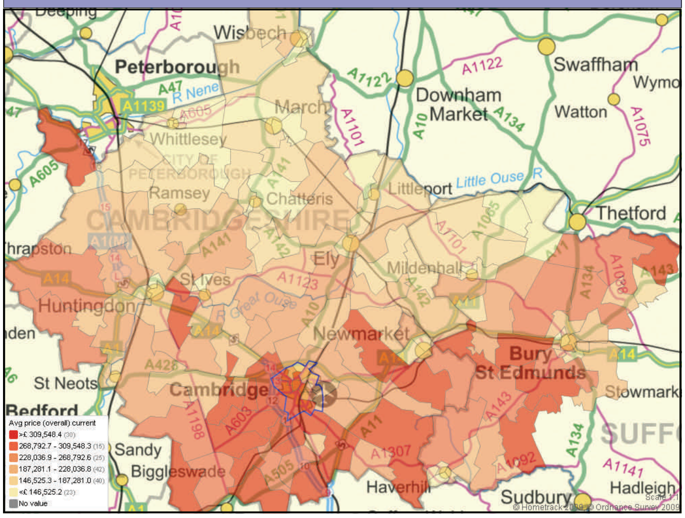
Table 11 shows average prices by district from March 2006 to September 2009.

### Comment

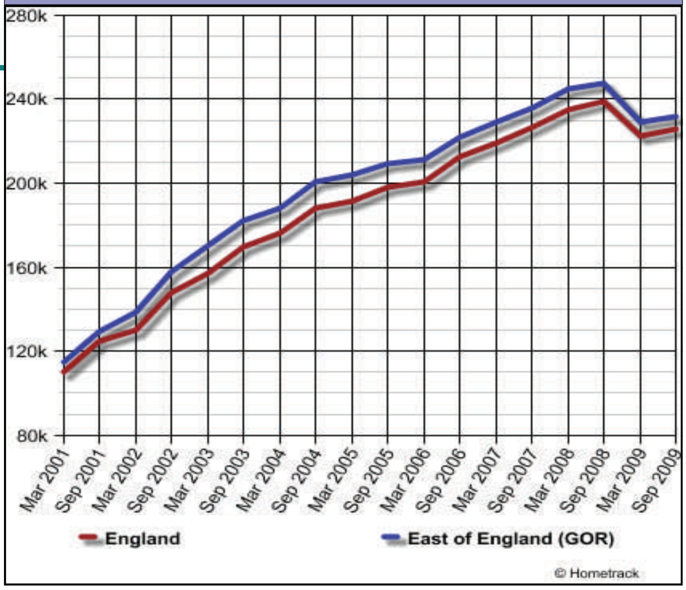
The trend for the country, region and districts in our sub-region shown on both graphs seems to follow the same pattern, that is building to a high average price around September 2008, then falling to March 2009 and either steadying or picking up between March and September 2009.

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

Map 4: **Average prices based on sale and valuation data, Sept 2009**




Graph 5: **Average price from sales and valuations over time, England and Region**




Graph 6: **Average price from sales and valuations over time, Cambridge sub-region**

