Welcome to South Staffordshire Council’s Housing Market Briefing produced by the Housing Strategy and Regeneration team.

In this edition of the Briefing we are pleased to bring you, updated property prices, private rent levels and affordability data for the District.

This briefing summarises the data and information collated to date on the following housing market indicators:

1) Property Prices
2) Affordability
3) Private Rent Levels

For further information or further copies of this briefing please contact either Grant Mitchell or Andrew Lindop on 01902 696438/696631 or email g.mitchell@sstaffs.gov.uk or a.lindop@sstaffs.gov.uk
Notes

**Lower Quartile** – A lower quartile figure is a value at which 25% of the sample or total falls under. For example, a lower quartile property price would mark the cheapest quarter of property prices.

**Private Rental Data** – All of the private rental data in this brief has been collected by the Housing Strategy and Regeneration Team over the course of this year. Private rental data is provided at a Housing Market Area Level (see below).

**Housing Market Assessment (HMA) 2007** – The work carried out by David Couttie Associates to assess housing demand and need in the District.

**Housing Market Area** – The HMA 2007 defined 5 sub areas or Housing Market Areas that exist within the District. These were selected by the Council to group the wards into sub areas based upon similar housing market characteristics.

**Affordability Ratio’s**- The measure of the ratio between house hold income and house price

<table>
<thead>
<tr>
<th>Sub-Areas</th>
<th>Wards within Sub-Areas</th>
<th>Parishes within Sub-Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>South</td>
<td>Kinver, Himley and Swindon, Wombourne North and Lower Penn, Wombourne South East &amp; West</td>
<td>Kinver, Enville, Bobbington, Himley, Wombourne, Triesull &amp; Seisdon, Lower Penn</td>
</tr>
<tr>
<td>Central</td>
<td>Pattingham &amp; Patshull, Perton East, Perton Lakeside, Perton Dippons, Codsall North, Codsall South, Bilbrook</td>
<td>Pattingham &amp; Patshull, Perton, Codsall, Bilbrook</td>
</tr>
<tr>
<td>North East</td>
<td>Featherstone &amp; Shareshill, Great Wyrley Landywood, Great Wyrley Town, Essington, Cheslyn Hay South, Cheslyn Hay North and Saredon, Huntington &amp; Hatherton</td>
<td>Essington, Featherstone, Hilton, Shareshill, Saredon, Cheslyn Hay, Great Wyrley, Huntington, Hatherton</td>
</tr>
<tr>
<td>North</td>
<td>Penkridge South East, Penkridge West, Penkridge North &amp; Acton Trussell</td>
<td>Penkridge, Acton Trussell, Bednall and Teddesley Hay, Coppenhall, Dunston</td>
</tr>
<tr>
<td>North West</td>
<td>Brewood &amp; Coven, Wheaton Aston, Bishops wood &amp; Lapley</td>
<td>Brewood &amp; Coven, Blymhill &amp; Weston under Lizard, Lapley,</td>
</tr>
</tbody>
</table>
1) Property Prices in South Staffordshire

Average Property Prices

The average property price in the District up to October 2010 was £217,651. The Highest Average Price was in the ward of Himley and Swindon at £348,861, and the lowest average was found in Perton Lakeside at £153,139. Figure 1.1 below shows a comparison of the average property price in each ward.

Figure 1.1 Source Nomis October 2010

Average lower Quartile Property Prices

The average lower quartile property price in the district was £142,499 as of October 2010. The most expensive lower quartile price was in Trysull Seisdon at £281,550. The cheapest was found in the ward of Cheslyn Hay North and Saredon at £124,999.
**Average Property Prices by Type**

The average price for a terraced house in the district is £149,835. The second most expensive is found in Wombourne North and Lower Penn at £245,000*, whilst the lowest was in Cheslyn Hay North and Saredon at £105,000.

Semi-detached properties in the district average around £166,296. The most expensive semi-detached properties on average were found in Trysull and Seisdon at around £254,410.

While the cheapest semi-detached were found in Penkridge West at around £130,000.

The average price in the district for a detached property stands at £288,648. The ward with the highest average was Kinver at £435,413. The lowest average for a detached was £200,187 in the Bilbrook ward.

Data for the average price of a flat is not available for all wards but the average for a flat in South Staffordshire is £118,606. The most expensive flats cost an average of £325,000 in Codsall South. The lowest average recorded in October 2010 was found in Bilbrook at £76,195.

**2) Affordability**

**Average House Prices over time**

Figure 1.2 shows the Average Houses prices from March 2002 to September 2010. The average house price was steadily increasing up until March 2008 when there was a steep decrease. This continued until September 2009, when a steady increase began.

