

Brighton & Hove  
**Housing Market  
Summary Report**  
2018 | January – December



## Section: 1 Buying in Brighton & Hove

### 2018: The average advertised cost to buy

#### Flats

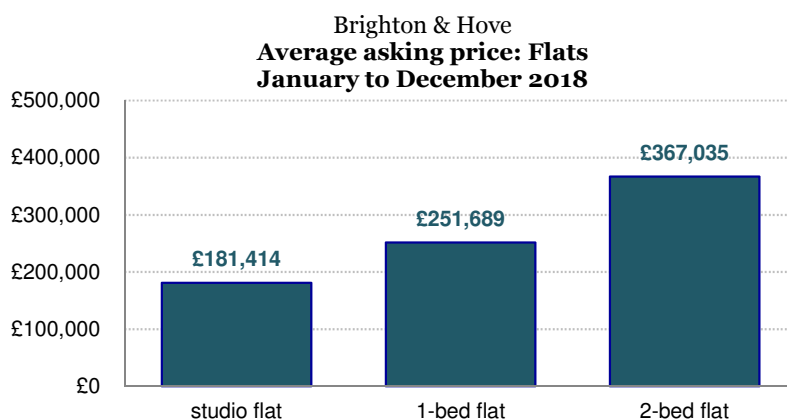
The table and charts provide an analysis of the advertised cost to buy a flat in the city during 2018.

2018	Studio Flat	1 Bed Flat	2 Bed Flat
Average	<b>£181,414</b>	<b>£251,689</b>	<b>£367,035</b>
Highest	£350,000	£525,000	£1,000,000
Lowest	£85,000	£98,000	£119,500
Half the prices were higher than	£180,000	£250,000	£350,000
Most frequent price	£190,000	£250,000	£350,000
30 <sup>th</sup> percentile	£165,000	£225,000	£300,000
Lower quartile	£160,000	£220,000	£290,000
Average number counted per month	49	365	620

#### Average advertised asking price

The chart shows the average advertised asking price of flats for sale counted in the monthly snapshots during 2018.

With the exception of studios, the annual average advertised asking price has decreased.

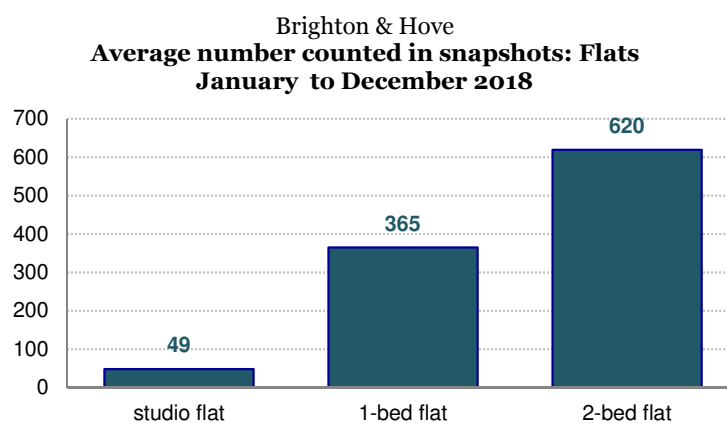


Source: Rightmove Website (to buy)

#### Average number advertised

The chart shows the average number of flats for sale counted in the monthly snapshots during 2018; 5% were studios, 35% were 1-beds and 60% were 2-beds.

Without exception, there was an annual increase in the average number of flats counted in the monthly snapshots.



Source: Rightmove Website (to buy)

## Houses

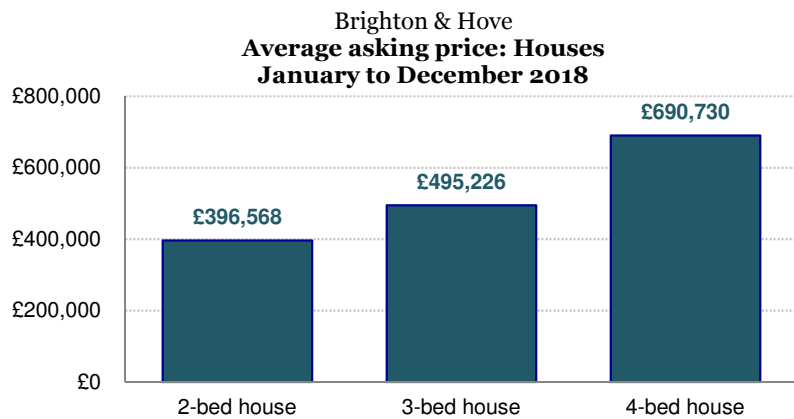
The table and charts provide an analysis of the advertised cost to buy a house in the city during 2018.

2018	2 Bed House	3 Bed House	4 Bed House
Average	<b>£396,568</b>	<b>£495,226</b>	<b>£690,730</b>
Highest	£715,000	£1,600,000	£3,000,000
Lowest	£92,000	£200,000	£175,000
Half the prices were higher than	£395,000	£475,000	£649,950
Most frequent price	£450,000	£450,000	£550,000
30 <sup>th</sup> percentile	£339,955	£400,000	£535,000
Lower quartile	£325,000	£399,950	£500,000
Average number counted per month	166	433	362

### Average advertised asking price

The chart shows the average advertised asking price of houses for sale counted in the monthly snapshots during 2018.

Without exception the annual average advertised asking price for houses has increased.

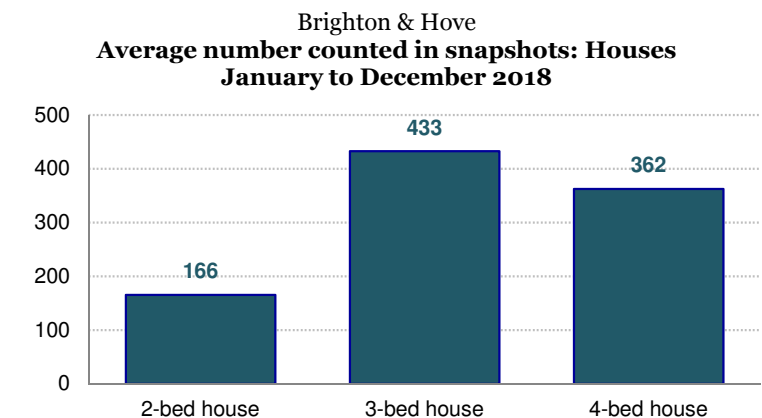


Source: Rightmove Website (to buy)

### Average number advertised

The chart shows the average number of houses for sale counted in the monthly snapshots during 2018; 17% were 2-beds, 45% were 3-beds and 38% were 4-beds.

Without exception, there was an annual increase in average number of houses counted in the monthly snapshots.

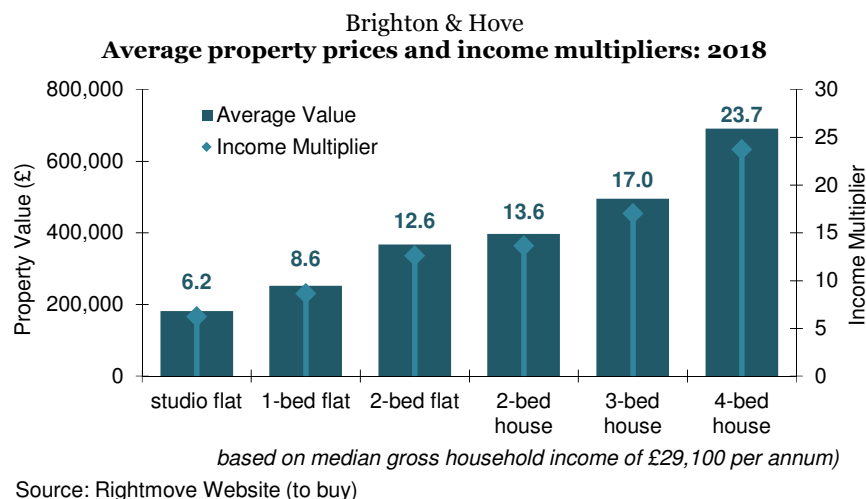


Source: Rightmove Website (to buy)

## The Affordability of buying in Brighton & Hove during 2018

Historically, mortgage lending has usually been limited to around 3.25 times annual income.

