Housing Dashboard April 2023

Demand – Sales

Highlights

Data covers 6-month period prior to the stated month (the latest data is for April 22 - October 22) and is updated biannually – next release Summer 2023.

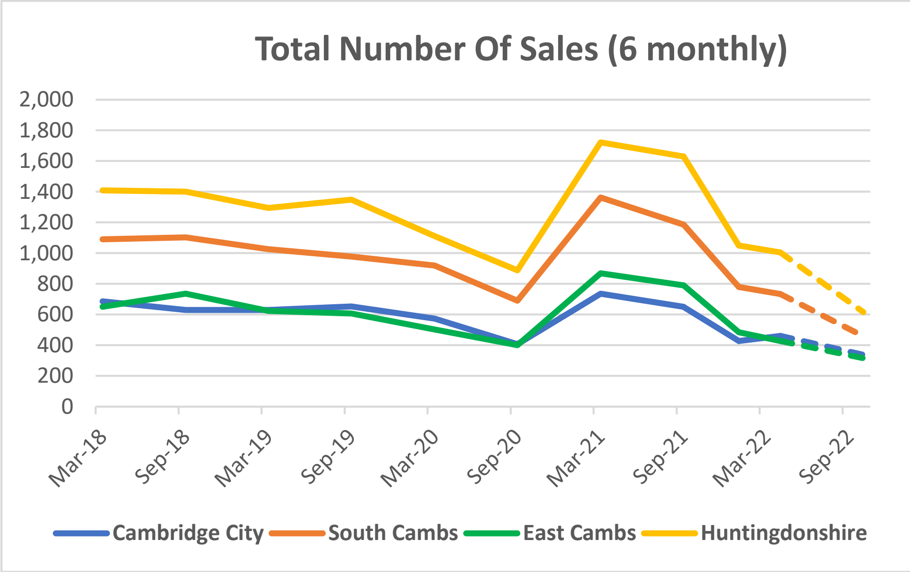
This data has been backdated to adjust to Land Registry updates. The latest 6-monthly data (dotted) should be read as a lag in Land Registry sales recording.

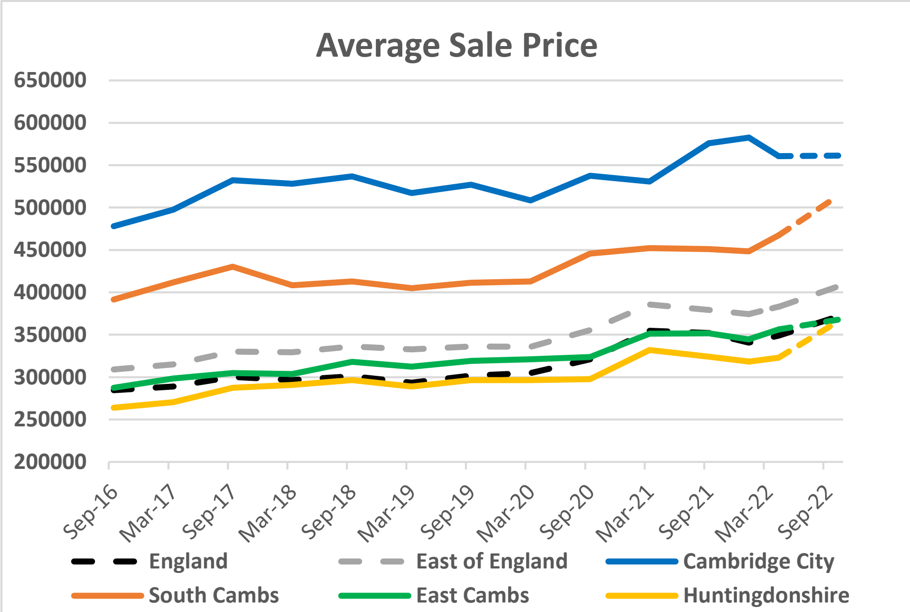
- The trend of a fall in sales since March '21 has continued across districts. There is a stark drop from September to January 22 – about 57-58% in Cambridge and South Cambridgeshire. This matches the national pattern.

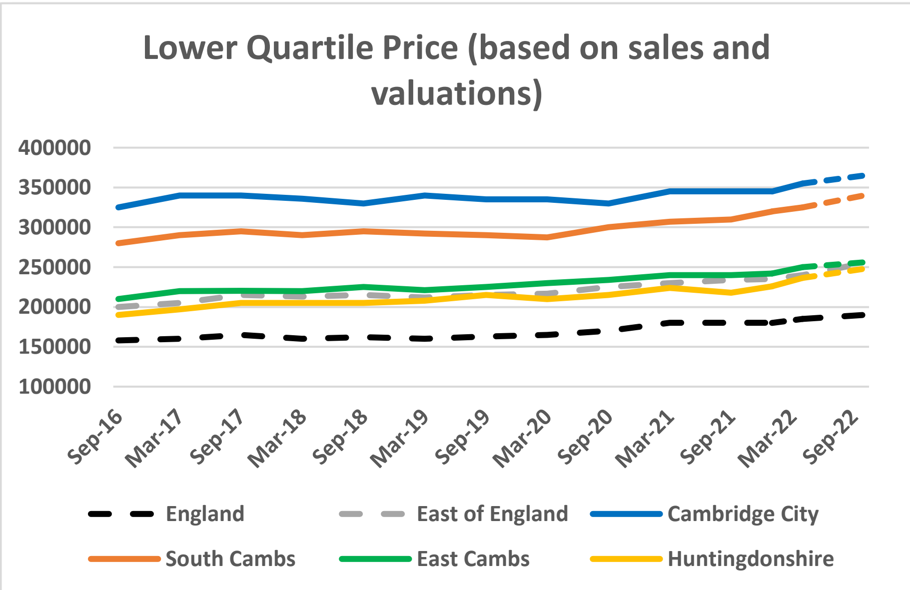
- Early signs show that the average price of a home in Cambridge sold for about 3% less in Sept '22 than Sept '21, bucking a regional trend of continued upward price growth.
- South Cambridgeshire meanwhile shows an indicative growth of 13% between Sept '21 and Sept '22.

The lower quartile price reflects the cheapest 25% of the market and is sometimes used as a guide to 'entry level' prices.

- The average lower quartile price in April '22 was £355,000 in Cambridge City and £325,000 in South Cambridgeshire.
- Lower quartile price rose less than the average price of all property types in South Cambridgeshire, but South Cambs has the highest increase in the region.
- While the price of properties in Cambridge appears to be falling, the lower quartile price of properties has been resilient to this and increased nearly 3% over the 12-month period to April 22.







Data Sources: Cambridgeshire Insight Housing Market Bulletin December 2022 *using* HM Land Registry, England & Wales, Hometrack data (p. 7-9).

