

Six Monthly SHMA Update October/November 2009

1.0 Introduction

The first Strategic Housing Market Assessment was commissioned in 2007 and published April 2008. During 2008/2009 the first update to this document was carried out and published.

The findings of the update report were presented to stakeholders by the Housing Market Partnership (Braintree District Council, Chelmsford Borough Council and Colchester Borough Council) at a consultation event held in April 2009. The event provided an opportunity for discussion about the findings made, and the approach to future updates.

The feedback obtained from stakeholders indicated that a mini interim market update between annual updates would be useful, especially given the instability of both the financial and housing markets.

The following areas were agreed by the HMP to be included in the six monthly SHMA update:

- Property sold prices;
- Repossession rates;
- House sale turnover rates;
- Local Housing Allowance level; and
- Unemployment rates

To try and ensure this document is easy to use we have published the information with limited commentary and included graphs where appropriate to represent any trends in the data. We would welcome your feedback on how useful this document has been and any comments or suggestions you may have for improving future editions. If you would like to pass on your comments please email Alison.weaver@braintree.gov.uk.

2.0 Summary of annual update April 2009

The first SHMA update that was published in April 2009 covered the following areas:

- Population and migration trends;
- Affordability and Updating the Housing Cost Ladder;
- Weekly Housing Cost;
- Empty Homes in the District;
- Household Income and Earnings;
- Mortgage Information;
- Market Activity;
- Repossessions; and
- Homelessness Trend within the district

Summary findings April 2009	Summary findings October/November 2009
Net inflow into the district from neighbouring councils 2007: 160 Net inflow into the district from London boroughs 2007: 930	Net inflow into the district from neighbouring councils 2008: 270 Net inflow into the district from London boroughs 2008: 720
Average drop of 20.5% in property prices (across Braintree, Witham and Halstead)	Average property prices increased by 14.7% (across 1,2,3 and 4 bed properties).
Number of empty homes returned to use during 2008/09: 125	Number of empty homes returned to use during 2009/10 to date: 45
Number of JSA claimants in Braintree District April 09: 3,089	Number of JSA claimants in Braintree District Oct 09: 3,022
The entry level price of a 2-bed property was: £113,330	The entry level price of a 2-bed property: £127,648
Average time to sell: 11 weeks	Average time to sell: 7.6 weeks
Outright mortgage possession orders 2008 = 560	Outright mortgage possession orders Jan to Sept 2009 = 265
Landlord possession actions, outright order 2008 = 430	Landlord possession actions, outright orders Jan to Sept 2009 = 305

Property Prices (rightmove.co.uk) November 2009

The lower quartile property prices have been obtained from www.rightmove.co.uk. A search was conducted for each property size and the highest property price of the lowest quartile from the list of results has been used as the market entry level for that size of property.

Research suggests that properties are tending to sell for 95% of the asking price and we have used this to estimate sold prices of property across the Braintree, Witham and Halstead areas.

Braintree area

Bedrooms	Number advertised	Lower quartile price	Estimated Sold price
1	38	£94,995	£90,245
2	165	£137,995	£131,095
3	202	£175,000	£166,250
4	148	£250,000	£237,500

Witham area

Bedrooms	Number advertised	Lower quartile price	Estimated sold price
1	42	£94,500	£89,775
2	35	£129,950	£123,452
3	50	£166,995	£158,645
4	47	£235,000	£223,250

Halstead area

Bedrooms	Number advertised	Lower quartile price	Estimated sold price
1	2	£81,247 (average of 2 properties)	£77,184
2	59	£115,000	£109,250
3	36	£162,950	£154,802
4	24	£199,995	£189,995

Average property prices for Braintree district

Bedrooms	Average Lower quartile price	Estimated sold price
1	£90,247	£85,734
2	£127,648	£121,265
3	£168,315	£159,899
4	£228,331	£216,914