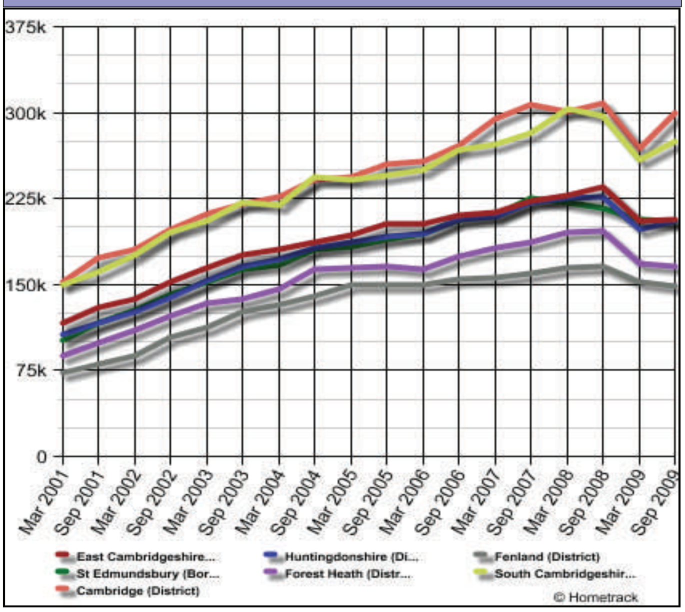



Table 11: **Average prices from sales and valuations**

| | Mar-06 | Sep-06 | Mar-07 | Sep-07 | Mar-08 | Sep-08 | Mar-09 | Sep-09 | Change from Sep-08 to Sep-09 |
|---|---|---|---|---|---|---|---|---|---|
| Cambridge | £254,253 | £262,264 | £287,666 | £305,734 | £296,616 | £300,945 | £256,997 | £296,031 | -£4,914 |
| East Cambridgeshire | £191,813 | £201,832 | £205,699 | £216,769 | £216,907 | £225,506 | £194,320 | £185,281 | -£40,225 |
| Fenland | £140,089 | £144,634 | £147,380 | £151,968 | £158,748 | £153,849 | £139,223 | £136,668 | -£17,181 |
| Huntingdonshire | £182,467 | £199,346 | £196,238 | £213,458 | £213,755 | £210,349 | £189,017 | £194,512 | -£15,837 |
| South Cambridgeshire | £239,888 | £259,468 | £259,992 | £277,313 | £286,649 | £275,611 | £239,213 | £244,794 | -£30,817 |
| Forest Heath | £162,597 | £172,518 | £175,612 | £185,671 | £192,682 | £200,668 | £164,543 | £159,936 | -£40,732 |
| St Edmundsbury | £184,980 | £206,560 | £206,749 | £223,639 | £222,899 | £205,069 | £187,116 | £187,732 | -£17,337 |

# Average prices by type and district

This page provides some more detailed graphs - one for each district - comparing the prices between April 2004 and October 2009, for:

- 1 bed flats
- 2 bed flats
- 2 bed houses
- 3 bed houses
- 4 bed houses.

## Comment

- A general trend is seen on all these graphs, with average prices increasing to October 2007, steadying, falling to April 2009, then increasing moderately to October 2009.
- There are some exceptions in specific districts, for specific property types. Some differences to note across the sub-region include:
- Cambridge City's average prices are significantly higher than other districts, with a scale reaching to £500,000. South Cambridgeshire's scale reaches to £450,000. Fenland has the lowest range of averages, with a scale reaching to £250,000.
- Forest Heath average prices vary more than other district's averages and show more "erratic" changes over the past 3 years, particularly.
- On all graphs, average prices for 4 bedroom houses are significantly higher than the four other property types.
- Graph 14 shows the same data, for the East of England Region, for comparison. This shows vastly similar trends, though "smoothed" due to the number of sales across the whole region. In December 2010 there were a total of about 45,000 sales.

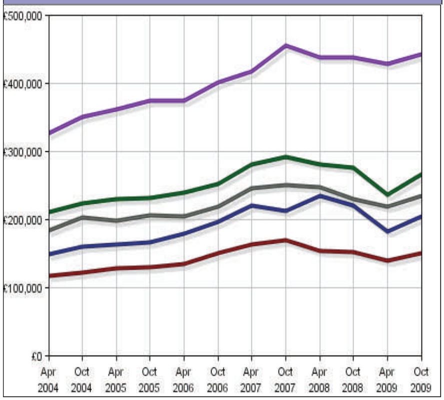
## Source

Based on data from Hometrack's Automated Valuation Model, updated January 2010, latest data correct for October 2009.

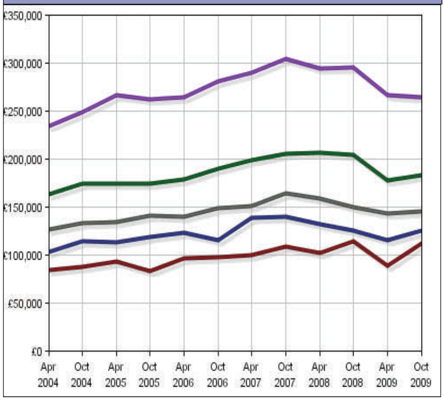
**Key:**

1 bed Prices (Flat) | 2 bed Prices (Flat) | 2 bed Prices (House) | 3 bed Prices (House) | 4 bed Prices (House)