Housing Dashboard April 2023

Demand – Private Lettings[1]

Highlights

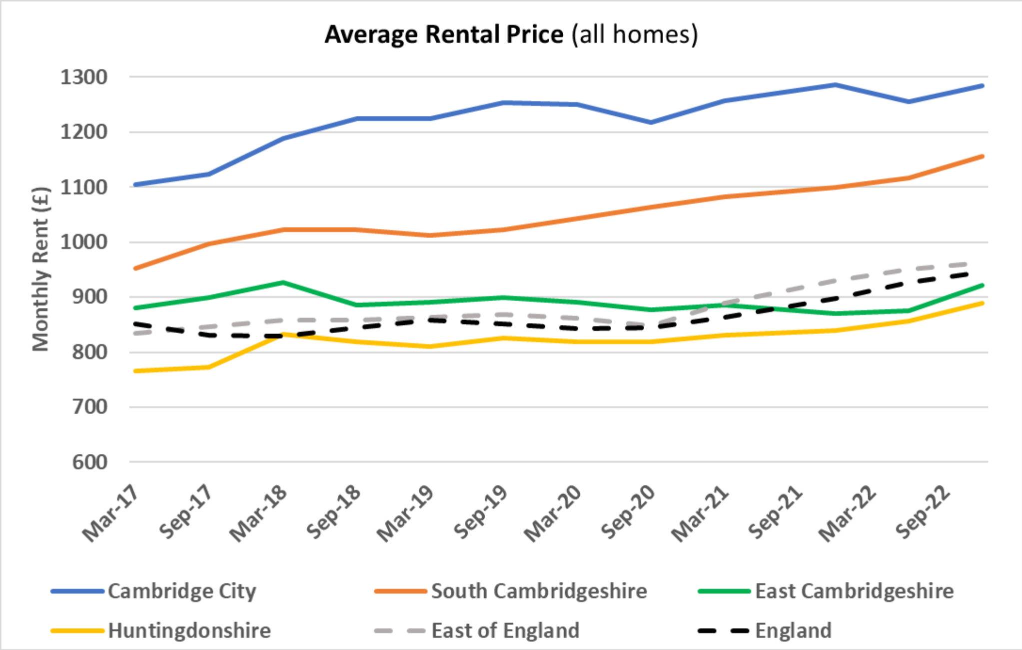
Data covers 12-month period prior to the stated month (i.e., latest data is for October 21 to Sept. 22) and is updated biannually - next release June 2023.

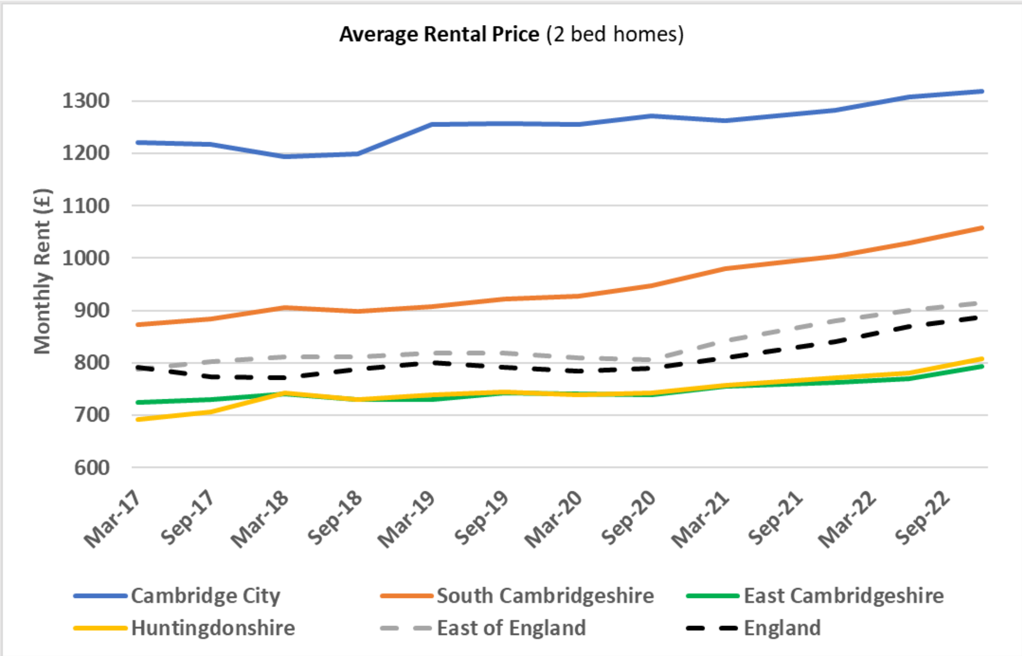
The average rental price across all properties in Cambridge City was £1285pcm in the year to September 2022, and £1156pcm in South Cambridgeshire.

Rental prices increased across all districts the latest data compared to the previous 6-month period. The % change was greatest in East Cambs (5%).

The average rental price of a 2-bed home in Cambridge City was £1318pcm in the year to Sept. 2022.

The average rental price of a 2-bed home in South Cambridgeshire was £1057pcm in the year to Sept. 2022.





RICS UK Residential Market Survey February 2023

- David Boyden MRICS, Boydens Ltd, Colchester, We saw an increase in instructions, but buyers are cautious, thus returning to more stock on the market and possible review of asking prices in the weeks ahead.
- Jeffrey Hazel FRICS, Geoffrey Collings & Co, King'S Lynn - Still demand and sales being agreed.
- Kevin Burt-Gray MRICS, Pocock & Shaw, Cambridge - The market remains somewhat subdued. Motivated vendors and buyers are still providing some activity in the market but we do not expect transaction levels to pick up until later in the year.
  Rob Swiney MRICS, Lacy Scott and Knight, Bury St Edmunds, The UK residential market is now in a period of change and readjustment after the crazy 24-month post COVID property lunge. Things will become much more seasonal again starting from this spring.

[1] ONS Private Rental Market Summary Statistics, RICS UK Residential Market Survey, February 2023

Housing Dashboard April 2023

Supply - Compared to Local Plan requirements[2]

Highlights

Data covers 1 year period (April to March) and is updated annually – next release November 2023.

