

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



Brighton & Hove
City Council

Methodology

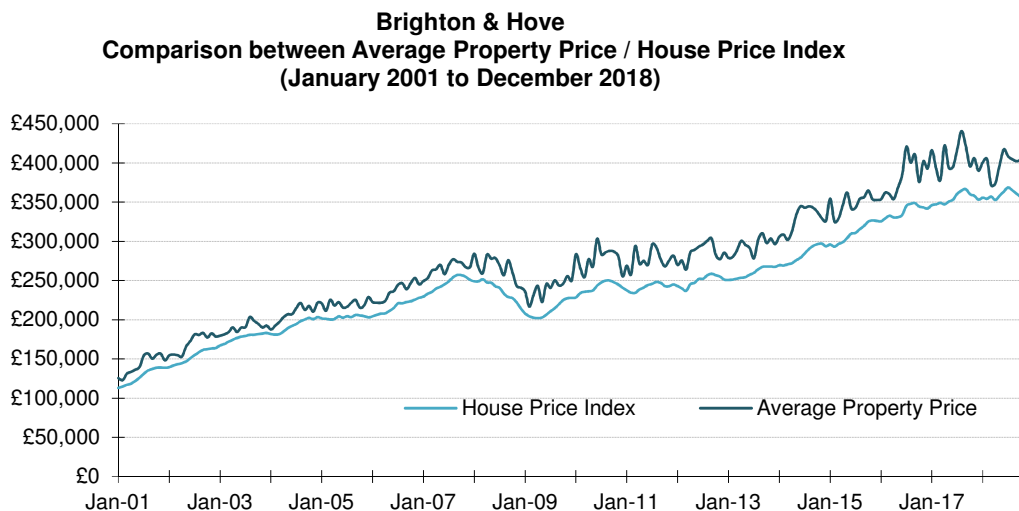
Calculating the average price

The Land Registry House Price Index (HPI) is the most commonly reported figure for average house prices. The Index looks at those properties sold and searches to see when they sold before to identify how their values have changed since the previous sale and using this information they calculate the average value of sales. The Land Registry has developed a formula not only to calculate average values using re-sales data, but also a formula to calculate the average value of new builds.

Unlike the HPI, this review uses the information on the properties sold in any one single year taken from Land Registry data and reports on the average price and the number of properties sold in that year.

Comparison between House Price Index (HPI) and the average property price

The methodology used in this review records an average value higher than the Land Registry HPI reports. The chart below shows the variation in values between the two different calculations since 2001.



Source: Land Registry

Over the period monitored, using the methodology of recording the average price of properties sold in a single year has consistently resulted in higher average property prices than using the HPI average.

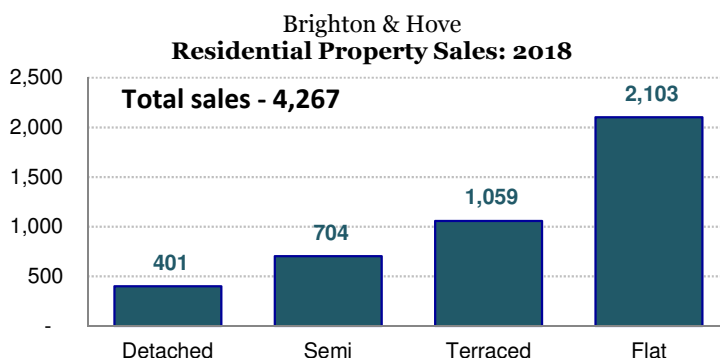
Whilst comparing the two methodologies has resulted in a difference in average property prices, the pattern in average values are similar, with both calculations showing the same trends.

Citywide sales and average cost in 2018

Number of sales

There were 4,267 residential property sales in the city during the year

- 401 (9%) were detached
- 704 (17%) were semi-detached
- 1,059 (25%) were terraced
- 2,103 (49%) were flats

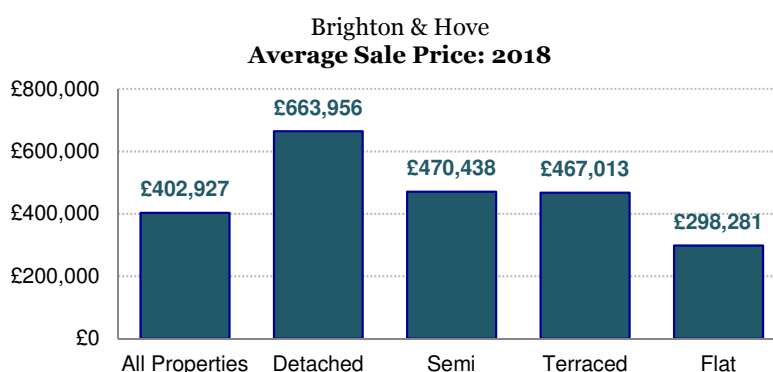


Source: Land Registry

Average sale price

The overall average cost of a property in the city was £402,927.