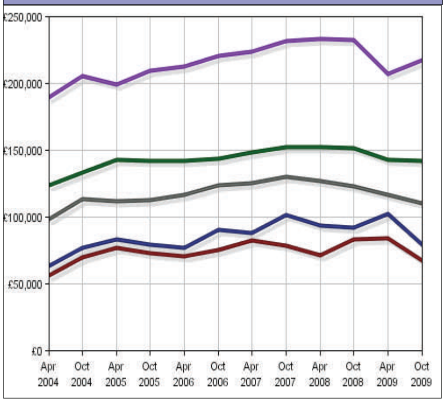
Graph 7: **Cambridge City**



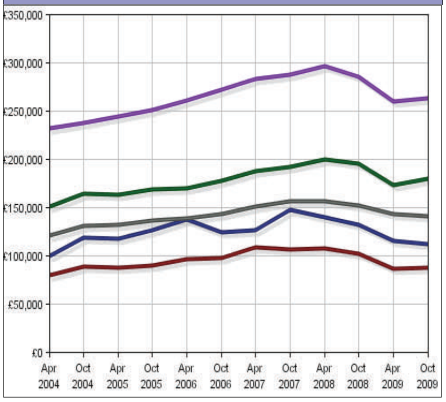

Graph 8: **East Cambridgeshire**



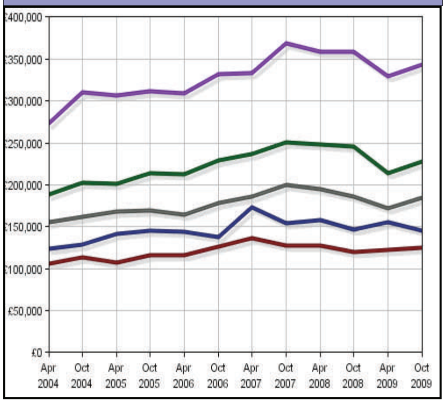

Graph 9: **Fenland**



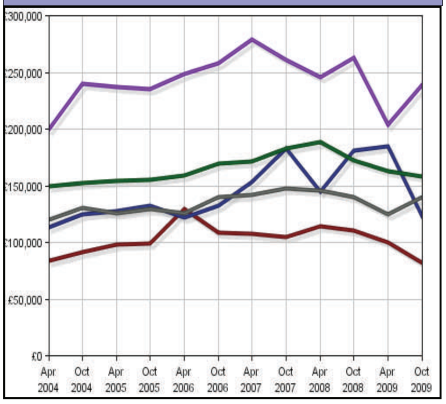

Graph 10: **Huntingdonshire**



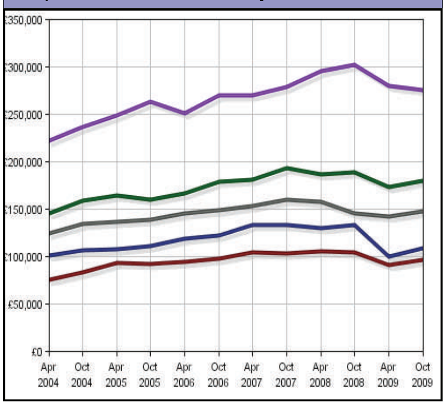

Graph 11: **South Cambridgeshire**



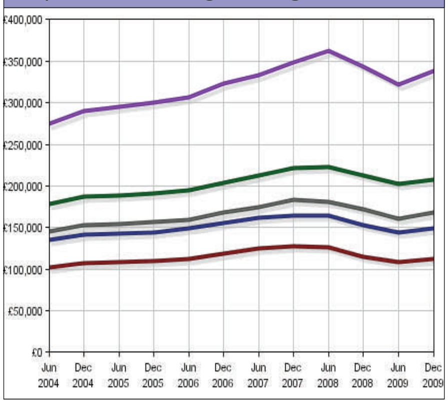

Graph 12: **Forest Heath**




Graph 13: **St Edmundsbury**




Graph 14: **East of England Region**



# Average price per metre square (m²)

Map 5 shows average price per metre² of all properties selling, at ward level, at September 2009. 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, to ensure a robust sample.

Graph 15 shows changes in average price per metre² across England and our Region.

Graph 16 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.

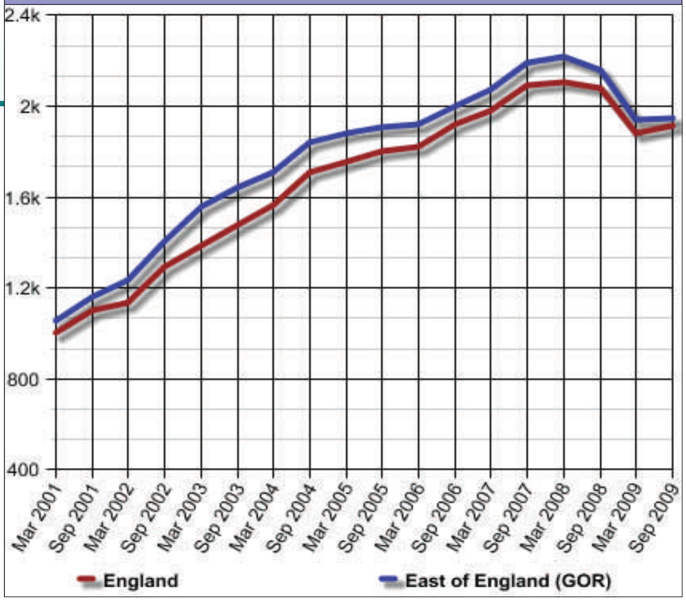
Table 12 shows the change in average prices per metre² since March 2006 for each district.