The 2015 Brighton & Hove City Council Objectively Assessed Need for Housing report estimated that the average household income in Brighton & Hove was £38,300. However, 33% of households earn below £20,000. The average is affected by the number of very high earners in the city.



The Median household income (where 50% of households earn less and 50% of households earn more) in the city is estimated to be £29,100. We have used this median figure to more accurately reflect the pressures on local residents.

During 2018 the average 1-bed flat in Brighton & Hove cost nearly 9 times the median household annual income and 3-bed house cost 17 times the median annual income.

Households on average incomes must have either a sizeable deposit or borrow significantly in excess of prudent mortgage limits in order to buy. If interest rates rise, it could place a serious financial strain on households who have had to borrow large sums in excess of 3.25 times their income, with every 1% increase in interest rates adding around £90 per month to a £150,000 mortgage.

Mortgage interest rates and availability have improved over recent years. However, deposits of 25% are now the norm rather than 5% required in previous years. As a result, the income required to finance a home has reduced but the deposit requirement has increase significantly.

Monthly Cost of Mortgage Repayments						
2018	studio flat	1-bed flat	2-bed flat	2-bed house	3-bed house	4-bed house
Purchase value of property	£181,414	£251,689	£367,035	£396,568	£495,226	£690,730
<b>Deposit 25%</b>	£45,353	£62,922	£91,759	£99,142	£123,807	£172,683
Total value of mortgage	£136,060	£188,767	£275,277	£297,426	£371,420	£518,048
<b>Income required*</b>	£41,865	£58,082	£84,700	£91,516	£114,283	£159,399
Repayment @ 4% **	£718	£996	£1,453	£1,570	£1,960	£2,734
Repayment @ 5% **	£795	£1,104	£1,609	£1,739	£2,171	£3,028
Repayment @ 6% **	£877	£1,216	£1,774	£1,916	£2,393	£3,338

\* Based on 3.25 x salary    \*\* Based on a 75% repayment mortgage repaid over 25 years

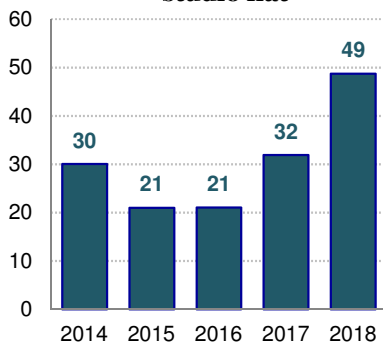
In 2018 a sufficient mortgage for the average 1-bedroom flat would require an income of £58,000 per annum with a £63,000 deposit and a 3-bed home require an income of £114,000 with a £124,000 deposit.

## Flats: Changes in the advertised cost to buy in the city over 5 years

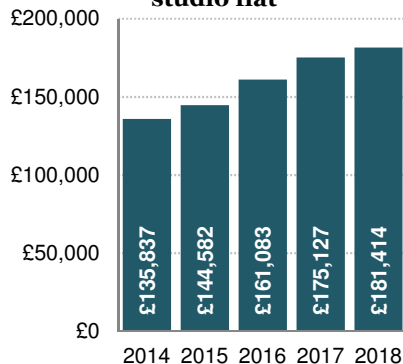
The charts show the changes in the number of flats advertised, in the average advertised asking price and the affordability over the last 5 years.

### Studio flats

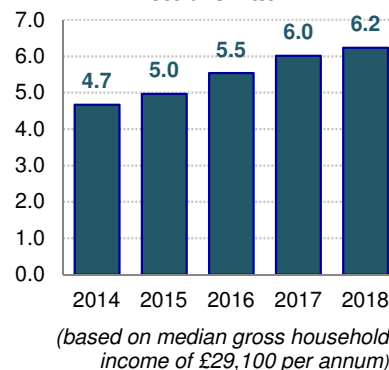
Brighton & Hove  
Average number counted  
in snapshots:  
studio flat



Brighton & Hove  
Average asking price:  
studio flat

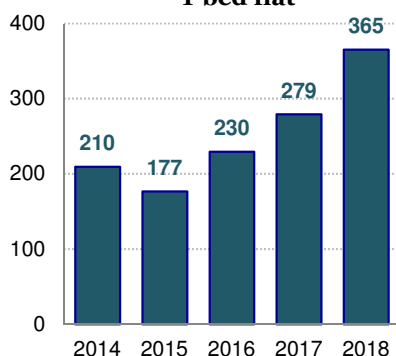


Brighton & Hove  
Income multipliers:  
studio flat

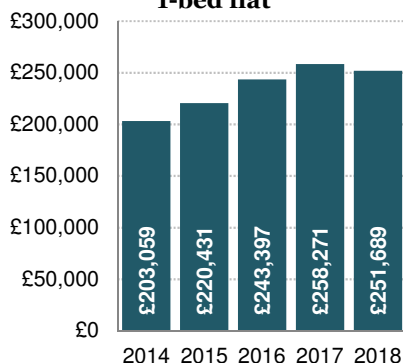


### 1-bed flats

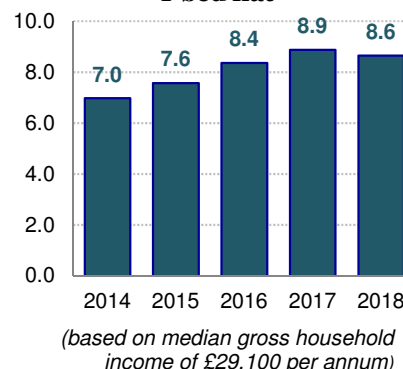
Brighton & Hove  
Average number counted  
in snapshots:  
1-bed flat



Brighton & Hove  
Average asking price:  
1-bed flat

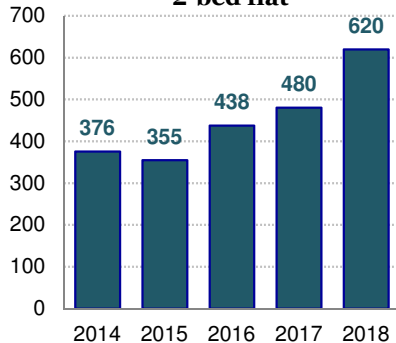


Brighton & Hove  
Income multipliers:  
1-bed flat

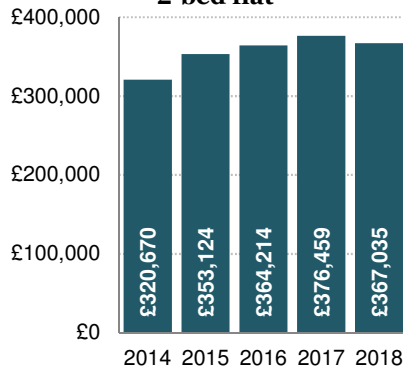


### 2-bed flats

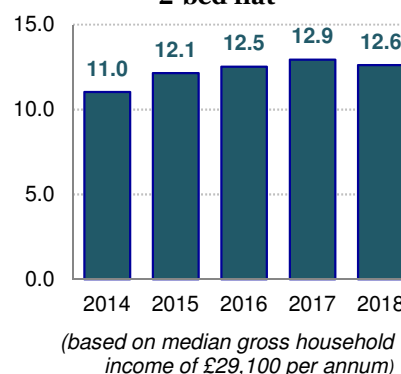
Brighton & Hove  
Average number counted  
in snapshots:  
2-bed flat