Across the last 10 years of delivery since 2012:

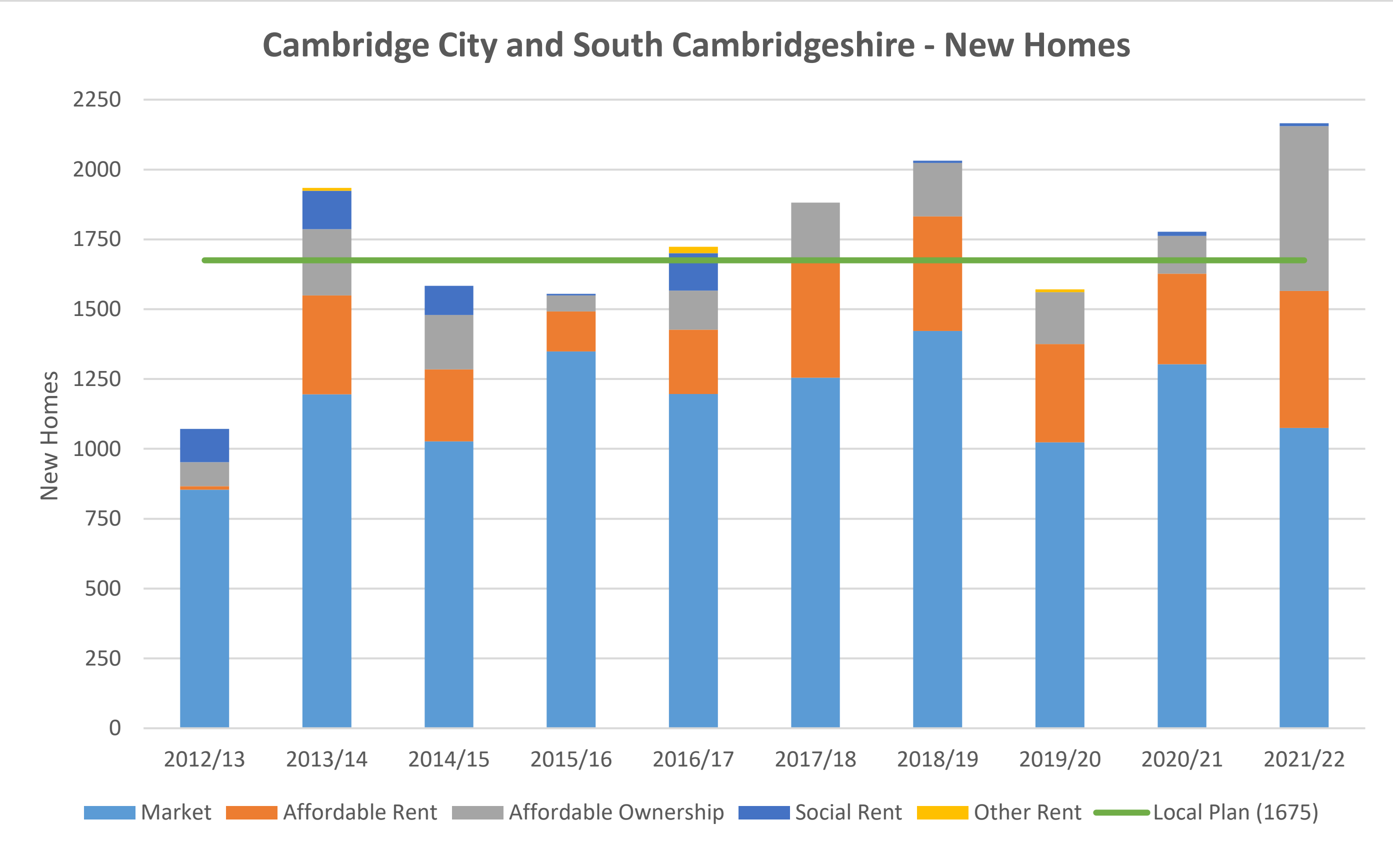
- Cambridge City Council area has surpassed its local plan requirement – delivering an average of 811 new homes per annum against a plan requirement of 700 (average delivery rate).
- The South Cambridgeshire area has fallen short of its local plan requirement – delivering an average of 885 new homes per annum against a plan requirement of 975 (average delivery rate).
- Collectively the two districts have delivered an average of 1695 new homes per annum against a collective plan requirement of 1675.

Delivery of new homes was mixed between both districts over the last 3 years. In total, it surpasses local plan requirements:

- Cambridge City Council area has delivered an average of 506 new homes per annum.
- The South Cambridgeshire area has delivered an average of 1219 new homes per annum.

Future planned delivery:

- Cambridge City Council have agreed a programme to build 1000 council homes in the next ten years (and nearly 2000 homes in total).



		'12/13	'13/14	'14/15	'15/16	'16/17	'17/18	'18/19	'19/20	'20/21	'21/22
Net of supply new homes	City and South	1071	1934	1584	1555	1723	1881	2031	1571	1726	1826
	Camb City	484	1298	715	884	1178	1152	877	464	400	613
	South Cambs	587	636	869	671	545	729	1154	1107	1326	1213
Social Rent	City and South	119	138	105	6	134	0	8	2	15	10
	Camb City	55	123	84	0	87	0	2	2	8	0
	South Cambs	64	15	21	6	47	0	6	0	7	10
Affordable Rent	City and South	12	354	258	143	231	414	410	352	324	490
	Camb City	0	246	111	127	201	323	219	69	97	164
	South Cambs	12	108	147	16	30	91	191	283	227	326
Affordable Ownership	City and South	86	237	194	57	139	212	191	184	135	590
	Camb City	21	168	125	23	116	180	115	31	53	164
	South Cambs	65	69	69	34	23	32	76	153	82	87
Market	City and South	854	1195	1027	1349	1196	1255	1422	1023	1303	1075
	Camb City	408	751	395	734	751	649	541	352	282	285
	South Cambs	446	444	632	615	445	606	881	671	1021	790

[2] MHCLG, Live Tables 123, 1006C, 1006aC, 1007C, 1008C. Cambridge City and South Cambridgeshire Local Plans