## Comment

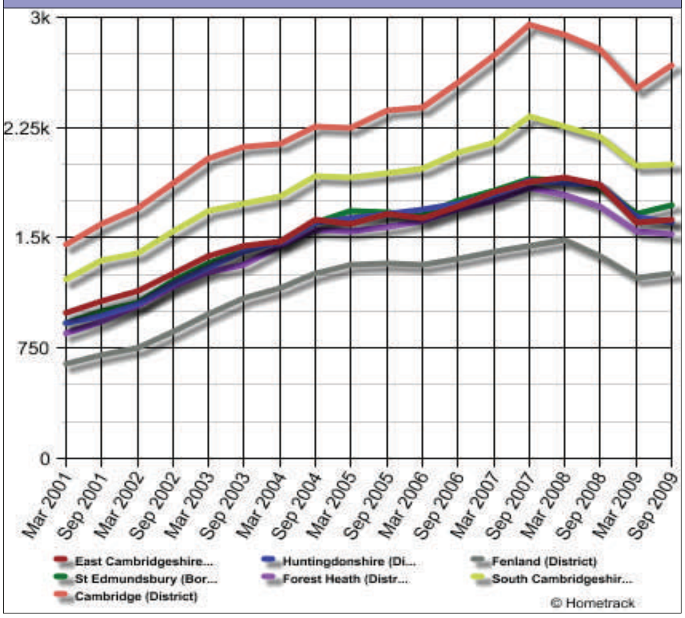
Price per metre² varies greatly across the sub-region, with a broad pattern of higher prices to the south and lower to the north. However this broad brush comment masks a good deal of variation. Changes in national, regional and local trends in price per metre² follow a similar trend, rising from December 2000 to December2007, steadying then dropping to March 2009, only to steady or rise between March and September.

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

Graph 15: **Average price per m² over time, England and Region**




Graph 16: **Average price per m² over time, Cambridge sub-region**




**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.

Map 5: **Average price per m², September 2009**

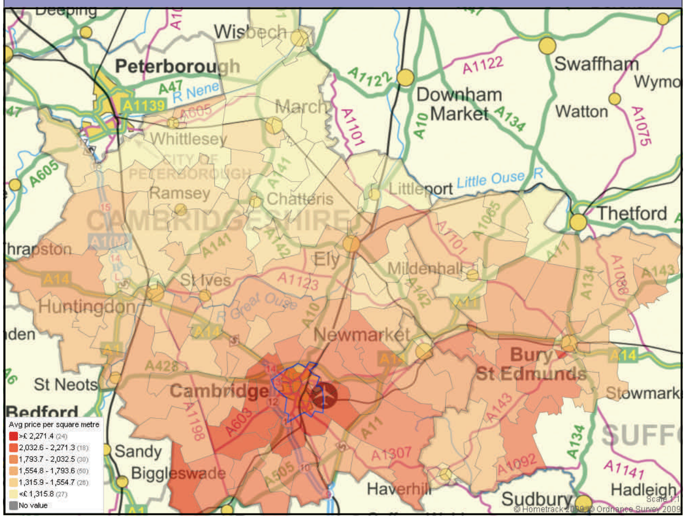



Table 12: **Average price per m²**

| | Mar-06 | Sep-06 | Mar-07 | Sep-07 | Mar-08 | Sep-08 | Mar-09 | Sep-09 |
|---|---|---|---|---|---|---|---|---|
| Cambridge | £2,384 | £2,559 | £2,745 | £2,954 | £2,879 | £2,778 | £2,519 | £2,674 |
| East Cambridgeshire | £1,636 | £1,714 | £1,809 | £1,884 | £1,913 | £1,859 | £1,608 | £1,628 |
| Fenland | £1,312 | £1,356 | £1,401 | £1,447 | £1,487 | £1,374 | £1,224 | £1,261 |
| Huntingdonshire | £1,698 | £1,733 | £1,792 | £1,887 | £1,876 | £1,861 | £1,640 | £1,603 |
| South Cambridgeshire | £1,966 | £2,079 | £2,145 | £2,322 | £2,257 | £2,185 | £1,986 | £2,001 |
| Forest Heath | £1,610 | £1,693 | £1,755 | £1,845 | £1,788 | £1,716 | £1,543 | £1,529 |
| St Edmundsbury | £1,655 | £1,757 | £1,821 | £1,897 | £1,891 | £1,843 | £1,668 | £1,725 |

# Time taken to sell

Map 6 shows the average time taken to sell a property in weeks, by district, for our housing sub-region.

Graph 17 shows the change in the average time to sell a property for each of the seven districts in our housing sub-region, in weeks. This enables us to compare the average time taken to sell a property in each district from October 2007 to September 2009.

Table 13 shows the average time taken to sell, at March 2007, September 2008, March 2008 and September 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

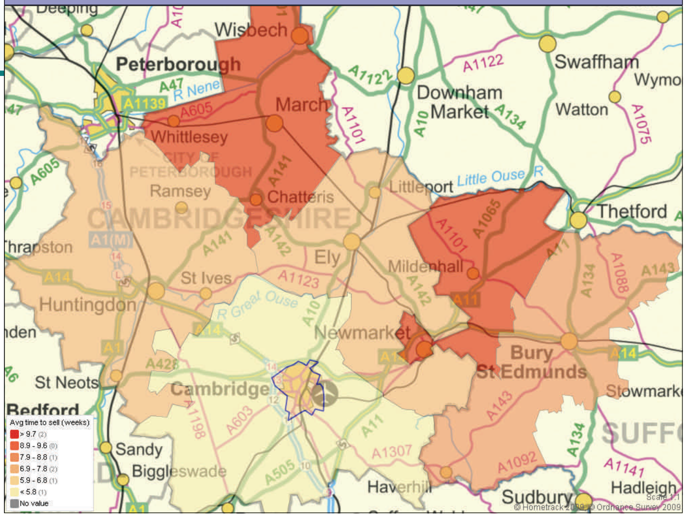
Map 6 shows clearly that Fenland and Forest Heath have the slowest re-sales. Across Huntingdonshire, East Cambridgeshire and St Edmundsbury sales are somewhat quicker, while City and South Cambridgeshire are the quickest.