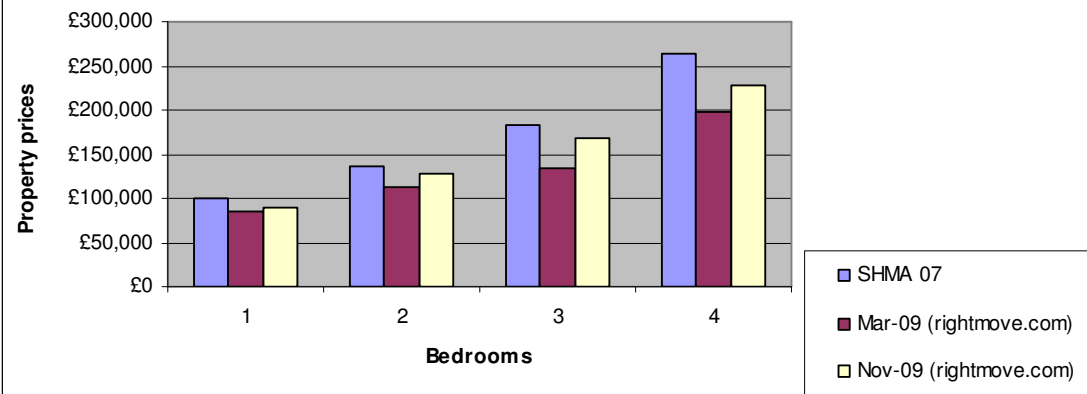
Comparison

Note: The figures in the table below represent advertised prices of property and not sold prices.

Average lower quartile property prices				
Bedrooms	SHMA 07	March 2009 (rightmove.com)	November 2009 (rightmove.com)	Trend April to November 09
1	£100,000	£85,665	£90,247	↑ 5.34%
2	£136,000	£113,330	£127,648	↑ 12.6%
3	£182,000	£134,333	£168,315	↑ 25.3%
4	£263,000	£197,583	£228,331	↑ 15.5%

(Fordham Research (2007) Braintree SHMA; www.rightmove.co.uk)

Graph to show the comparison in house prices during each housing market study since the SHMA



(Fordham Research (2007) Braintree SHMA; www.rightmove.co.uk)

House sale turnover rates

Six month update:

(August 2009)

- Time to sell (weeks) : **7.6**
- Sales to asking price: **95 %**
- Number of viewings per sale: **7.5**
- Newly registered buyers: **2.85**
- Newly registered properties: **-2.2**

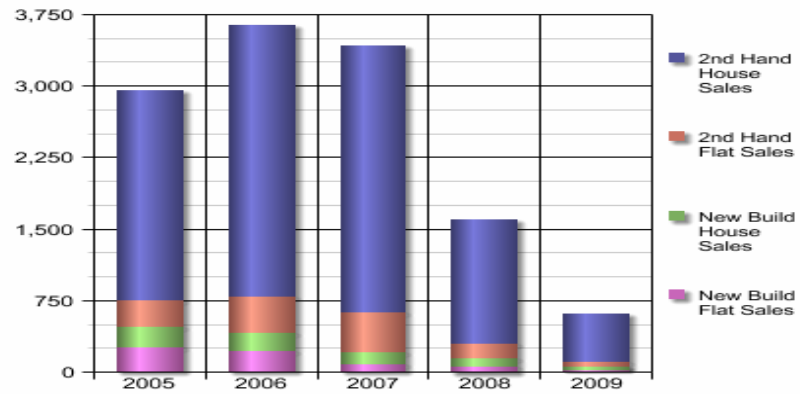
(Hometrack 2009)

Note: The figures for 2009 in the table below represent a projection of the number of sales from January to December 2009 based on the data collected from January to September 2009.

	2nd hand house sales	2nd hand flat sales	new build house sales	new build flat sales
2005	2,201	277	221	256
2006	2,847	349	186	223
2007	2,802	416	121	79
2008	1,301	156	88	51
2009	648	62	40	13

(Hometrack 2009)

Annual turnover by broad type and age



Source: Land Registry

Note

The chart shows the total volume of housing turnover in the area each year split between houses and flats and second hand and newly built housing based on Land Registry data.