Brighton & Hove  
Average asking price:  
2-bed flat



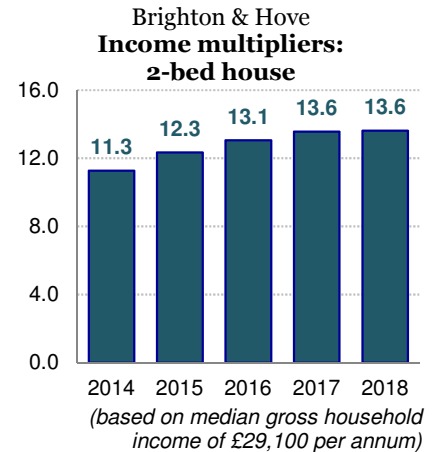
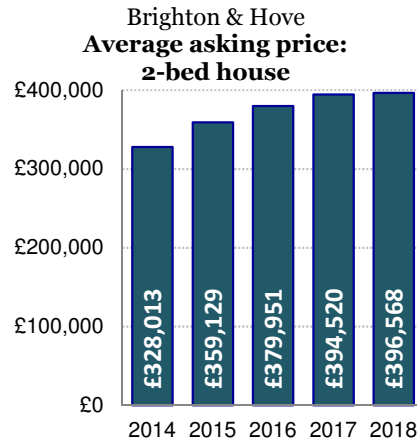
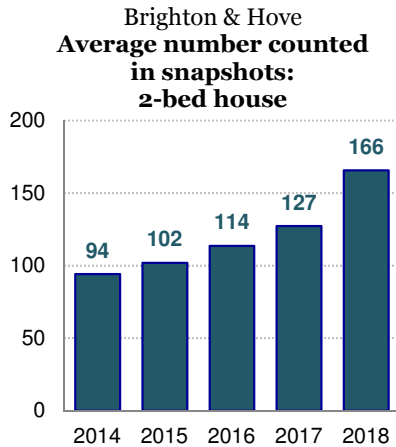
Brighton & Hove  
Income multipliers:  
2-bed flat



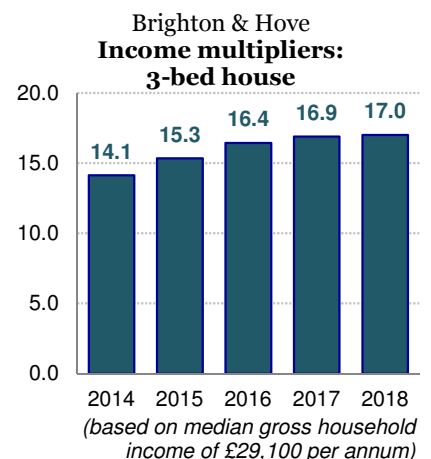
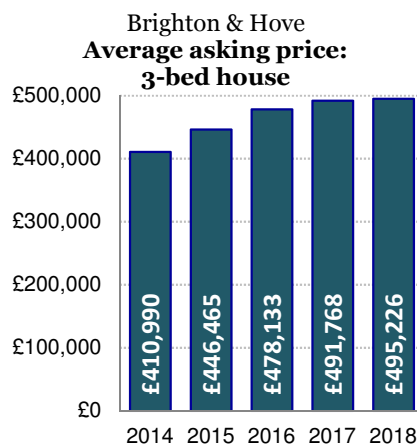
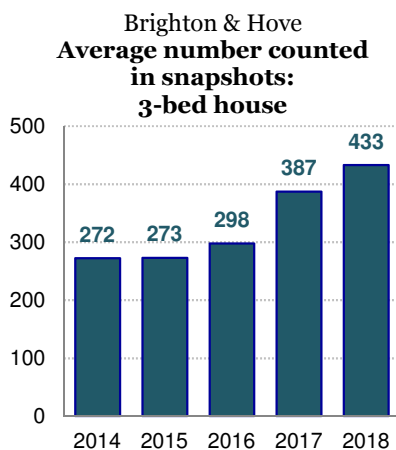
## Houses: Changes in the advertised cost to buy in the city over 5 years

The charts show the changes in the number of houses advertised, in the average advertised asking price and the affordability over the last 5 years.

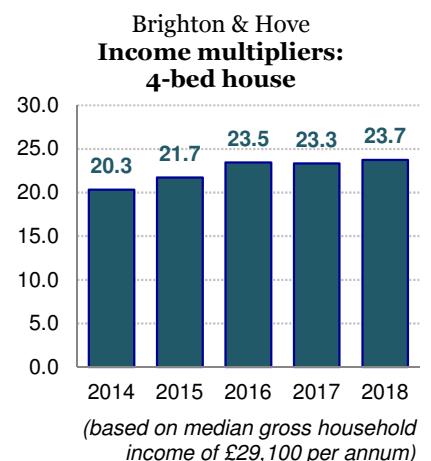
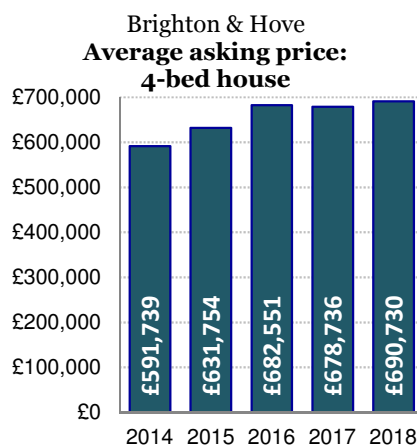
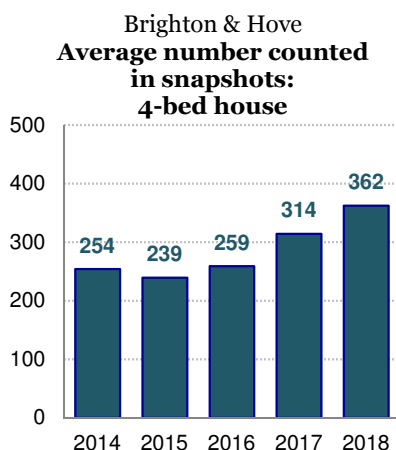
### 2-bed houses



### 3-bed houses



### 4-bed houses

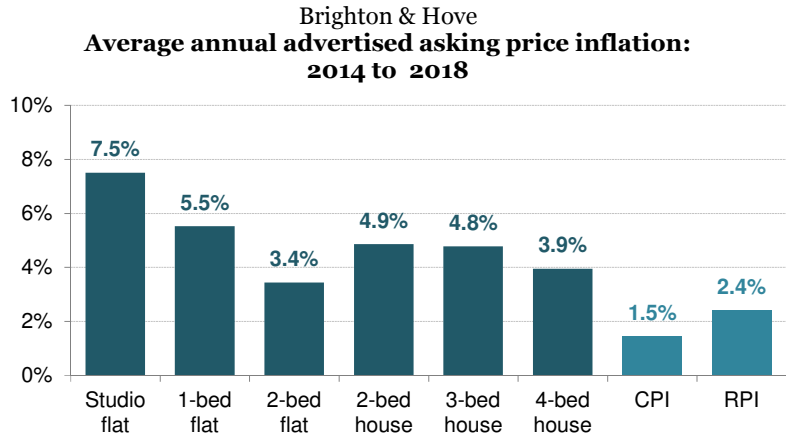


# Buying in the city: average annual changes since 2014

## Comparing changes in the advertised cost to buy with the CPI and RPI

The chart compares the average annual advertised asking price inflation to the Consumer Price Index (CPI) and Retail Price Index (RPI).

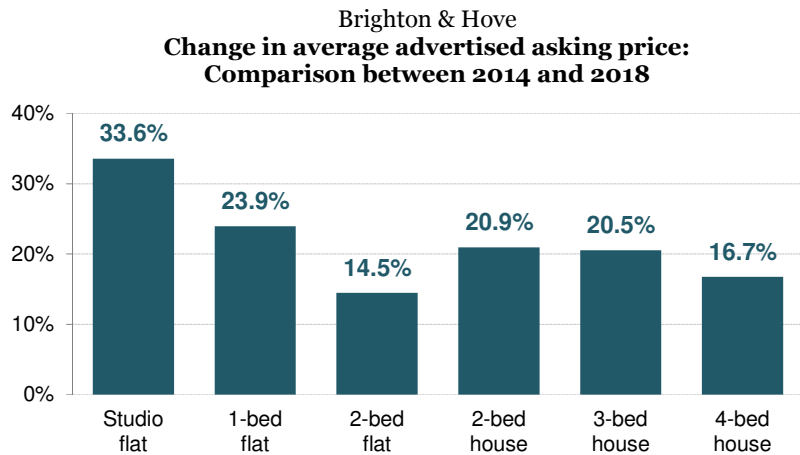
The average annual advertised cost to buy across all the different sized properties has increased at a greater rate than both the CPI and the RPI indices.