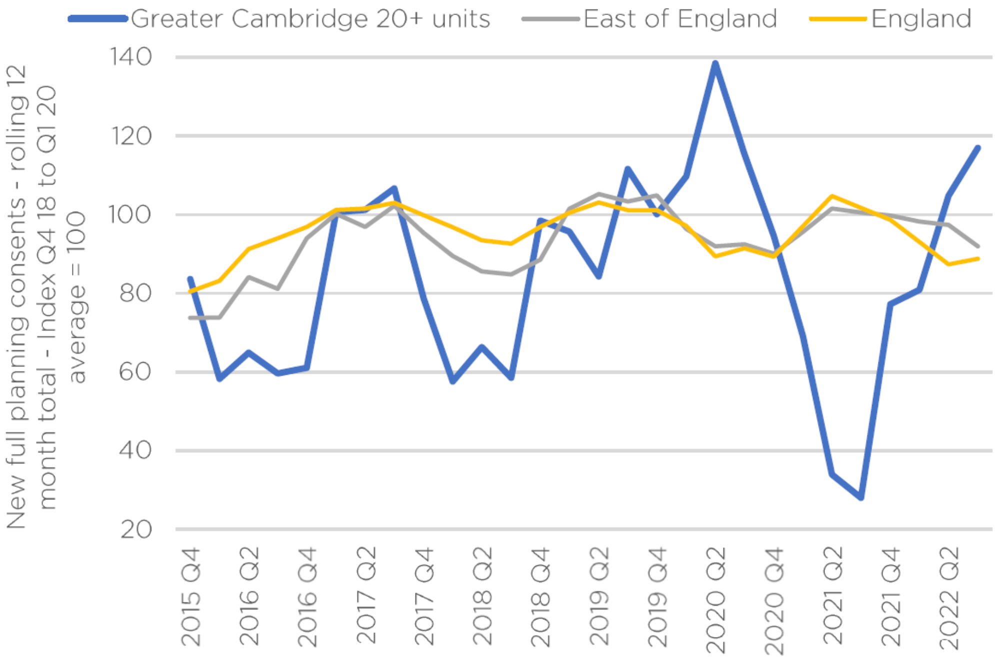
Housing Dashboard April 2023

Build Out Rate - Planning Flow

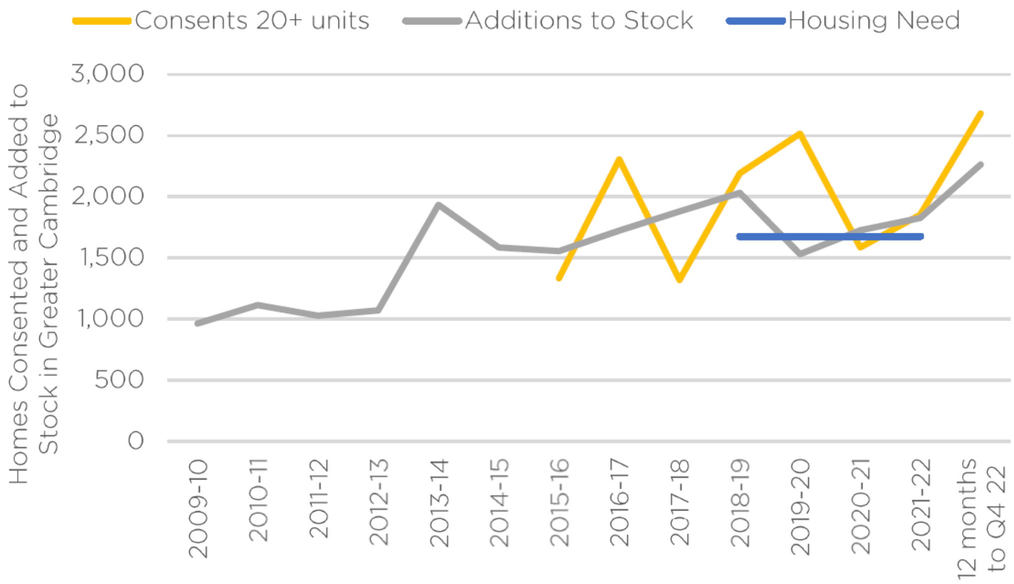
Highlights

Analysis of Planning Consents and Build Out Rate has been produced by Savills, using data from Glenigan. Cambridge Ahead commissioned Savills to conduct this analysis to understand better whether a delivery blockage exists within the local housing delivery system, and how well it compares to the rest of England.

- EPCs lodged for new dwellings indicate that completions of new homes in Greater Cambridge have risen to 2,200 additional homes in the 2022 calendar year, significantly above the 1826 net additional dwellings in the year to March 2022.
- This is from a relatively high base – the housing stock of Greater Cambridge increased by an annual average of 1695 homes in the three years to March 2022, an annual growth rate of 1.4%, compared with an England average of 0.9% per annum.
- The rolling annual flow of new planning consents in Greater Cambridge has recovered from disruption during the Covid-19 pandemic and is now running at 17% above Q4 2018 to Q1 2020 levels, compared with the national fall of 11% from post-2012 peak levels.
- The gap between new consents and additional homes is 17% over a three-year period in Greater Cambridge, below the national average of 26%, indicating that sites are built out relatively quickly in Greater Cambridge.



Source Savills using Glenigan data and HBF Pipeline Report, compiled by Glenigan



Source Savills using Glenigan and DLUHC data

Housing Dashboard April 2023

Supply - Compared to employment growth

Highlights

Data is updated annually – next release of employment growth data March 2024

- Over the last 6-year period to 2022, employment has grown by 5.2%, so that 28,061 new jobs have been created in the Greater Cambridge area (based on CBR data)[3], compared to 12,040 new dwellings[4]. NB. Employment figures count global job creations, not just those of people based in Cambridge.
- ONS projections show that the average household size in Cambridge City is 2.37 and in South Cambridgeshire is 2.39 [5] Based on these averages, the new homes built over the last 6 years would accommodate approximately 28,655 people in Greater Cambridge.[6]
- According to the Greater Cambridge Housing Strategy 78% of Greater Cambridge workers both live and work in Greater Cambridge.
- Even allowing for housing growth outside the Greater Cambridge area, for those that travel in to work, these figures suggest that housing supply is failing to keep pace with job creation. Over time this will continue to exacerbate housing affordability pressures and continue to extend the Cambridge travel to work area.
- Census data from 2021 shows that population in Cambridge has grown by 17.6% since 2011, which apart from Bedford (17.7%), makes it the authority with the highest population growth outside of London.

Employment growth compared to new dwellings: Greater Cambridge

3 - year period (2018-19 to 2021-22)		
	Total	% pa change
Employment Growth - CBR	10,447	3.5
Employment Growth - BRES		1.4
Employment Growth – CBR/BRES combined	13,764	2.4
New Dwellings	5253	

6 - year period (2014-15 to 2021-22)		
	Total	% pa change
Employment Growth - CBR	28,061	5.2
Employment Growth - BRES		1.8
Employment Growth – CBR/BRES combined	32,088	2.8
New Dwellings	12,040	

[3] Cambridge Cluster Insights, 2023;

[4] Greater Cambridge Planning (2022) https://www.greatercambridgeplanning.org/media/2674/gc-housing-trajectory-and-5yhls-report-14-march-2022.pdf

[5] ONS (2023) – Household size https://www.ons.gov.uk/datasets/TS017/editions/2021/versions/3

[6] Greater Cambridge Planning (2022) https://www.greatercambridgeplanning.org/media/2674/gc-housing-trajectory-and-5yhls-report-14-march-2022.pdf

Housing Dashboard April 2023

Homelessness and Rough Sleeping[7]