Looking at Graph 17, in each of the seven districts, ignoring some "ups and downs" the average time to sell tended to increase from October 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. Since January 2009, time taken to sell reduces, with Cambridge and South Cambridgeshire homes selling quickest by September 2009.

Table 13 shows that by September 2009 homes were quickest to sell in South Cambridgeshire (5.3 weeks) and slowest in Forest Heath (10.6 weeks). In terms of change between September 2008 and September 2009, South Cambridgeshire showed the greatest reduction in selling time, falling by 6.8 weeks. Forest Heath showed the smallest reduction falling 2.1 weeks.

**Source:** Hometrack's monthly survey of estate agents. Latest Sept 2009.

Map 6: **Time properties take to sell in weeks, by district, September 2009**




Graph 17: **Change in time taken to sell by district**

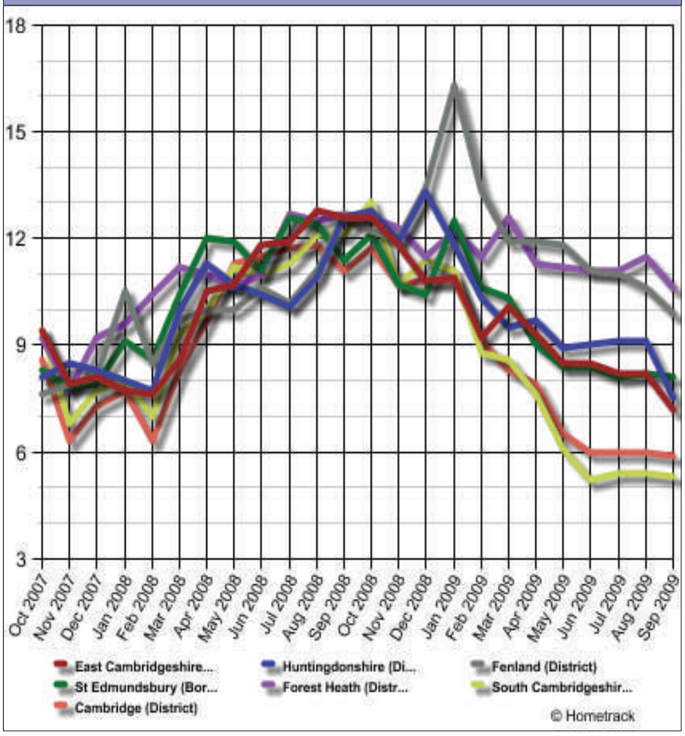



Table 13: **Average time taken to sell** (in weeks)

| | Mar-08 | Sep-08 | Mar-09 | Sep-09 | Change from Sept 08 to Sept 09 |
|---|---|---|---|---|---|
| Cambridge City | 8.3 | 11.1 | 8.3 | 5.9 | 5.2 |
| East Cambridgeshire | 8.6 | 12.6 | 10.1 | 7.2 | 5.4 |
| Fenland | 9.7 | 12.7 | 11.9 | 9.9 | 2.8 |
| Huntingdonshire | 10 | 12.6 | 9.5 | 7.5 | 5.1 |
| South Cambridgeshire | 9.3 | 12.1 | 8.6 | 5.3 | 6.8 |
| Forest Heath | 11.2 | 12.7 | 12.6 | 10.6 | 2.1 |
| St Edmundsbury | 10.4 | 11.4 | 10.3 | 8.1 | 3.3 |
| Average across sub-region | 9.6 | 12.2 | 10.2 | 7.8 | 4.4 |

# Comparing sales price to asking price

Map 7 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 18 shows the same, for each district, since October 2007, for comparison.

Table 14 shows the average percentage achieved in March 2007, September 2008, March 2008 and September 2009, and the change between September 2008 and September 2009.

## Comment

Map 7 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.