## Change in average advertised asking price to buy

The chart compares the average asking price of properties advertised for sale in 2018 against those advertised in 2014.

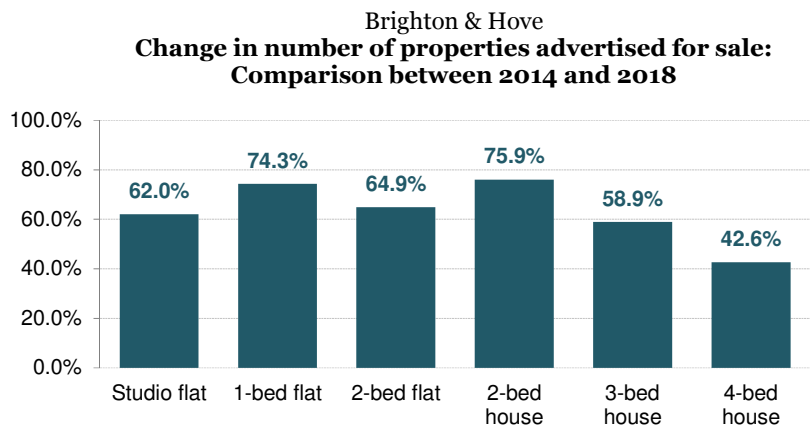
When comparing 2018 with 2014 there has been an increase in the average advertised asking price across all the different properties with studio flats showing the greatest increase.



## Change in number of properties advertised to buy

The chart compares the average number of properties advertised for sale counted in the monthly snapshots in 2018 against the number counted in 2014.

When comparing 2018 with 2014, there has been an increase in the average number of properties advertised for sale, with 2-bed houses showing the greatest increase.



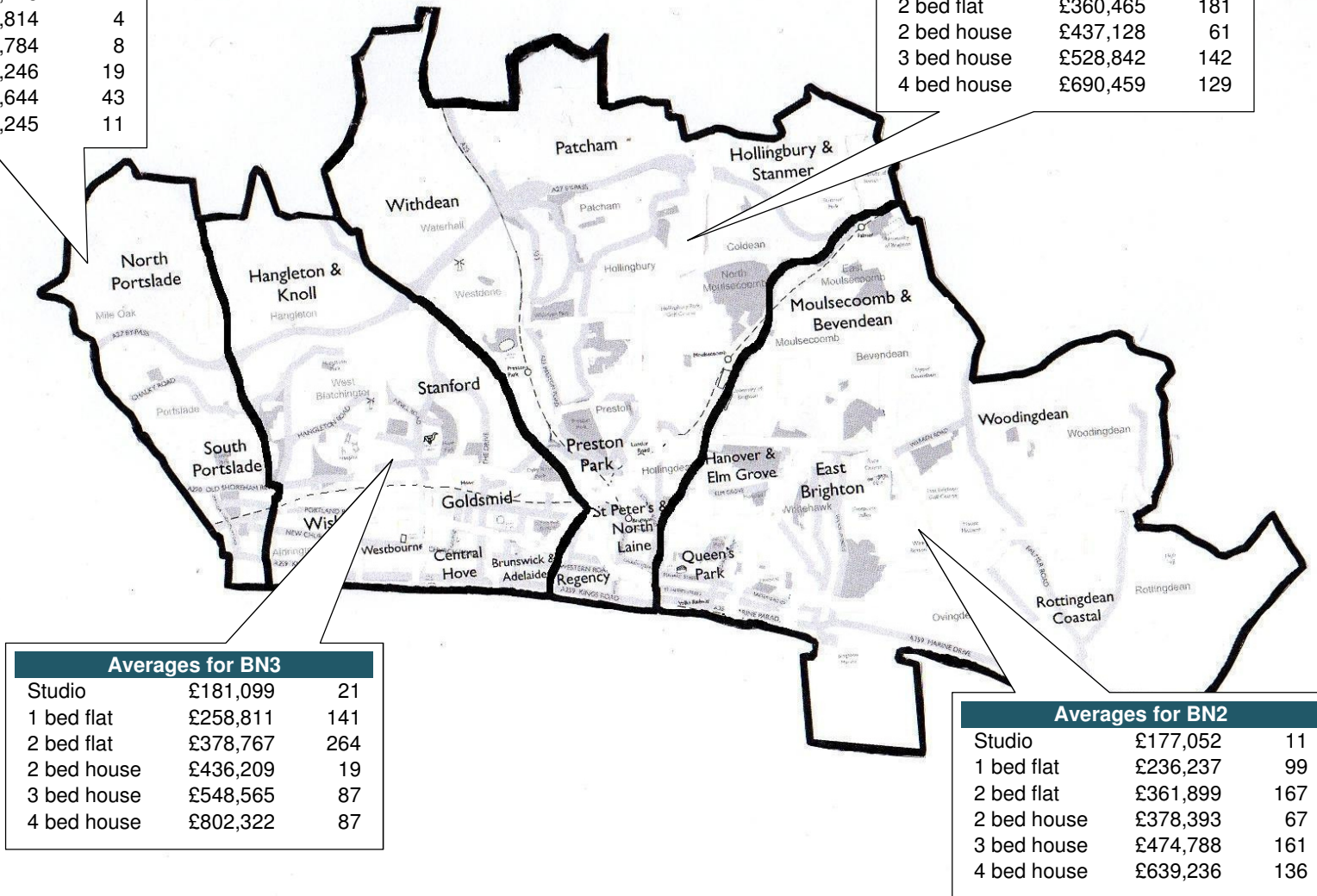


# Map: Properties for sale

Average advertised asking price and average number counted in monthly snapshots

Averages for BN41		
Studio	£160,275	1
1 bed flat	£191,814	4
2 bed flat	£236,784	8
2 bed house	£291,246	19
3 bed house	£353,644	43
4 bed house	£448,245	11

Averages for BN1		
Studio	£185,544	17
1 bed flat	£257,841	122
2 bed flat	£360,465	181
2 bed house	£437,128	61
3 bed house	£528,842	142
4 bed house	£690,459	129





## Section: 2 Renting in Brighton & Hove

### 2018: The average advertised cost to rent

#### Flats

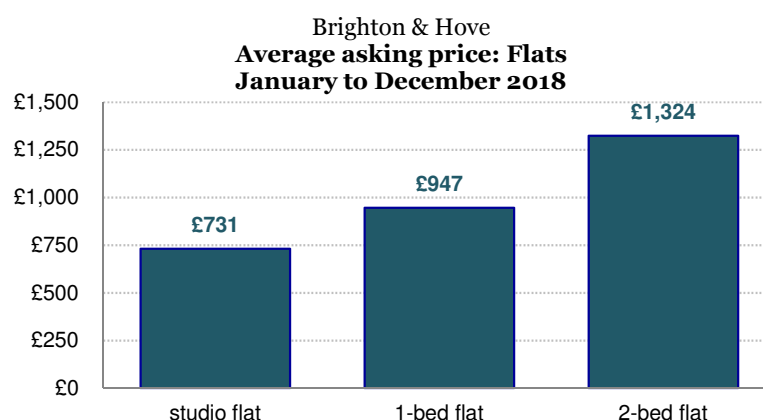
The table and charts provide an analysis of the advertised cost to rent a flat in the city during 2018.