- Detached £663,956
- Semi-detached £470,438
- Terraced £467,013
- Flat £298,281

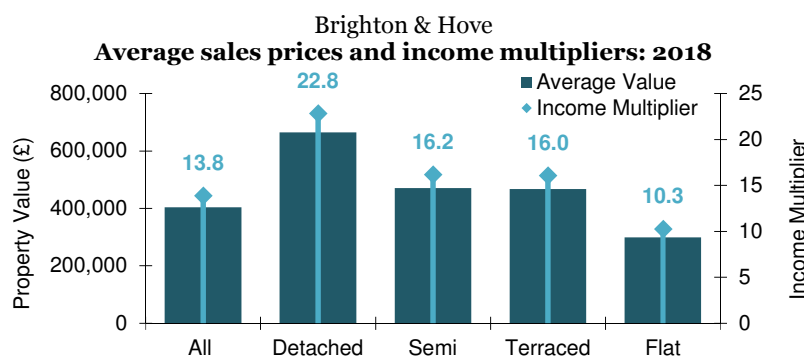


Source: Land Registry

Affordability

Overall the average cost to buy a property in the city was 13.8 times the median annual household income.¹

- Detached 22.8 times
- Semi-detached 16.2 times
- Terraced 16.0 times
- Flat 10.3 times



(based on median gross household income of £29,100 per annum)

Source: Land Registry

A sufficient mortgage for the average property in the city would require an income of £92,983 per annum with a £100,732 deposit.

Monthly Cost of Mortgage Repayments					
2018	All Properties	Detached	Semi	Terraced	Flat
Purchase value of property	£402,927	£663,956	£470,438	£467,013	£298,281
Deposit 25%	£100,732	£165,989	£117,609	£116,753	£74,570
Total value of mortgage	£302,195	£497,967	£352,828	£350,260	£223,711
Income required*	£92,983	£153,221	£108,563	£107,772	£68,834
Repayment @ 4% **	£1,595	£2,628	£1,862	£1,849	£1,181
Repayment @ 5% **	£1,767	£2,911	£2,063	£2,048	£1,308
Repayment @ 6% **	£1,947	£3,208	£2,273	£2,257	£1,441

* 3.25 x salary ** Based on a 75% mortgage repaid over 25 year.

¹ Based on a median household income of £29,100 (where 50% of households earn less and 50% of households earn more).

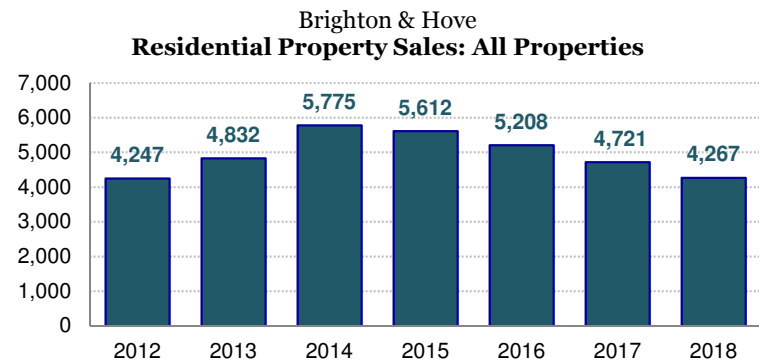
Changes in Residential Property Market from 2012 to 2018

All property changes since 2012

The chart shows the number of properties sold each year for the last seven years.

Following the low number of properties sold in 2008 (3,456), the overall trend was upward until 2015.

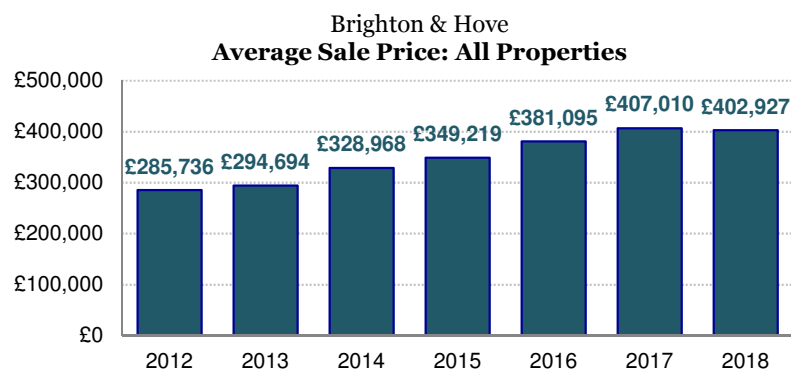
4,267 properties sold in 2018; 10% less than in 2017 but 0.5% more than in 2012 and 23% more than in 2008.



Source: Land Registry

The chart shows the average sale price of properties sold over the last seven years.

