

House Prices and Housing Affordability Ratios

Cumbria and Districts 2017

Introduction

There are two major sources of house price data: House Price Statistics for Small Areas (HPSSAs) published by the Office for National Statistics and StreetValue data produced by CACI Ltd and subscribed to by the Cumbria Intelligence Observatory.

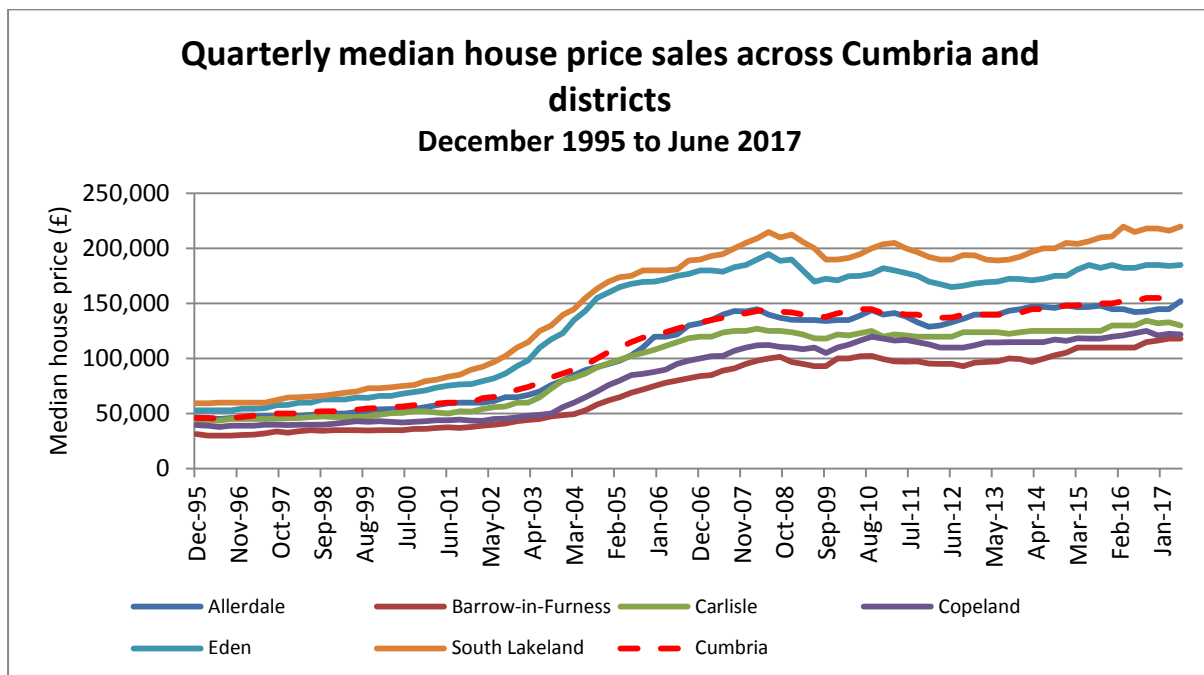
House Price Statistics for Small Areas (HPSSAs)

The HPSSAs dataset has been produced by the Office for National Statistics since February 2015. Statistics were formerly produced by the Department for Communities and Local Government. HPSSAs report the count, median price, mean price and lower quartile price of all residential dwellings sold and registered since 1995 on a quarterly rolling year basis using open data from the Land Registry, a source of comprehensive record level administrative data on residential property transactions. In order to avoid biasing house price data, the data excludes sales that were not at the full market value, such as those sold under the Right to Buy scheme.

As Land Registry data is based on actual sales for the period specified it can be subject to volatility, particularly in small areas where sales of particular housing types, or overall house sales may be too low to determine a robust median house price. However, for larger geographies such as local authority areas, Land Registry provides a useful indication of trends in house sale prices over time.

Figure 1 plots median house price sales for Cumbria and the county's six local authority districts over the last 22 years on a quarterly rolling year basis, from December 1995 to June 1997.

Figure 1: Quarterly median house price sales for Cumbria's districts, 1995 to 2017



Source: Office for National Statistics, House Price Statistics for Small Areas (HPSSAs) 2017

House price sales vary considerably across Cumbria's six districts. Barrow-in-Furness has consistently had the lowest median sale price of all Cumbria's districts, whilst South Lakeland has consistently had the highest sale prices. At June 2017, the median sale price in South Lakeland (£220,000) was almost twice that of Barrow-in-Furness (£118,000) (+86.4%; +£102,000).