2018	Studio Flat	1 Bed Flat	2 Bed Flat
Average	<b>£731</b>	<b>£947</b>	<b>£1,324</b>
Highest	£1,500	£2,383	£3,350
Lowest	£450	£433	£823
Half the prices were higher than	£715	£900	£1,250
Most frequent price	£750	£850	£1,250
30th percentile	£675	£850	£1,150
Lower quartile	£650	£850	£1,150
Average number counted per month	77	223	356

#### Average advertised asking price

The chart shows the average advertised rent of flats counted in the monthly snapshots during 2018.

Without exception, the annual average advertised cost to rent a flat has increased.

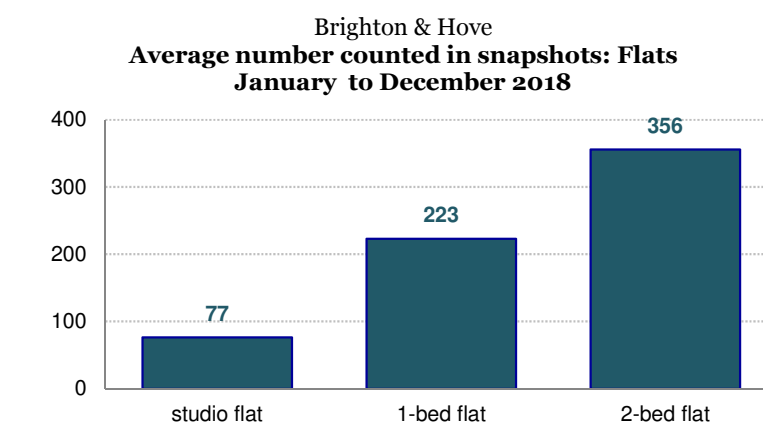


Source: Rightmove Website (to rent)

#### Average number advertised

The chart shows the average number of flats for rent counted in the monthly snapshots during 2018. 12% were studios, 34% were 1-beds and 54% were 2-beds.

Without exception there was an annual decrease in the average number of flats counted in the monthly snapshots.



Source: Rightmove Website (to rent)

## Houses

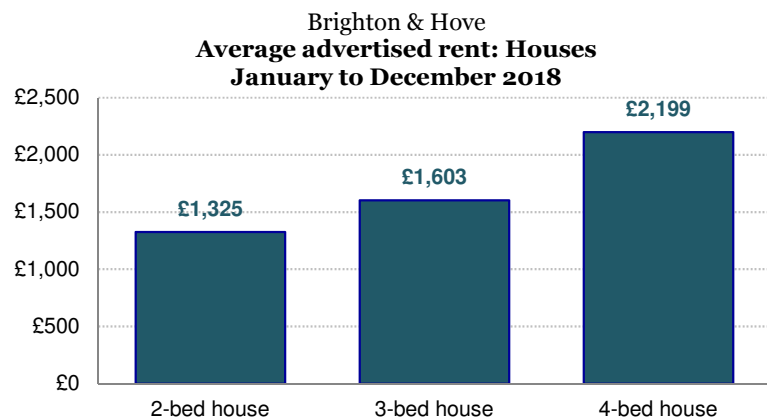
The table and charts provide an analysis of the advertised cost to rent a house in the city during 2018.

2018	2 Bed House	3 Bed House	4 Bed House
Average advertised rent	<b>£1,325</b>	<b>£1,603</b>	<b>£2,199</b>
Highest	£2,773	£3,500	£5,000
Lowest	£895	£995	£1,150
Half the prices were higher than	£1,300	£1,550	£2,201
Most frequent price	£1,350	£1,500	£2,000
30th percentile	£1,225	£1,425	£1,976
Lower quartile	£1,200	£1,395	£1,906
Average number counted per month	42	82	80

### Average advertised asking price

The chart shows the average advertised rent for houses counted in the monthly snapshots during 2018.

With the exception of 2-bed houses, the annual average advertised cost to rent a house has increased.

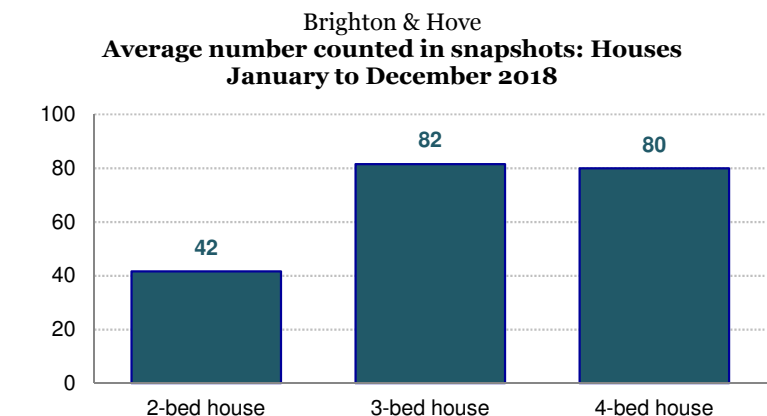


Source: Rightmove Website (to rent)

### Average number advertised

The chart shows the average number of houses for rent counted in the monthly snapshots during 2018. 21% were 2-beds, 40% of houses were 3-beds and 39% were 4-beds.

With the exception of 2-bed houses, there was an annual decrease in the average number of houses for rent counted in the monthly snapshots.



Source: Rightmove Website (to rent)

## The Affordability of Renting in Brighton & Hove during 2018

### Rent & Mortgage Comparison

Private Sector Rent Levels and Mortgage Comparison				
Property	2018		Rent Compared to Mortgage *	
	Average Rent per Month	Equivalent Mortgage	Annual Income Required	Rent as a % of Purchase Cost
Studio	£ 731	£125,124	£38,500	69.0%
1 Bed Flat	£ 947	£162,057	£49,864	64.4%
2 Bed Flat	£ 1,324	£226,535	£69,703	61.7%
2 Bed House	£ 1,325	£226,679	£69,747	57.2%
3 Bed House	£ 1,603	£274,236	£84,380	55.4%
4 Bed House	£ 2,199	£376,106	£115,725	54.5%

\* Assuming a mortgage at 3.25 times income over 25 years with 5% interest

A household renting an average 1-bed flat would be paying £947 per month in rent, which is equivalent to the monthly repayment cost of a £162,057 mortgage. Traditionally, a mortgage of this amount would require an income of £49,864 to finance, 71% above the city average.

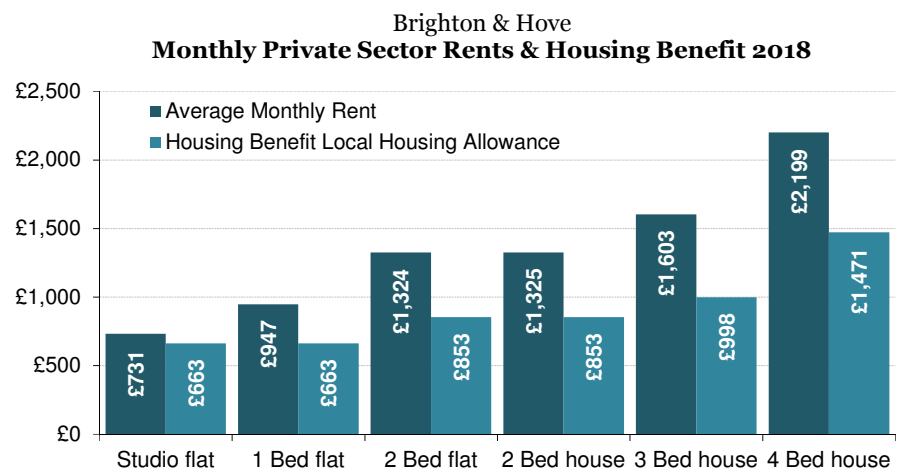
During 2003 rents averaged at around 80% of what a mortgage would be on that home. However, prices have risen quicker than rents resulting in rents now covering around 60% of purchase value, and this is before factoring in managing agent fees, maintenance, and other costs. Buy to Let investors should undertake careful financial appraisals to ensure they will receive sufficient returns.

### Rent & Housing Benefit Comparison

The Local Housing Allowance (LHA) is a standard housing benefit rate based on the number of people in the household and the number of rooms that the household needs.