Homelessness

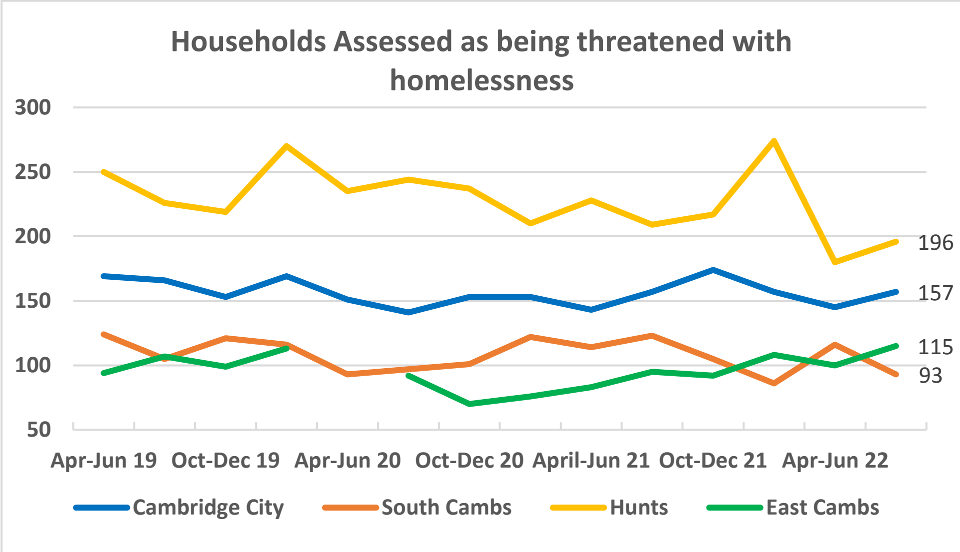
Data covers stated 3-month period. The latest data is for July to Sept-2022 and is updated quarterly. Next release May/June 2023.

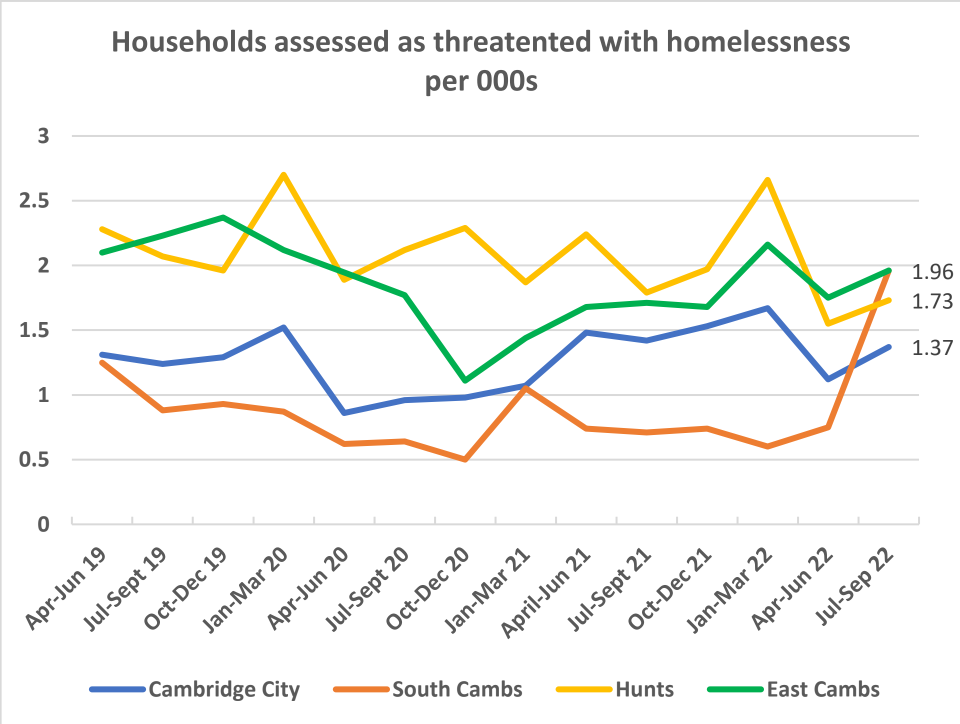
250 households were initially assessed as homeless or threatened with homelessness and owed a statutory prevention and relief duty across Cambridge City and South Cambridgeshire, representing a nearly 5% drop on figures 12 months earlier.

Of these, 158 households were assessed as homeless, and therefore owed a relief duty across Cambridge City and South Cambridgeshire, representing a 2.1% increase on figures 12 months earlier.

The remaining 92 households were initially assessed as threatened with homelessness and therefore owed a prevention duty across Cambridge City and South Cambridgeshire, representing a 14.6% drop on figures 12 months earlier.

On 31 June 2022 the number of households in temporary accommodation in Cambridge City and South Cambs was 190, up 4.5% on figures 12 months earlier.

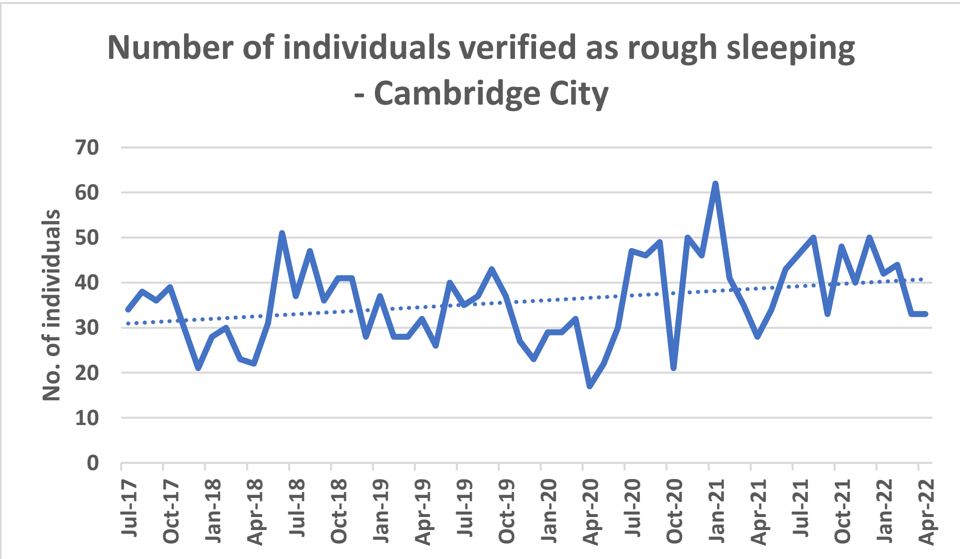




Rough Sleeping

Figures show rough sleeping individuals assessed by the Street Outreach Team. There are additional individuals who may have been rough sleeping but were not assessed. Some people may appear in more than one month.

During April 2020 the number of individuals verified as rough sleeping in Cambridge City reached a 3-year low point of 17. These figures need to be seen in the context of implementing the national 'Everyone In' campaign to get rough sleepers off the streets as a response to the Covid-19 pandemic.