Sale prices increased rapidly between 2001 and 2007 across all six districts before growth levelled off around the time of the global economic downturn in 2008. Following a period of fluctuation, sale prices began to increase. However, over the last 12 months, between June 2016 and June 2017, house prices across the county have increased more slowly (+2.0%; +£3,000), less than the increase in both the North West region (+4.1%; +£6,000) and England (+3.6%; +£7,995). Prices decreased slightly in Copeland (-0.8%; -£995), and remained static in Carlisle (0%; +£5). Allerdale and Barrow-in-Furness saw the largest increases in the 12 months from June 2016 to June 2017 (+6.9% / +£9,775 and +7.3% / +£8,000 respectively). The median price increase across Barrow-in-Furness brought the district more in line with median house prices in Copeland at June 2017.

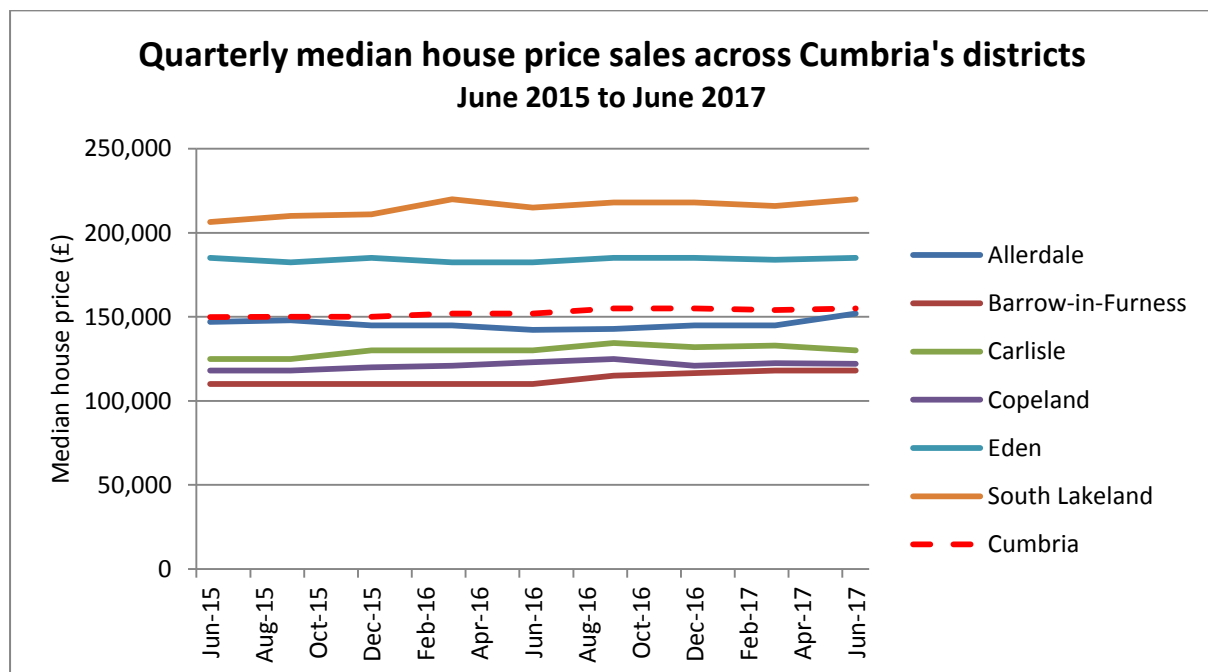
Table 1 compares median house price sales at June 2017 with prices at June 2016 and June 2015. Median house prices across Cumbria's districts for all quarters between June 2015 and June 2017 are illustrated in Figure 2.

Table 1: Comparison of median house price sales, 2015 to 2017

District	Median sale price June 2015	Median sale price June 2016	Median sale price June 2017	£ change 2 years: June 15 to June 17	% change 2 years: June 15 to June 17	£ change 1 year: June 16 to June 17	% change 1 year: June 16 to June 17
Allerdale	£147,000	£142,225	£152,000	£5,000	3.4	£9,775	6.9
Barrow-in-Furness	£110,000	£110,000	£118,000	£8,000	7.3	£8,000	7.3
Carlisle	£125,000	£130,000	£129,995	£4,995	4.0	-\$5	0.0
Copeland	£118,000	£122,995	£122,000	£4,000	3.4	-\$995	-0.8
Eden	£185,000	£182,499	£185,000	£0	0.0	£2,501	1.4
South Lakeland	£206,374	£215,000	£220,000	£13,627	6.6	£5,000	2.3
Cumbria	£149,950	£152,000	£155,000	£5,050	3.4	£3,000	2.0
North West	£140,000	£146,000	£152,000	£12,000	8.6	£6,000	4.1
England	£205,000	£219,995	£227,950	£22,950	11.2	£7,955	3.6