The LHA is a maximum amount payable, which may be reduced due to income and savings.

The local housing allowance is less than all average rents which could reduce the chances of those on benefits finding an affordable home.



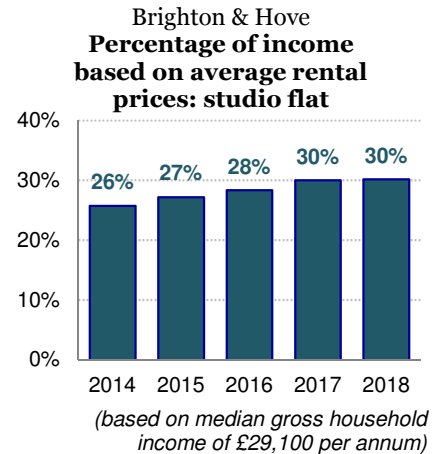
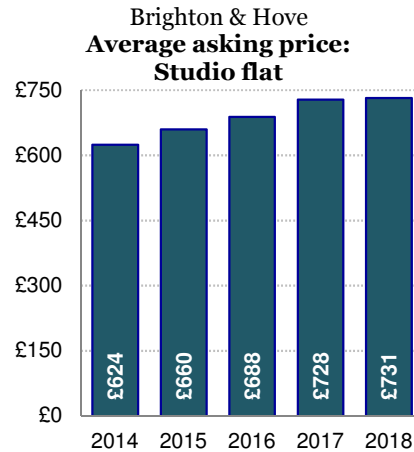
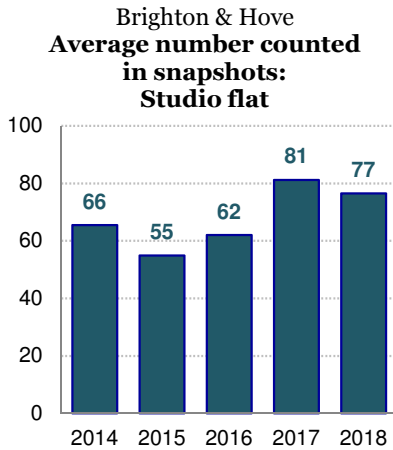
Note: The housing benefit local housing allowance calculation is based on the number of bedrooms required, as all tenants are entitled to a kitchen and bathroom

Source: Rightmove Website (to rent) / BRMA Local Housing Allowance Rates

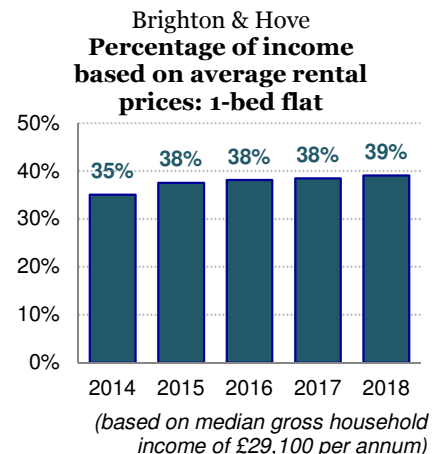
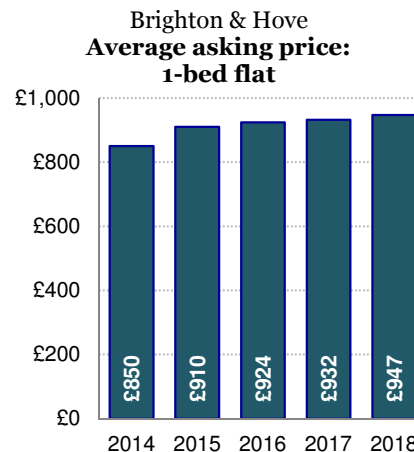
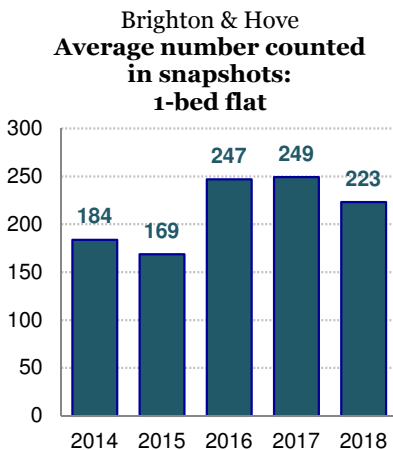
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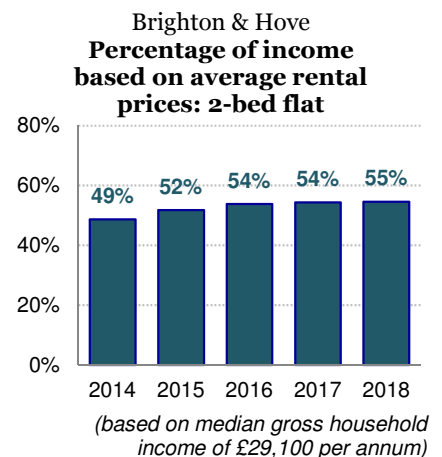
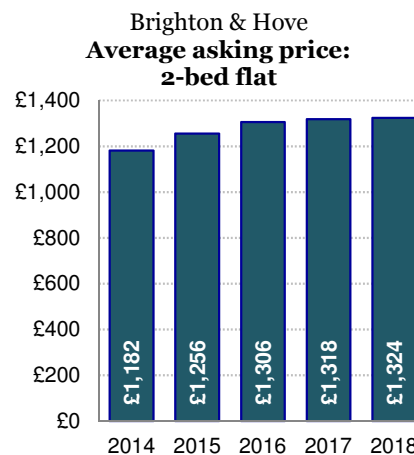
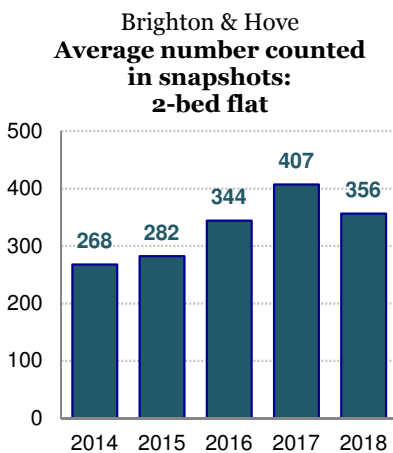
### Studio flats



### 1-bed flats



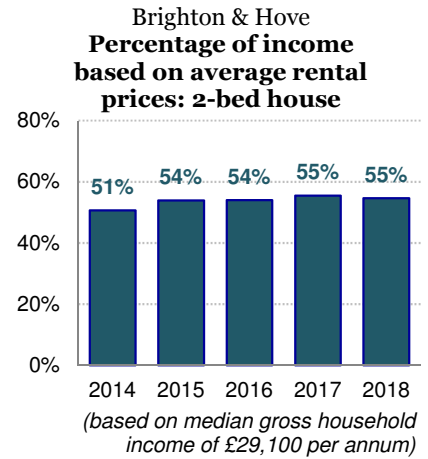
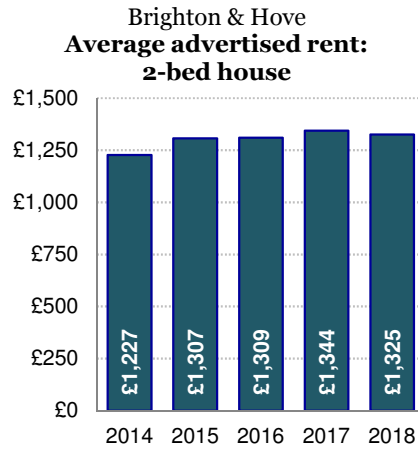
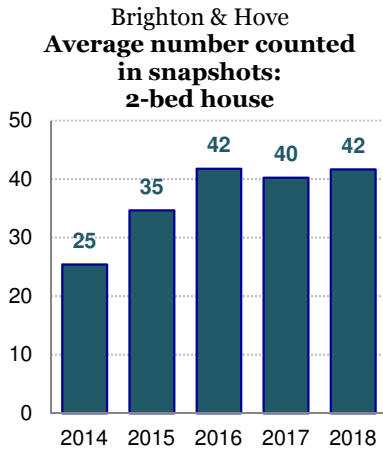
### 2-bed flats