* Highest Figure was in Brewood and Coven at £412,317 but the figures are distorted due to fewer sales
The fall in house prices in the District between March 2008 to the low of September 2009 was around 12.5% at its maximum. Taking into account the present figure as of September 2010 the overall fall up to the present time from the highest point in March 2008 is now 8.3%. A rise from September 2009 of 4.2%

**Type of Tenure**

House prices have also shown a similar trend by type

![Average House Prices by type over time](image)
It can be seen in figure 1.3 that all types of housing in the district saw a fall around April 2010 this year. However a trend is clearly kept over the course of the year. As expected detached houses have remained consistently the most expensive, followed by Semi Detached, Terraced, and flats. After this fall all types of housing in the district have seen their prices either remain steady or increase gradually up to September 2010.

The gradual trend upwards reflects what has been seen in the overall average prices

**Average House Prices by Locality**

Figure 1.4 shows which localities are the most expensive

We can see that over the course of this year locality 2 was the most expensive during the first half of the year and this has gradually reduced to the present and been overtaken by locality 5 which had always been the second highest.

![Average prices by Locality overtime](image)

Figure 1.4 Average House Price by Locality Over the year Source: Hometrack October 2010
Locality 1 has consistently been the third most expensive locality over the course of the year. Locality 4 and locality 3 were the cheapest.

**Affordability Ratios**

Figure 1.5 highlights the affordability ratios of the wards in South Staffordshire as of September 2010.

![Affordability Ratios Map]

Figure 1.5: September 2010 Affordability Ratios for South Staffordshire; Home Track
As of September 2010 we can see from the map that the highest affordability ratios are mainly concentrated in the South of the District in locality 5. The wards of Kinver, Himley, and Trysull and Seisdon have the highest ratios. This effectively means that residents in these areas need to have on average the equivalent of 7.88 times their average income to afford a house in those areas. The highest ratio was in the ward of Trysull and Seisdon where a ratio of 11.55 was recorded.

In contrast many of the central areas, the ward of Brewood and Coven being an exception, seem to be far cheaper with the lowest ratio being found in Perton Dippons Ward at 5.01.

As in the map shown in figure 1.5 the same pattern is observed in figure 1.6. Trysull and Seisdon clearly stand out followed by Himley, Kinver.

The lowest were clearly Perton Dippons amongst other such as Featherstone (5.58) and Perton Lakeside (5.36)

**Affordability by Income**

![Affordability by Income](image)

Figure 1.6: Income Affordability; Home Track October 2010
Figure 1.6 highlights the level of income a person must be on before they are able to achieve certain price ranges. The bars represent the number of households in each income band in South Staffordshire.

As would be expected this decreases the further up the income spectrum you climb.

The diagonal lines show the value of the property based on different income multiples that can be achieved for first time buyers and former owner occupiers. This shows that for a first time buyer to be able to afford a house that cost approximately £200,000 they would need to earn an average income of at least £50-55,000. This effectively means that approximately 38,462 households cannot achieve this.

The cost of buying an average 2 bed property in South Staffordshire assuming an 86% mortgage is currently **£116 a week** if an interest rate of 3.57% is assumed.

Another issue with affordability is the availability of Mortgages. Despite low mortgage rates the requirement for a high deposit has become a problem for those wishing to buy in South Staffordshire. First time buyers would need on average a deposit of 20,000 but less than 2% of new forming households have savings for this kind of deposit. Lack of funds has also meant that loan to value rates are around 60-75%.

**Cross Tenure Affordability**

The table in figure 1.7 shows cross tenure affordability across bedroom sizes by looking at overall costs.
Figure 1.7 demonstrates that across all bedroom sizes affordability seems to be greater in the intermediate rent Market, home buy and HA’s. Private rent and resale’s are the most expensive

The table also shows that for 1 bed units only intermediate rent and Home buy costs are cheaper than that of a Housing Association

**Shared Ownership Affordability**

The table in figure 1.8 below shows the average weekly cost of living in 1, 2, and 3 bedroom tenures under various models of shared ownership

<table>
<thead>
<tr>
<th>Model</th>
<th>25%</th>
<th>50%</th>
<th>75%</th>
<th>Homebuy 75%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bed Flat</td>
<td>£51</td>
<td>£62</td>
<td>£73</td>
<td>£39</td>
</tr>
<tr>
<td>2 Bed Flat</td>
<td>£71</td>
<td>£86</td>
<td>£101</td>
<td>£54</td>
</tr>
<tr>
<td>3 Bed House</td>
<td>£99</td>
<td>£120</td>
<td>£141</td>
<td>£75</td>
</tr>
</tbody>
</table>
As expected the higher the unit size the more expensive they become. The larger the share of the property that is bought the greater will be the mortgage assuming a 10% deposit. As such costs will increase despite rental costs being lower with a greater share being purchased.

3) Private Rental levels

The average rent level per calendar month in South Staffordshire was £595 as of December 2010

The Lower Quartile for the district is £471 and the median £550

Figure 1.9 demonstrates the average, min, max, median and lower quartile monthly rent levels in different parts of the district.