Source: Office for National Statistics, House Price Statistics for Small Areas (HPSSAs) 2017

Figure 2: Quarterly median house price sales for Cumbria's districts, 2015 to 2017



Source: Office for National Statistics, House Price Statistics for Small Areas (HPSSAs) 2017

StreetValue data (CACI Ltd)

StreetValue produced by CACI Ltd and subscribed to by the Cumbria Intelligence Observatory, uses information drawn from mortgage lenders to model house prices, providing a snapshot of prices at a given point in time. StreetValue has the advantage that it can be produced for small areas. It can also be combined with the CACI Ltd Paycheck data set to produce estimates of housing affordability. However, as CACI Ltd frequently add new data sources when producing the annual StreetValue dataset, figures cannot be compared directly with figures for previous years.

CACI Ltd StreetValue data indicate that the median house price in Cumbria was £150,160 at May 2017, one quarter (-25.8%, -£52,162) less than the national (Great Britain) median house price of £202,322. Median house prices were lower than the national median price in every district except South Lakeland. However, median house prices varied considerably across Cumbria's six districts. In line with figures produced by the Office for National Statistics, Barrow-in-Furness had the lowest median house price (£108,432), almost half that of Great Britain, whilst South Lakeland had the highest (£225,706). Table 2 compares the StreetValue mean, median and lower quartile house prices for Great Britain, Cumbria and districts at May 2017.

Table 2: House prices for Great Britain, Cumbria and Districts at May 2017

Area name	Mean	Median	Lower Quartile
Great Britain	£289,612	£202,322	£125,409
Cumbria	£180,888	£150,160	£95,984
Allerdale	£163,834	£134,916	£87,910
Barrow-in-Furness	£128,467	£108,432	£74,777
Carlisle	£148,359	£125,661	£89,154
Copeland	£136,625	£105,790	£78,805
Eden	£222,360	£196,034	£146,844
South Lakeland	£273,118	£225,706	£170,327

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Of Cumbria's 166 electoral wards, four wards had median house prices of less than £70,000 at May 2017. The three lowest were found within the Barrow-in-Furness district, the fourth in Allerdale:

- Barrow Island (Barrow-in-Furness) £58,089
- Central (Barrow-in-Furness) £63,138
- Hindpool (Barrow-in-Furness) £64,849
- Moss Bay (Allerdale) £67,160