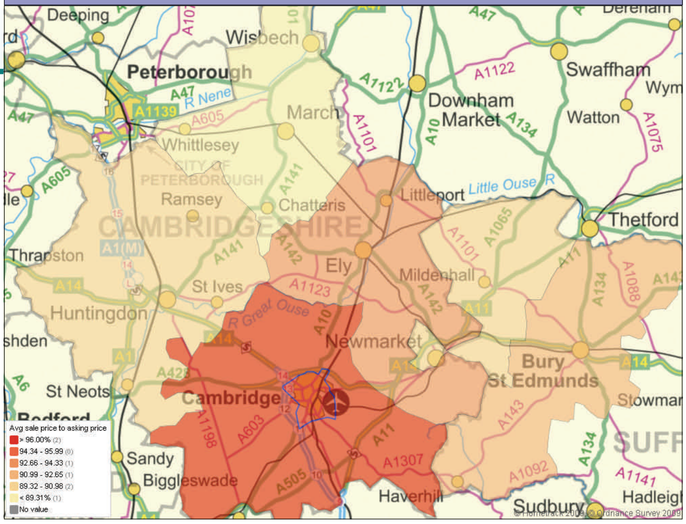
Graph 18 shows a roughly similar pattern for each district over time. Following a period of prices achieved falling, there has been marked improvement from around January 2009 to September 2009, though City and South Cambridgeshire appear to have steadied between July and September 2009.

Table 14 shows that all seven districts saw an increase in the proportion of asking prices achieved between September 2008 and September 2009. The average percentage achieved shown on the bottom row of the table is only an indication but clearly shows a dip between March and Sept 2008 from 93% to 91%, then rising to reach 94% by September 2009.

It is important to remember when considering these changes that they might partly be due to sellers setting more realistic asking prices, so they encourage offers closer to the lower 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 September 2009.

Map 7: **Comparing sales price to asking price by district, September 2009**




Graph 18: **Change in percentage of asking price achieved by district**

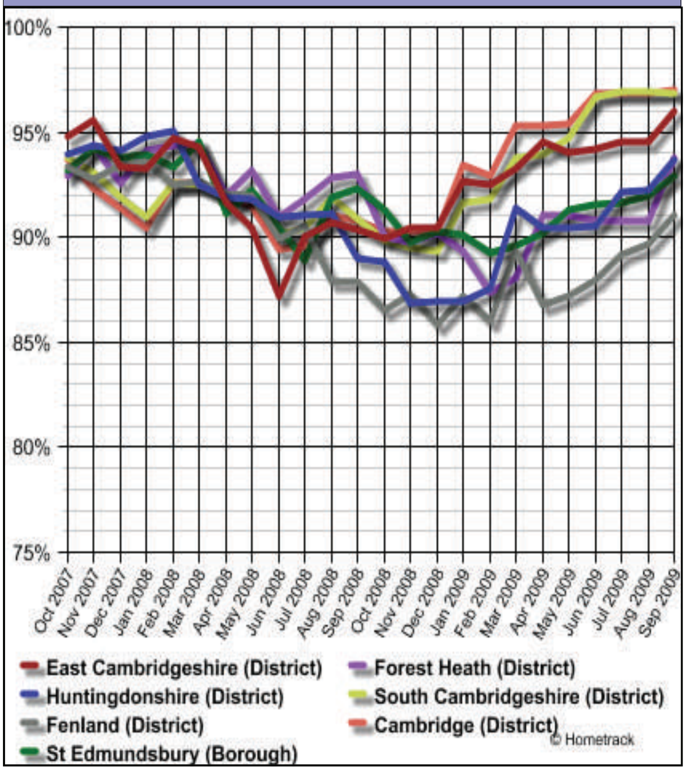



Table 14: **Percentage of asking price achieved at sale** (rounded)

| | Mar-08 | Sep-08 | Mar-09 | Sep-09 | Change from Sept 08 to Sept 09 |
|---|---|---|---|---|---|
| Cambridge City | 93% | 91% | 95% | 97% | 6% |
| East Cambridgeshire | 94% | 90% | 93% | 96% | 6% |
| Fenland | 93% | 88% | 89% | 91% | 3% |
| Huntingdonshire | 92% | 89% | 91% | 94% | 5% |
| South Cambridgeshire | 92% | 91% | 94% | 97% | 6% |
| Forest Heath | 94% | 93% | 88% | 94% | 1% |
| St Edmundsbury | 95% | 92% | 90% | 93% | 1% |
| Average across sub-region | 93% | 91% | 92% | 94% | 4% |

# Number of viewings per sale

Map 8 shows the average number of viewings between an average property in the district going onto the market, and going "under offer", as at September 2009. This is 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 19 shows the number of viewings per sale for each of our seven districts and how this has changed between October 2007 and September 2009.

Table 15 shows the average number of viewings per sale in March 2008, September 2008, March 2009 and September 2009, and the change between September 2008 and September 2009.

### Comment

Map 8 shows that in September there were noticeably more viewings per sale in St Edmundsbury. City and South Cambridgeshire showed the least viewings per sale, while East Cambridgeshire, Fenland and Forest Heath and Huntingdonshire fell roughly in the middle.