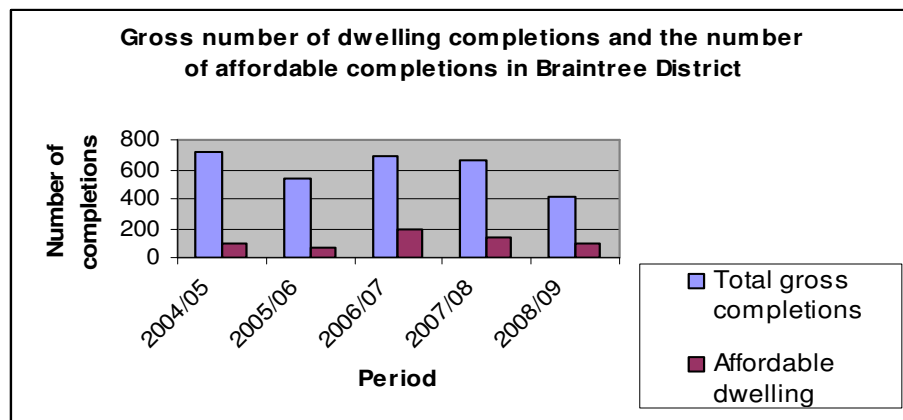
Completions

The table below shows the total gross number of completed dwellings and the number of affordable dwellings completed each year from 2004/05 to 2007/08. The data has been obtained from the Annual Monitoring Reports (AMR's) completed by BDC Planning Dept.

	Total gross completions	Affordable dwelling completions
2004/05	713	91
2005/06	542	69
2006/07	687	188
2007/08	657	142
2008/09	415	100

(Source: BDC AMR's)

This data is represented in the table below:



(Source: BDC AMR's)

Repossession Rates (Colchester County Court)

The table below shows some key repossession data obtained from Colchester County Court:

- Details of mortgage possession actions; and
- All landlord possession orders

The Braintree District is served by both Chelmsford and Colchester County Courts however the data from Chelmsford County Court does not offer the same data breakdown as that from Colchester CC.

		Mortgage possession actions			Landlord possession actions		
		Claims issued	Suspended orders ^{4,5}	Outright orders ⁴	Claims issued	Suspended orders ^{4,5}	Outright orders ⁴
2007	1	280	85	115	235	55	140
	2	295	70	120	205	31	110
	3	310	66	130	230	40	125
	4	290	80	105	190	35	100
2008	1	350	80	125	235	35	85
	2	300	135	185	230	80	125
	3	270	105	130	225	50	110
	4	190	90	120	215	50	110
2009	1	170	50	65	260	70	115
	2	210	70	95	200	65	95
	3	210	75	105	225	70	95

(Source: Ministry of Justice. Note: The Mortgage Pre Action Protocol for possession claims relating to mortgage or home purchase arrears was introduced on 19th November 2008. Its introduction has coincided with a substantial fall in the number of mortgage possession claims issued in quarter 4 2008 and orders made in Quarter 1 2009).

Local Housing Allowance (BDC Revenues and Benefits Service)

LHA is a new way of calculating Housing Benefit (HB) which is based on the area applicants live, number of occupiers in the property and household size. LHA ensures that tenants in similar circumstances in the same area receive the same amount of financial support for their housing costs.

The LHA rates are calculated for individual areas, known as Broad Market Rental Areas, each month. The amount payable is based on the 'middle of the range' rental figure for the area, which the property is in and takes account of the size of the property. There is no single Broad Market Rental Area that covers the Braintree district; instead the district is covered by the following 4 Broad Market Rental Areas:

- Colchester;
- Bury;
- Chelmsford; and
- Cambridge

The following tables show the LHA rate of the 4 Broad Market Areas that cover the Braintree District by size of property for April and November 2009.

April 2009 update

	Shared rate	1 bedroom	2 bedroom	3 bedroom	4 bedroom	5 bedrooms
Colchester	£60	£109.62	£137.31	£163.85	£210.69	£271.15
Bury	£67.04	£103.85	£126.92	£155.77	£230.77	£322.50
Chelmsford	£65	£126.92	£160.38	£184.62	£288.46	£346.15
Cambridge	£73.85	£139.62	£160.38	£183.46	£252.69	£311.54

November 1st 2009

The table below shows the LHA rates applicable to the Braintree District for November 09 and indicates whether the figures represent an increase or decrease compared to the rates in April 09.