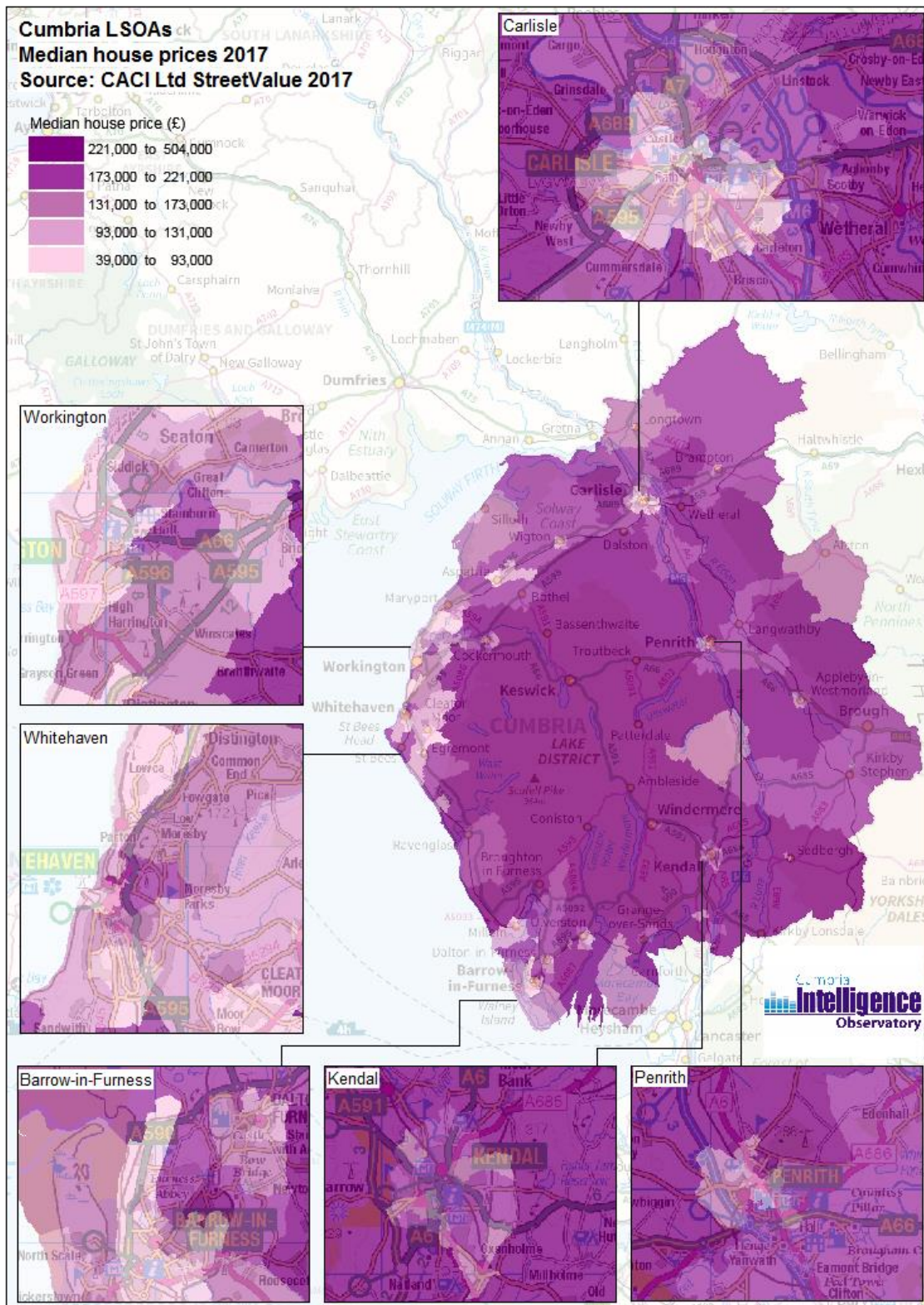
In contrast, four wards had median house prices of more than £350,000 at May 2017, more than five times the value of house prices in the four wards with the lowest house prices.

Three of the wards with the highest median house prices were located in South Lakeland, and one in Allerdale:

- Hawkshead (South Lakeland) £419,431
- Windermere Applethwaite and Troutbeck (South Lakeland) £402,456
- Derwent Valley (Allerdale) £372,250
- Ambleside and Grasmere (South Lakeland) £369,777

Figure 3 maps the median house price in 2017 across the 321 Lower Super Output Areas (LSOAs) in Cumbria. Those shaded dark purple have the highest median house prices in the county, whilst those shaded light purple have the lowest median house prices.

Figure 3: Median House Prices by LSOA 2017



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Housing Affordability Ratios

The CACI Ltd StreetValue dataset combined with the CACI Ltd Paycheck dataset can be used to calculate a ratio for house price to annual household income, known as an 'affordability ratio'. Based on the CACI Ltd data sources, the median house price in Cumbria at May 2017 was 5.4 times the median annual household income; this is below the national (Great Britain) median affordability ratio (6.5). Ratios differed across Cumbria's districts. South Lakeland had the highest median house price to household income ratio (6.9), followed closely by Eden district (6.6). Copeland and Barrow-in-Furness had the lowest median affordability ratios at 4.1 and 4.4 respectively. Table 3 compares the mean, median and lower quartile affordability ratios of Great Britain, Cumbria and the six districts in 2017.

Table 3: Housing ratio of house price to household income, 2017

Area	Mean	Median	Lower Quartile
Great Britain	7.5	6.5	7.4
Cumbria	5.3	5.4	6.2
Allerdale	5.0	5.1	6.0
Barrow-in-Furness	4.2	4.4	5.4
Carlisle	4.6	4.8	6.0
Copeland	4.2	4.1	5.4
Eden	6.2	6.6	8.6
South Lakeland	7.0	6.9	9.1