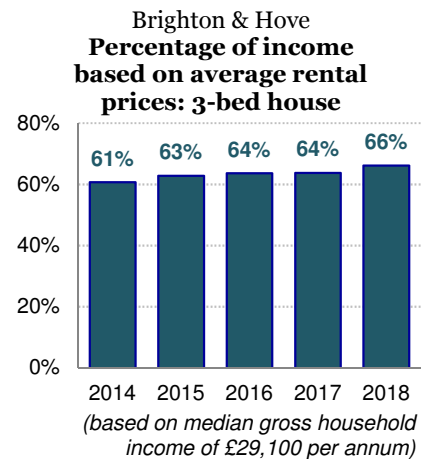
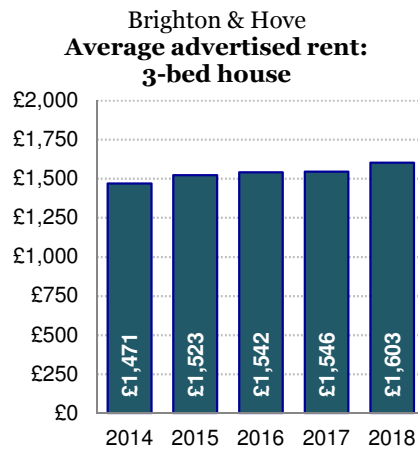
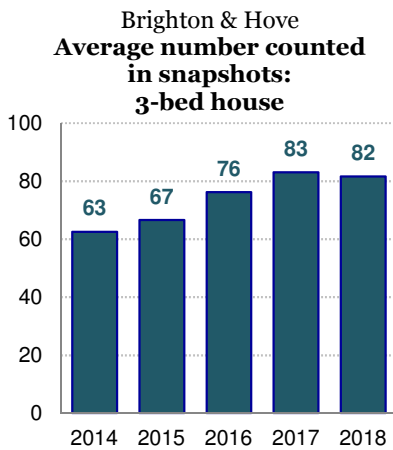
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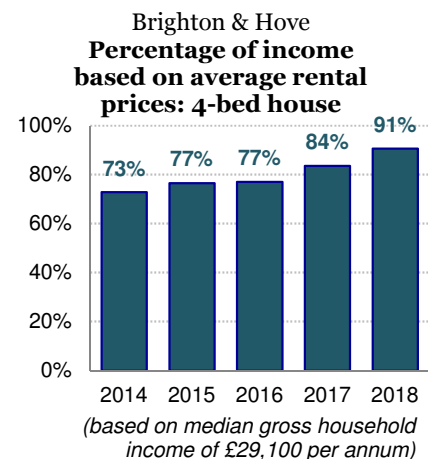
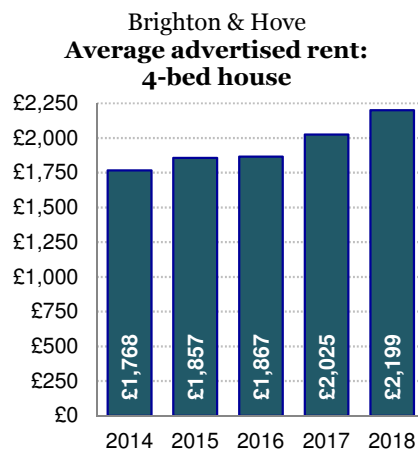
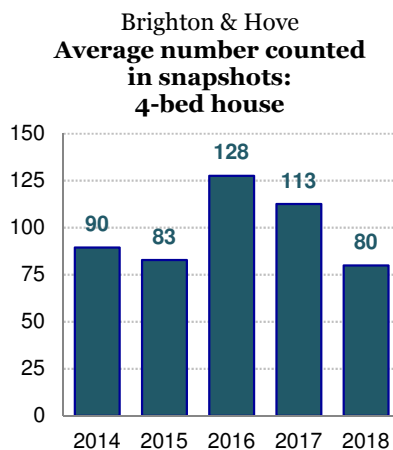
### 2-bed houses



### 3-bed houses



### 4-bed houses



## Changes in the average advertised cost to rent since 2014

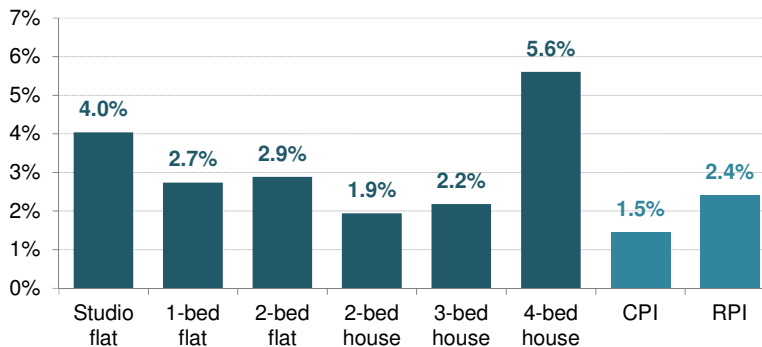
### Comparing changes in the advertised cost to rent with the CPI and RPI

The chart compares the average annual rent inflation to the Consumer Price Index (CPI) and Retail Price Index (RPI).

The average annual advertised cost to rent all the different sized properties has increased at a greater rate than the CPI index.

The average annual advertised cost to rent 2-bed and 3-bed houses has increased at a lower rate than the RPI.

Brighton & Hove  
Average annual advertised rental price inflation:  
2014 to 2018

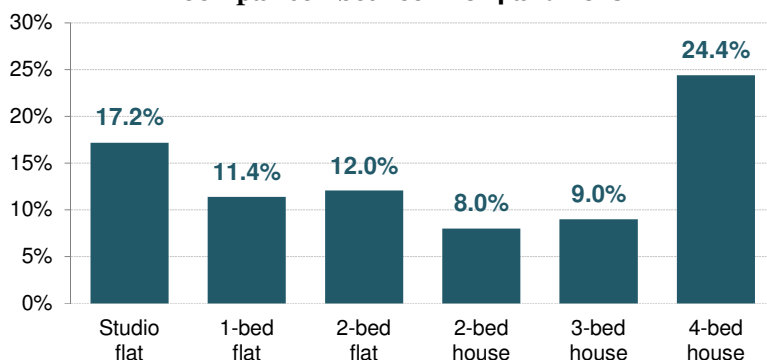


### Change in average advertised asking price for rent

The chart compares the average advertised cost to rent properties counted in the monthly snapshots in 2018 against the average cost to rent in 2014.

When comparing 2018 with 2014 there has been an increase in the average advertised cost to rent across all the different sized properties with 4-bed houses showing the greatest increase.

Brighton & Hove  
Change in advertised rental price:  
Comparison between 2014 and 2018

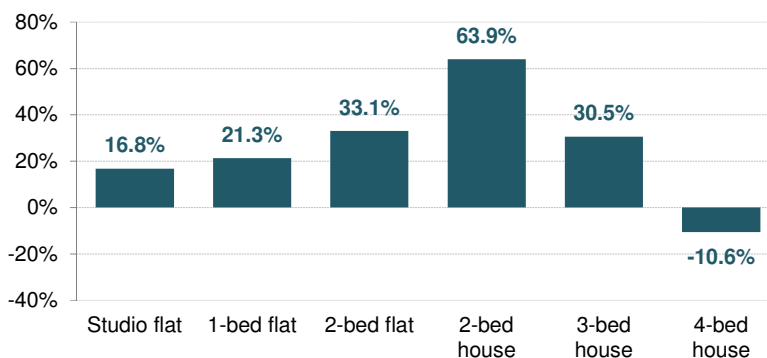


### Change in number of properties advertised for rent

The chart compares the average number of properties counted in the monthly snapshots in 2018 against the number counted in 2014.