[7] MHCLG Statutory Homelessness Statistics, [Cambridge City Council Strategic Housing Key Facts]()

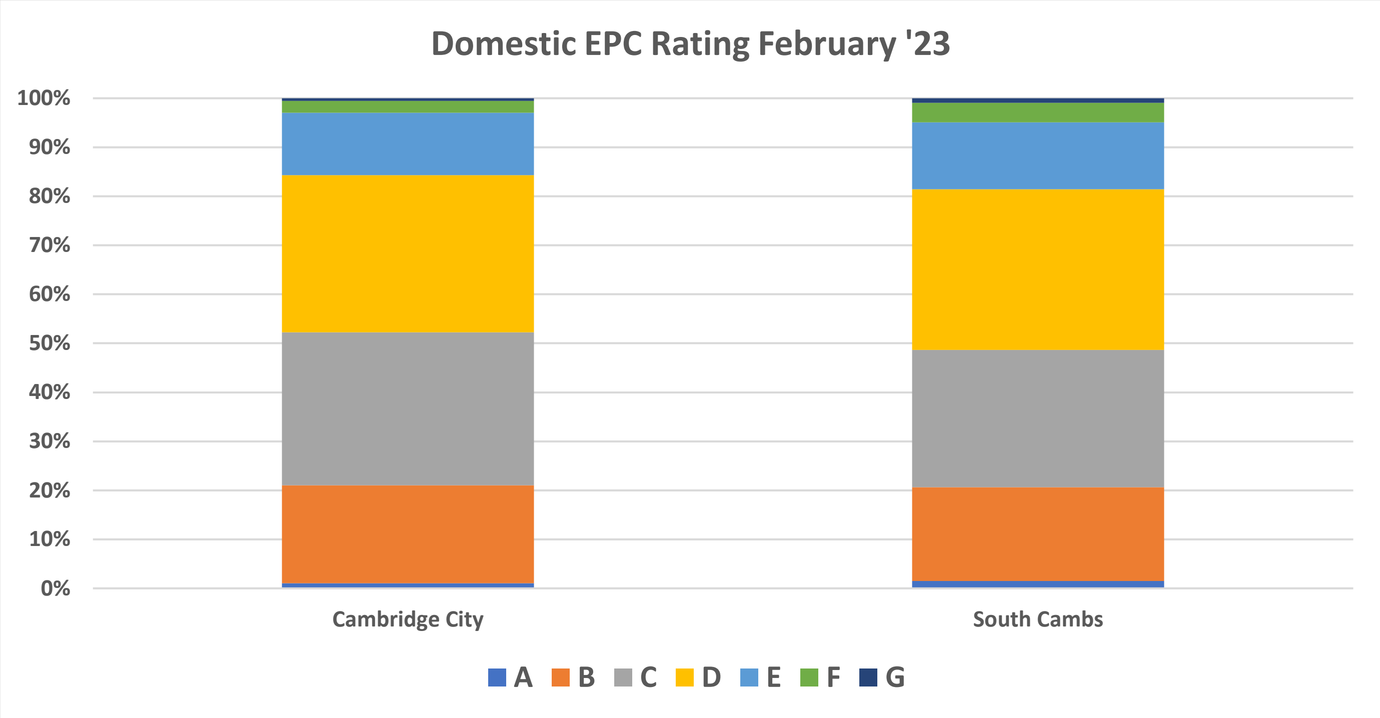
Housing Dashboard April 2023

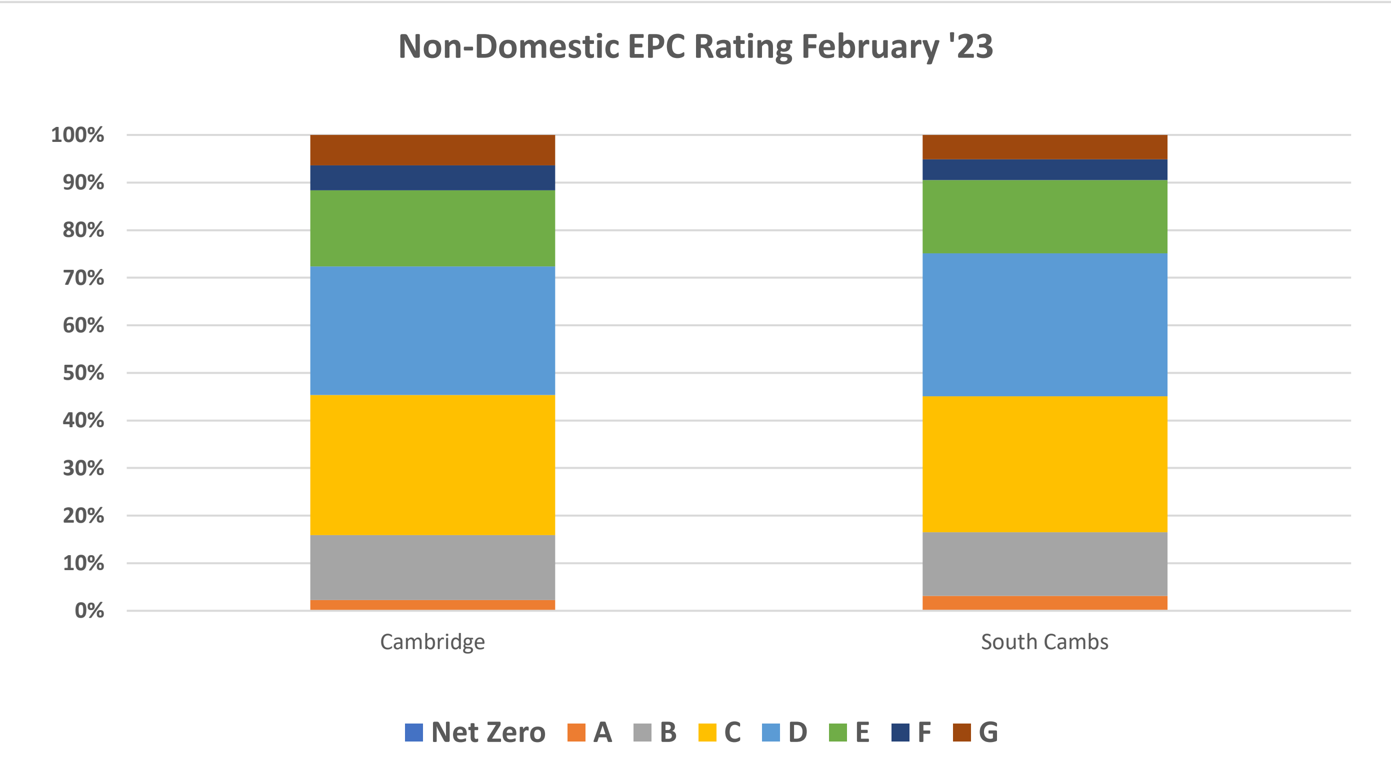
EPC Rating – Domestic and Non-Domestic Buildings[8]

Highlights

The Government's Energy White Paper proposes that all domestic buildings should be rated EPC 'C' or above by 2035. They also plan to set regulatory standards so that privately rented homes will need to be EPC 'C' by 2028. The Cambridgeshire and Peterborough Independent Climate Commission found that energy use in our homes accounts for almost a quarter of overall emissions in our region.