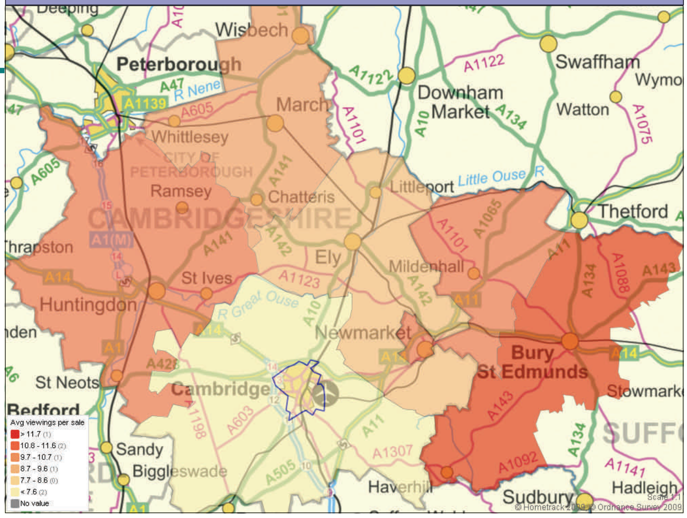
Graph 19 shows that the number of viewings per sale has decreased on the whole, since October 2008. Following an increase in May 2009, the number of viewings per sale has fallen in each district from May to August, after which a small increase is seen in some districts from August to September 2009. An interesting point to note is that the number of viewings per sale is now either equal or lower than levels seen in October 2007. Perhaps this reflects the end of the trend for recreational viewings?

Table 15 shows variations in each district, with the number of viewings falling in all districts between March 2008 and September 2009. The greatest fall was seen in Cambridge City, with a fall of 11 viewings per sale, closely followed by South Cambridgeshire at -10.9. The smallest drop was in Forest Heath, where on average only one less viewing took place per sale.

The least viewings per sale are seen in City (6.4) and the most in St Edmundsbury (12.0) by September 2009.

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

Map 8: **Average number of viewings per sale by district, September 2009**




Graph 19: **Change in number of viewings per sale by district**

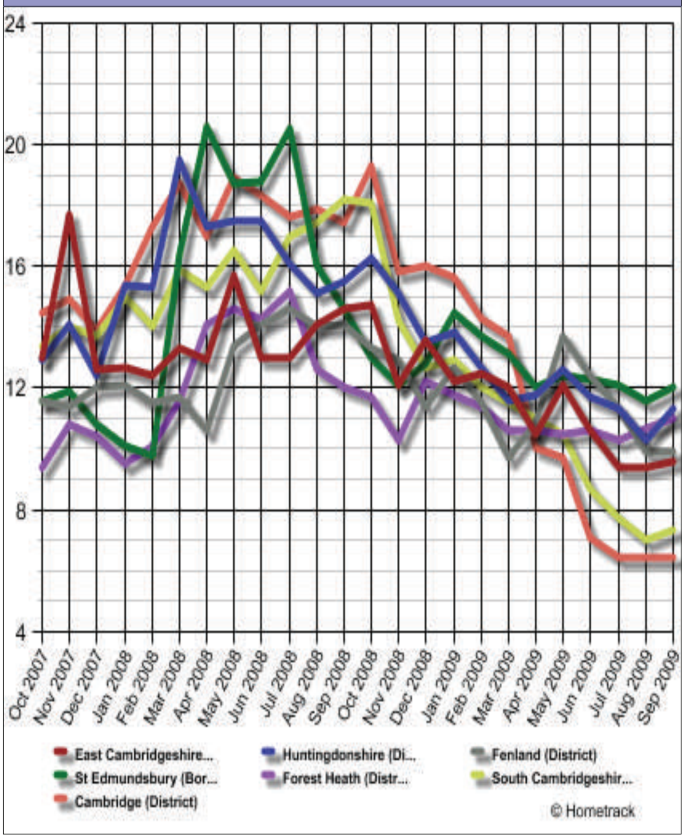



Table 15: **Average number of viewings per sale**

| | Mar-08 | Sep-08 | Mar-09 | Sep-09 | Change September 08 to September 09 |
|---|---|---|---|---|---|
| Cambridge City | 18.7 | 17.4 | 13.7 | 6.4 | -11.0 |
| East Cambridgeshire | 13.3 | 14.6 | 12.0 | 9.6 | -5.0 |
| Fenland | 11.7 | 14.1 | 9.7 | 9.9 | -4.2 |
| Huntingdonshire | 19.5 | 15.5 | 11.6 | 11.3 | -4.2 |
| South Cambridgeshire | 15.9 | 18.2 | 11.5 | 7.3 | -10.9 |
| Forest Heath | 11.6 | 12.0 | 10.6 | 11.0 | -1.0 |
| St Edmundsbury | 16.4 | 14.6 | 13.1 | 12.0 | -2.6 |
| Average across sub-region | 15.3 | 15.2 | 11.7 | 9.6 | -5.6 |

# House price to income ratio

Maps 9 and 10 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 16 shows the ratios for the seven districts in the sub-region in May 2008, August 2008, February 2009, June 2009 and September 2009.