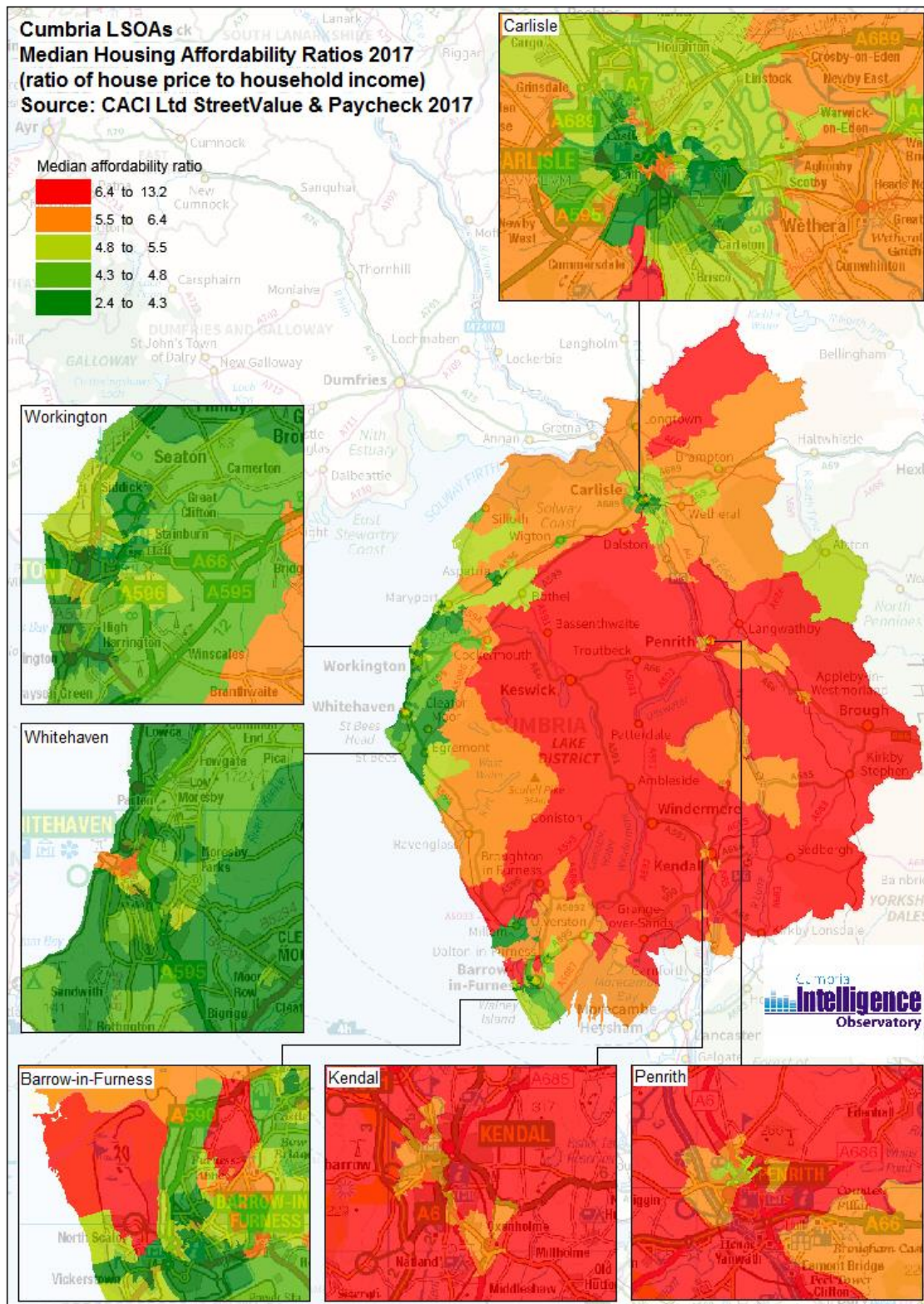
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Median house price to median annual household income ratios varied across Cumbria's 166 electoral wards. Barrow Island ward in Barrow-in-Furness had the lowest median affordability ratio in 2017 (3.2). The wards with the second and third lowest ratios were also situated within Barrow-in-Furness: Central ward (3.6) and Hindpool ward (3.8). In contrast the highest median affordability ratio, found in Windermere Applethwaite and Troutbeck ward in South Lakeland was, at 12.0, almost four times higher than the lowest ward. The wards with the second and third highest ratios were also situated within South Lakeland: Ambleside and Grasmere (11.1) and Hawkshead (10.0).

Figure 4 maps median housing affordability ratios in 2017 across Cumbria's 321 LSOAs. Those shaded red had the highest median housing affordability ratios (the least affordable house prices), and those shaded dark green had the lowest median ratios (the most affordable house prices).

Figure 4: Median Housing Affordability Ratios, 2017



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Further Information

For further information regarding the HPSSAs, StreetValue and Paycheck datasets, please contact the Performance and Intelligence Team at Cumbria County Council:

Email: info@cumbriaobservatory.org.uk

Key datasets:

Office for National Statistics. (2017). *Median price paid for administrative geographies – HPSSA Dataset 9.*

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/medianhousepriceforationalandsubnationalgeographiesquarterlyrollingyearhpssadataset09>