<table>
<thead>
<tr>
<th>Locality</th>
<th>Average</th>
<th>Min</th>
<th>Max</th>
<th>Median</th>
<th>LQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locality1</td>
<td>552</td>
<td>325</td>
<td>850</td>
<td>550</td>
<td>473</td>
</tr>
<tr>
<td>Locality2</td>
<td>629</td>
<td>395</td>
<td>1,200</td>
<td>530</td>
<td>483</td>
</tr>
<tr>
<td>Locality3</td>
<td>587</td>
<td>395</td>
<td>995</td>
<td>585</td>
<td>484</td>
</tr>
<tr>
<td>Locality4</td>
<td>559</td>
<td>275</td>
<td>1,000</td>
<td>550</td>
<td>475</td>
</tr>
<tr>
<td>Locality5</td>
<td>709</td>
<td>425</td>
<td>1,600</td>
<td>575</td>
<td>500</td>
</tr>
</tbody>
</table>

According to figure 1.9 locality 5 in the South is seen to be the most expensive with an average rent level of £709 per month. Locality 5 also has the highest lowest quartile

It also has the highest minimum rent and therefore is the most expensive area of the district for private renting.
The cheapest area to rent privately is locality 1 in the North with an average rent level of £552 and the lowest maximum rent of £850. It had the lowest lower quartile at £473. However it should be noted that rental levels in Huntington were significantly lower than the rest of the locality pulling the averages down.

Since last year there has been a 12% decrease in the average private rent level for the district.

Lower Quartile and Median Averages have decreased by 5.8% and 8.3% respectively which indicate further the decrease in per calendar month rents since last year.

**Private Rents by Unit Size**

When looking at units sizes in assessing rental levels it can be seen from figure 2.0 that for 1 bedroom properties locality 1 was the cheapest at £338. With the most expensive being in locality 5 at £483.

<table>
<thead>
<tr>
<th>Locality</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locality1</td>
<td>£338</td>
<td>£523</td>
<td>£593</td>
<td>£788</td>
</tr>
<tr>
<td>Locality2</td>
<td>£432</td>
<td>£582</td>
<td>£769</td>
<td>£717</td>
</tr>
<tr>
<td>Locality3</td>
<td>n/a</td>
<td>£522</td>
<td>£538</td>
<td>£873</td>
</tr>
<tr>
<td>Locality4</td>
<td>£402</td>
<td>£500</td>
<td>£588</td>
<td>£906</td>
</tr>
<tr>
<td>Locality5</td>
<td>£483</td>
<td>£536</td>
<td>£750</td>
<td>£1,350</td>
</tr>
</tbody>
</table>

Figure 2.0 Rental levels by Unit Size: Source Right Move December 2010

For 2 bedroom units the cheapest levels were found in locality 4 at £500 while the most expensive was found in locality 2 at £582.

For 3 bedroom unit’s the cheapest units are to be found in locality 3 at £538. While the most expensive are found in locality 2 at £769.
Average prices by Type

If we look at figure 2.4 we can see the average rent levels by property type in each area of the district.

<table>
<thead>
<tr>
<th>Locality</th>
<th>Terraced</th>
<th>Semi</th>
<th>Detached</th>
<th>Flat</th>
<th>Bungalow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Locality 1</td>
<td>£513</td>
<td>£553</td>
<td>£600</td>
<td>£488</td>
<td>n/a</td>
</tr>
<tr>
<td>Locality 2</td>
<td>£523</td>
<td>£675</td>
<td>£763</td>
<td>£552</td>
<td>n/a</td>
</tr>
<tr>
<td>Locality 3</td>
<td>n/a</td>
<td>£595</td>
<td>£798</td>
<td>£447</td>
<td>£613</td>
</tr>
<tr>
<td>Locality 4</td>
<td>£562</td>
<td>£621</td>
<td>£869</td>
<td>£397</td>
<td>n/a</td>
</tr>
<tr>
<td>Locality 5</td>
<td>£650</td>
<td>£575</td>
<td>£1,183</td>
<td>£485</td>
<td>£595</td>
</tr>
</tbody>
</table>

Figure 2.1 Rental Levels by Type Source: Right Move December 2010

Locality 5 has the most expensive terraced housing rent levels at £650. The cheapest levels were found in locality 1 at £513 per calendar month.

For Semi Detached properties the most expensive rent levels are £675 in locality 4 with the cheapest in locality 1 at £553.

Detached properties were most expensive to rent in locality 5 with an average rent level per calendar month of £1183. The cheapest being in locality 1 at £600.

Flats were the most expensive to rent in locality 1 at £488 and the cheapest was in locality 4 at £397.
Detached properties were most expensive to rent in locality 5 with an average rent level per calendar month of £1183. The cheapest being in locality 1 at £600.

Flats were the most expensive to rent in locality 1 at £488 and the cheapest was in locality 4 at £397.

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