At present, domestic buildings have better overall EPC ratings than non-domestic buildings in both Cambridge City and South Cambs. 52.2% of EPCs in Cambridge City have an EPC 'C' rating or higher, compared to 48.6% in South Cambridgeshire. In both, this proportion has increased since January 2022 (18% and 36% respectively).





[8] Department for Levelling Up, Housing & Communities, Energy Performance of Buildings Register

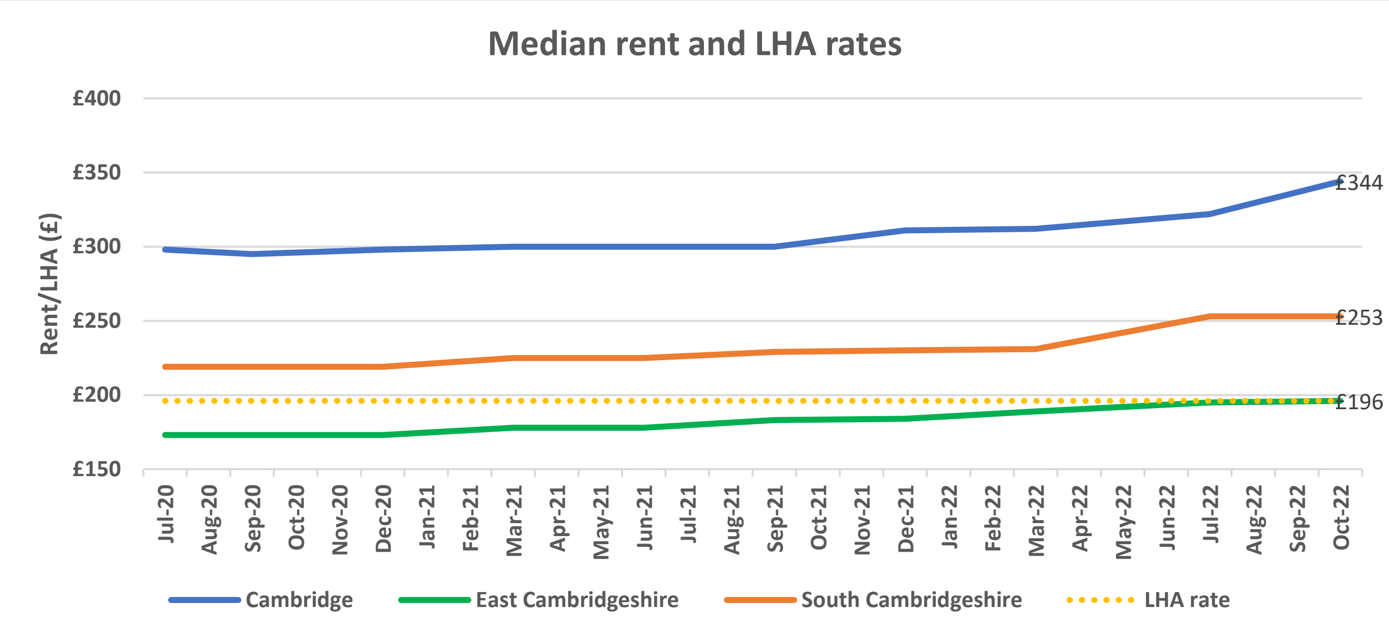
Housing Dashboard April 2023

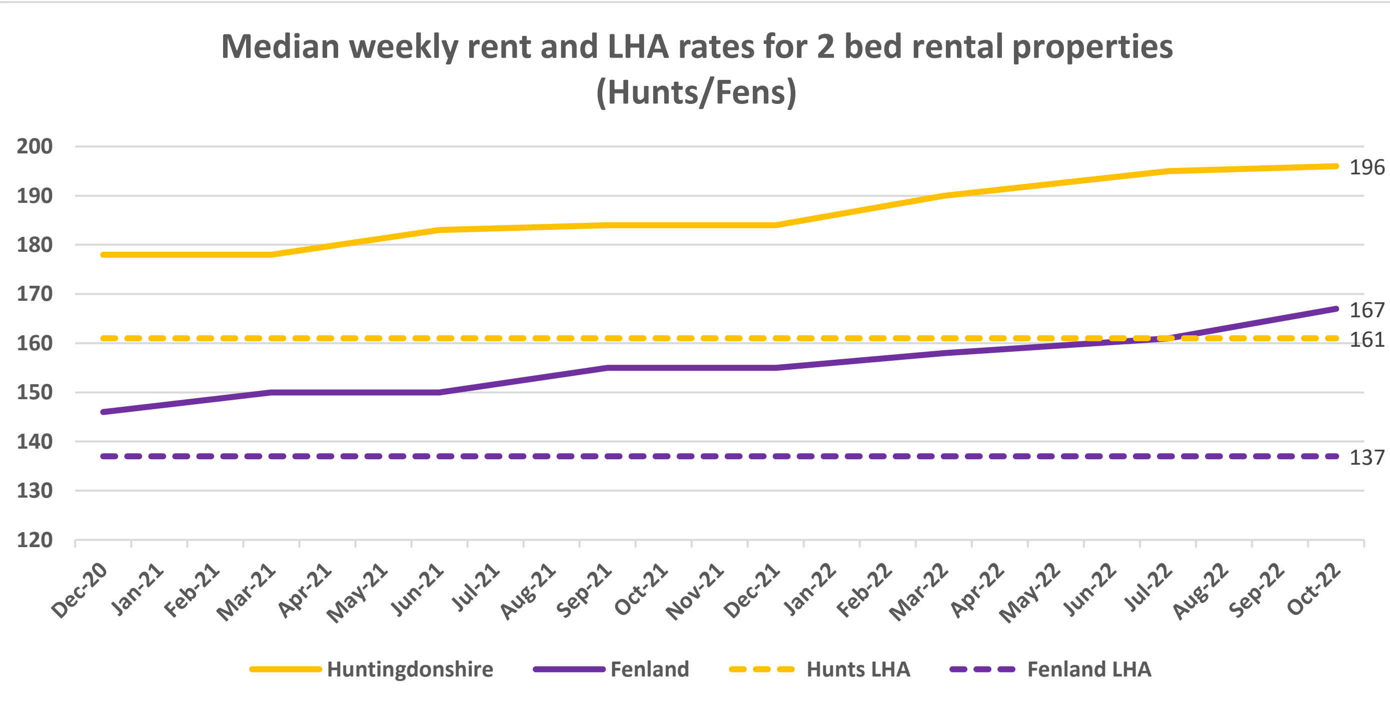
Average rent compared to Local Housing Allowance[11]

Highlights

Local Housing Allowance (LHA) is a method of calculating housing benefits for people in the private rented sector. LHA rates are based on the 'market rental area' someone lives in and the composition of their household. LHAs are set by government.