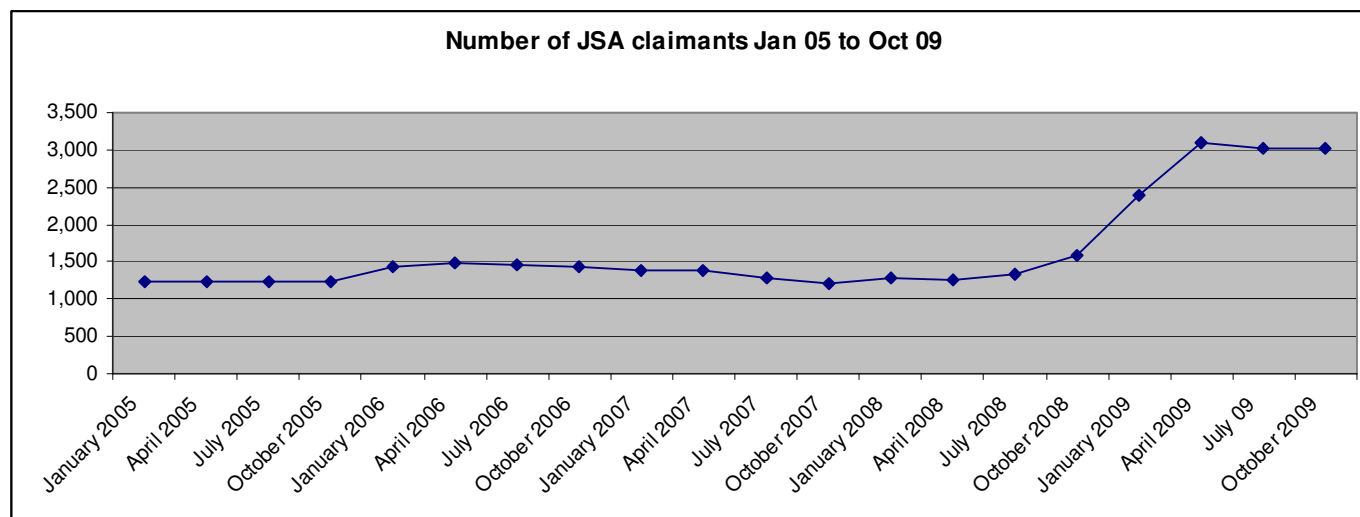
	Shared rate	1 bedroom	2 bedroom	3 bedroom	4 bedroom	5 bedrooms
Colchester	£61.69 ↑	£103.85 ↓	£132.69 ↓	£161.54 ↓	£207.69 ↓	£253.85 ↓
Bury	£71.54 ↑	£103.85	£126.92	£150 ↓	£230.77	£323.08 ↑
Chelmsford	£80.77 ↑	£126.92	£150 ↓	£183.46 ↓	£253.85 ↓	£346.15
Cambridge	£76.00 ↑	£144.23 ↑	£155.77 ↓	£173.08 ↓	£253.85 ↑	£346.15 ↑

(Source: BDC Revenues and Benefits Service November 2009)

Unemployment rates (www.nomisweb.co.uk)

The table below shows the number of JSA claimants in the Braintree District which has been obtained www.nomisweb.co.uk.

Jan 05	Apr 05	Jul 05	Oct 05	Jan 06	Apr 06	Jul 06	Oct 06	Jan 07	Apr 07	Jul 07	Oct 07	Jan 08	Apr 08	Jul 08	Oct 08	Jan 09	Apr 09	Jul 09	Oct 09
1,224	1,230	1,244	1,222	1,433	1,491	1,469	1,429	1,397	1,397	1,279	1,217	1,278	1,250	1,330	1,582	2,383	3,089	3,015	3,022



**JSA claimant count records the number of people claiming Jobseekers Allowance (JSA) and National Insurance credits at Jobcentre Plus local offices. This is not an official measure of unemployment, but is the only indicative statistic available for areas smaller than Local Authorities.*

Percentage change between April and September	
3028/ 3089 x 100 = 98%	2% decrease in the number of JSA claimants