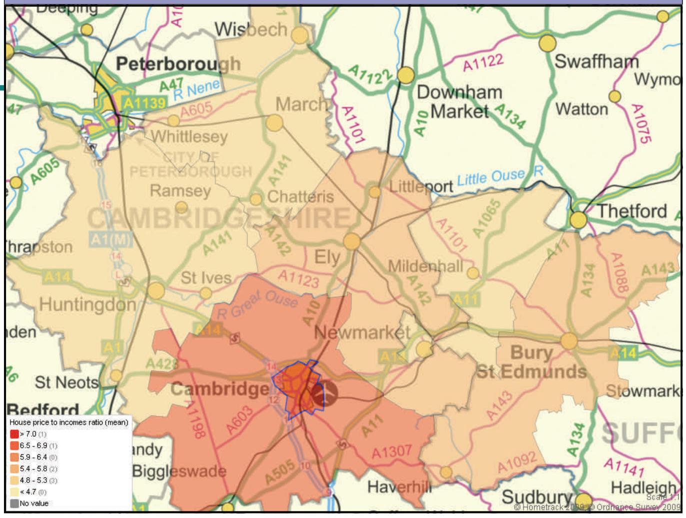
### Comment

Map 9 shows the relative affordability of each complete district in the housing sub-region. Map 10 shows affordability on a ward basis, so the pattern looks a little different. Two fairly clear "zones" form on Map 10 with homes generally more affordable to the north and less so to the south.

Table 16 shows that on September 2009 the highest price to income ratio was seen in the City at 8.1 and the lowest ratio was in Fenland at 4.8. The ratios have fallen for almost every 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 or no equity, such as first time buyers. So although prices may seem more affordable, purchasing may not be much easier. The ratio in the City has risen slightly between June to September 2009.

**Source**: House prices from Hometrack automated valuation model, incomes from CACI paycheck. Latest data September 2009.

Map 9: **House price to income ratio by district, 2009**




Map 10: **House price to income ratio by ward, 2009**

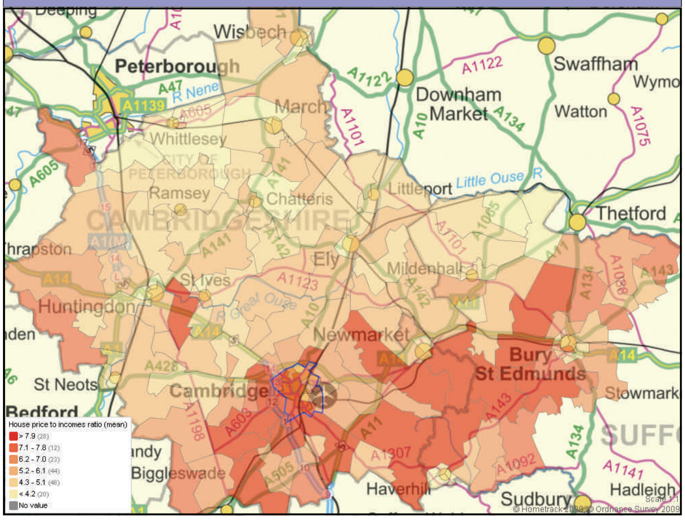



Table 16: **Average house price to income ratio**

| | May 2008 | August 2008 | Feb 2009 | June 2009 | September 2009 | Average of the 5 months shown |
|---|---|---|---|---|---|---|
| Cambridge | 8.9 | 9.1 | 8.8 | 7.9 | 8.1 | 8.6 |
| East Cambridgeshire | 6.3 | 6.5 | 6.3 | 5.7 | 5.5 | 6.1 |
| Fenland | 5.3 | 5.3 | 5.3 | 4.9 | 4.8 | 5.1 |
| Huntingdonshire | 5.9 | 6.1 | 5.8 | 5.2 | 5.1 | 5.6 |
| South Cambridgeshire | 7.5 | 7.9 | 7.4 | 6.6 | 6.5 | 7.2 |
| Forest Heath | 6 | 6.1 | 5.9 | 5.3 | 5.0 | 5.7 |
| St Edmundsbury | 6.6 | 6.4 | 6.2 | 5.8 | 5.8 | 6.2 |
| Average across sub-region | 6.6 | 6.8 | 6.5 | 5.9 | 5.8 | 6.3 |

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## News spreads about our bulletin...

In December 2009, Hometrack's monthly e-mail which is issued to all subscribers featured our housing market bulletin as an example of good practice:

> **Getting the most from your Housing Intelligence System (HIS)**
>
> Effective and engaging communications
>
> Your HIS system is designed to support a wide range of practices. Many customers apply the data and analysis to strengthen internal communications.
>
> Cambridgeshire Horizons is successfully using the Hometrack system in their regular Housing Market Bulletin to increase understanding and drive performance.
>
> Many thanks to Cambridgeshire Horizons for sharing their documentation.

**Please do get in touch if you have any feedback or suggestions about this Bulletin using the contact details provided on the left.**

**Thanks!**

## 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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