- Across Cambridgeshire, average (median) rent rose for every size of private rented accommodation between July 2020 and October 2022.
- The Local Housing Allowance has been frozen since April 2020 - £196 per week for a 2 bed in Cambridge, East Cambridgeshire, and South Cambridgeshire.
- Lower quartile rent for a two bed in Cambridge is £1,150 a month, meaning there is a shortfall of £300 a month between the LHA (£784) and the average rent for the cheapest 25% of rental properties. For comparison, lower quartile rent in Oxford is £1,153 and the LHA rate is £912.50 per month, leaving a shortfall of £240.50.[9] [10]





[9] ONS Private Rental Market Summary Statistics

[10] Oxford City Council Local Housing Allowance Rates

[11] Housing Board for Cambridgeshire, Peterborough & West Suffolk. Housing Market Bulletin, 54. December 2022.

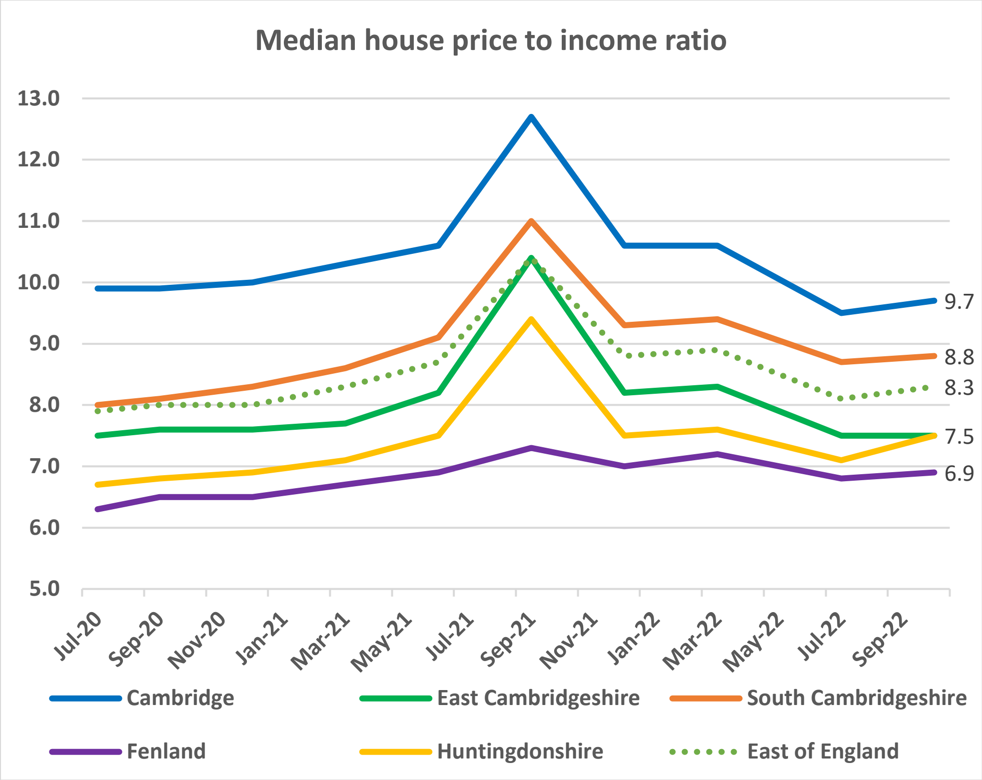
Housing Dashboard April 2023

Affordability ratios: median income to median house price[12]

Highlights

Affordability ratios compare income or earnings to house prices to give an impression of how affordable it is to purchase a home in a particular area. There are a range of different ways of calculating affordability ratios, with the most common looking at median income compared to median house price.

- In Cambridge, the median house price is roughly ten times the median income. This ratio has fluctuated over the past two years, reaching a high of 12.7 in September 2021.
- This reflects a pattern across the region, with the median house price to median income ratio peaking in September 2021 across Cambridge, East Cambridgeshire, South Cambridgeshire, Huntingdonshire and Fenland.
- In Cambridge and South Cambridgeshire, the median house price to income ratio is higher than the average for the East of England across this period.

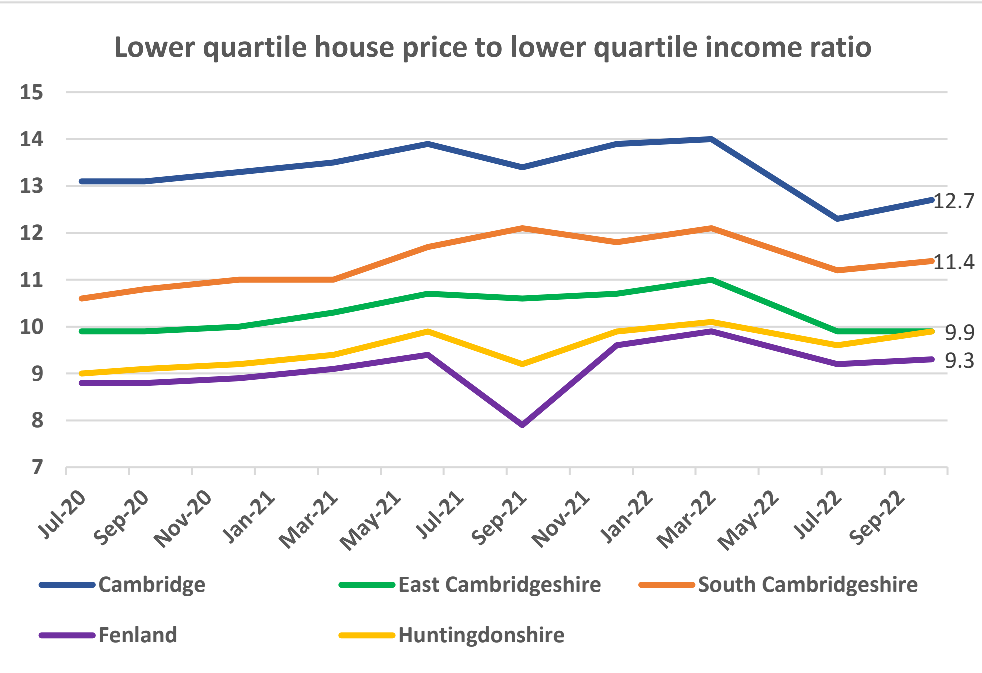


Affordability ratios: lower quartile income compared to lower quartile house price

Highlights

The lower quartile affordability ratio compares the lowest quarter of incomes with the lowest quarter of house prices across areas.

- In Sept 2022, the average lower quartile house price was 12.7 times higher than the average lower quartile income in Cambridge. This is up from a low-point for the city in Jul-22.
- Across every part of Cambridgeshire, the affordability ratio is higher for people on lower quartile incomes (when compared to lower quartile house prices) than for people on median incomes (when compared to median house prices).



[12] Housing Board for Cambridgeshire, Peterborough & West Suffolk. Housing Market Bulletin, 54. October 2022.