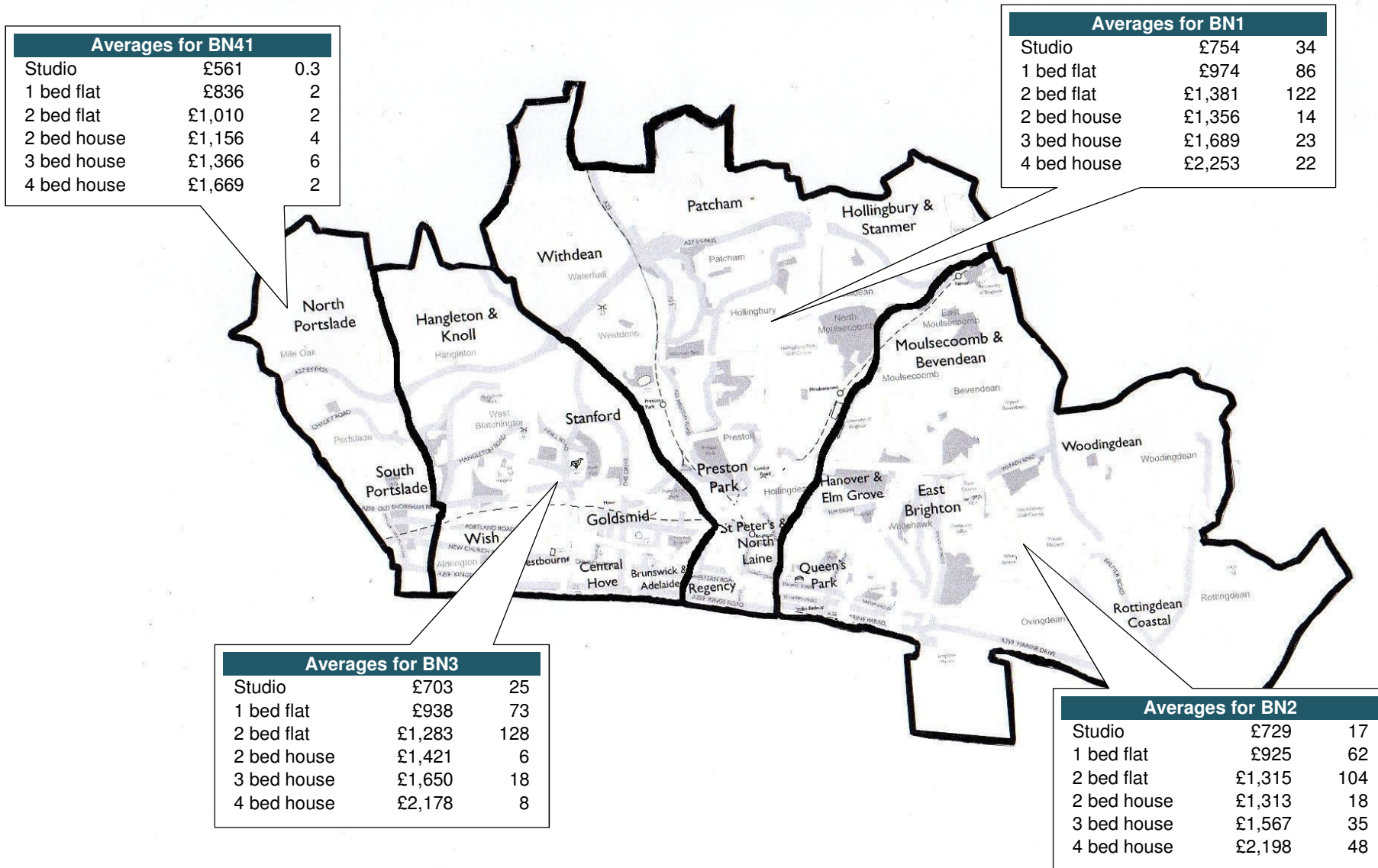
With the exception of 4-bed houses, when comparing 2018 with 2014 there has been an increase in the average number of properties advertised for rent, with 2-bed houses showing the greatest increase.

Brighton & Hove  
Change in number of properties advertised for rent:  
Comparison between 2014 and 2018



## Map: Properties for rent

Average advertised asking price and average number counted in monthly snapshots



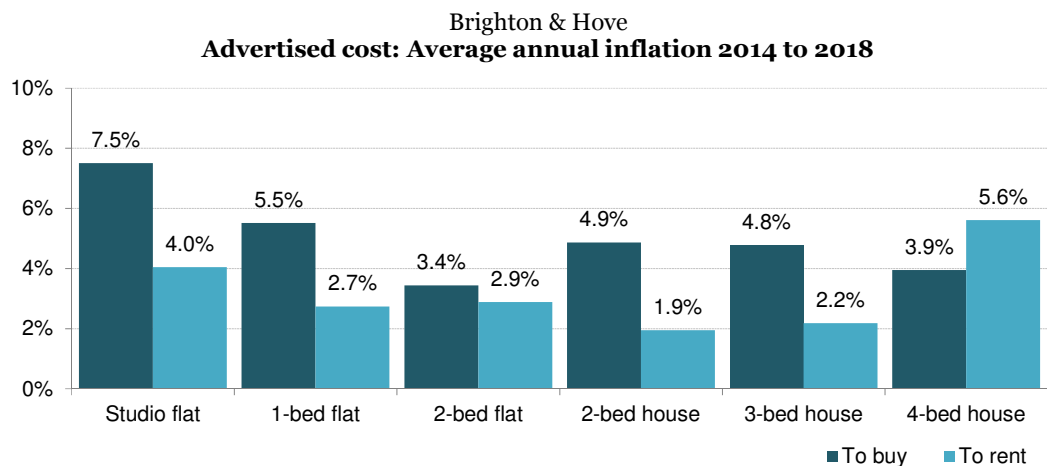


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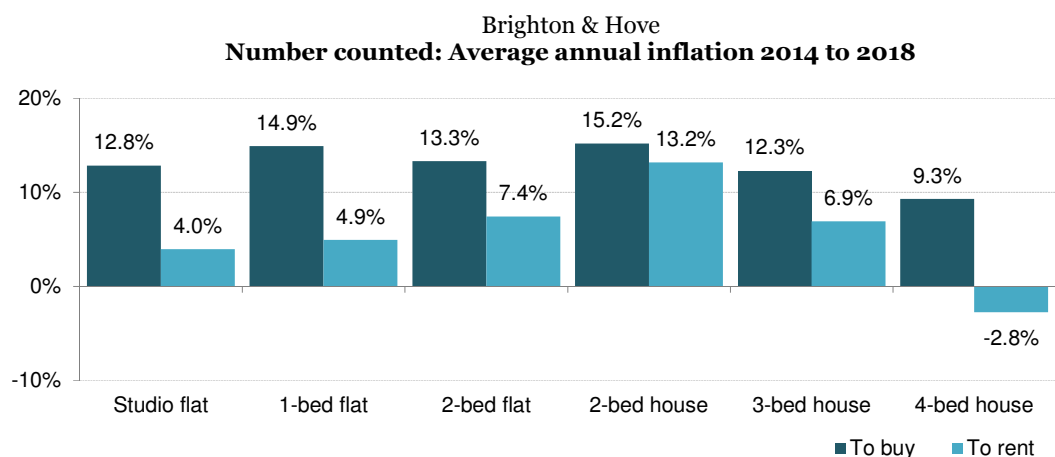
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## 5 year average annual inflation

### Advertised costs



### Numbers counted



### Methodology

This Annual Review brings together data collected from properties advertised on the Rightmove website. The monitoring took the form of monthly snapshots and therefore properties may have been included more than once whilst those advertised on the weeks that data was not collected will have been missed.

Over the year we review around 27,500 homes for sale and around 12,000 homes to rent in the Brighton & Hove area. Whilst this report does not cover the whole sales and rental market it is a useful indicator of the market. The monitoring covers the four postal districts of the city as shown in the map which provides the opportunity to analyse any differences across the city.