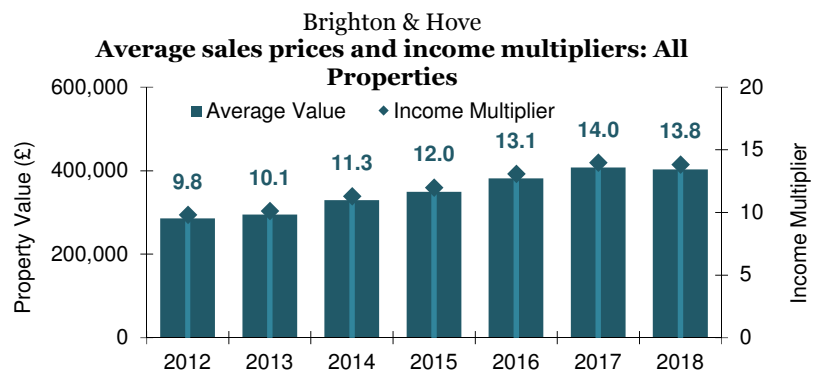
Overall the average sale price has increased over the years. In 2018 it was £402,927; an annual decrease of 1% but 41% more than in 2012.



Source: Land Registry

The chart shows the multiples of income needed to afford to buy a property over the last seven years based on the median gross household income of £29,100 per annum.

In 2012 the average cost to buy a property was 9.8 times the annual median household income. Overall the multiple has increased and in 2018 it was 13.8 times.



(based on median gross household income of £29,100 per annum)

Source: Land Registry

In 2012 a sufficient mortgage for the average property required an income of £65,939 per annum with a £71,434 deposit. In 2018 the average property required an income of £92,983 with a £100,732 deposit.

All Properties: Monthly Cost of Mortgage Repayments							
	2012	2013	2014	2015	2016	2017	2018
Purchase value of property	£285,736	£294,694	£328,968	£349,219	£381,095	£407,010	£402,927
Deposit 25%	£71,434	£73,674	£82,242	£87,305	£95,274	£101,753	£100,732
Total value of mortgage	£214,302	£221,021	£246,726	£261,914	£285,821	£305,258	£302,195
Income required*	£65,939	£68,006	£75,916	£80,589	£87,945	£93,925	£92,983
Repayment @ 4% **	£1,131	£1,167	£1,302	£1,382	£1,509	£1,611	£1,595
Repayment @ 5% **	£1,253	£1,292	£1,442	£1,531	£1,671	£1,785	£1,767
Repayment @ 6% **	£1,381	£1,424	£1,590	£1,688	£1,842	£1,967	£1,947

* 3.25 x salary ** Based on a 75% mortgage repaid over 25 year.

Changes in median, mode and lowest quartile 2012 to 2018

Property prices by median, mode and lowest quartile

All Properties							
	2012	2013	2014	2015	2016	2017	2018
Average Sale Price	£285,736	£294,694	£328,968	£349,219	£381,095	£407,010	£402,927
Half the prices were higher than	£245,000	£250,000	£275,000	£299,998	£325,000	£346,000	£350,000
Most frequent price	£250,000	£250,000	£250,000	£250,000	£250,000	£250,000	£300,000
Average of lowest quartile	£185,000	£188,000	£212,000	£229,950	£250,000	£269,500	£270,000
Number of properties sold	4,247	4,832	5,775	5,612	5,208	4,721	4,267

Detached							
	2012	2013	2014	2015	2016	2017	2018
Average Sale Price	£462,948	£484,095	£585,456	£587,519	£624,664	£684,330	£663,956
Half the prices were higher than	£386,000	£385,000	£475,000	£470,000	£507,250	£575,000	£565,000
Most frequent price	£250,000	£250,000	£250,000	£300,000	£385,000	£400,000	£500,000
Average of lowest quartile	£285,000	£291,250	£325,000	£352,500	£381,245	£405,000	£425,000
Number of properties sold	424	475	561	527	472	497	401

Semi-detached							
	2012	2013	2014	2015	2016	2017	2018
Average Sale Price	£334,530	£343,877	£389,443	£393,349	£436,875	£452,632	£470,438
Half the prices were higher than	£275,000	£285,000	£325,000	£335,000	£370,000	£390,000	£400,000
Most frequent price	£250,000	£250,000	£250,000	£325,000	£325,000	£375,000	£450,000
Average of lowest quartile	£228,000	£238,000	£265,000	£282,000	£310,000	£326,000	£335,000
Number of properties sold	752	768	818	757	751	745	704

Terraced							
	2012	2013	2014	2015	2016	2017	2018
Average Sale Price	£322,033	£344,250	£378,400	£416,082	£457,341	£470,309	£467,013
Half the prices were higher than	£295,000	£320,000	£347,542	£385,000	£415,000	£435,000	£435,000
Most frequent price	£250,000	£250,000	£250,000	£350,000	£375,000	£500,000	£470,000
Average of lowest quartile	£233,625	£246,500	£270,000	£305,000	£329,950	£346,000	£348,975
Number of properties sold	1,066	1,166	1,395	1,317	1,224	1,138	1,059

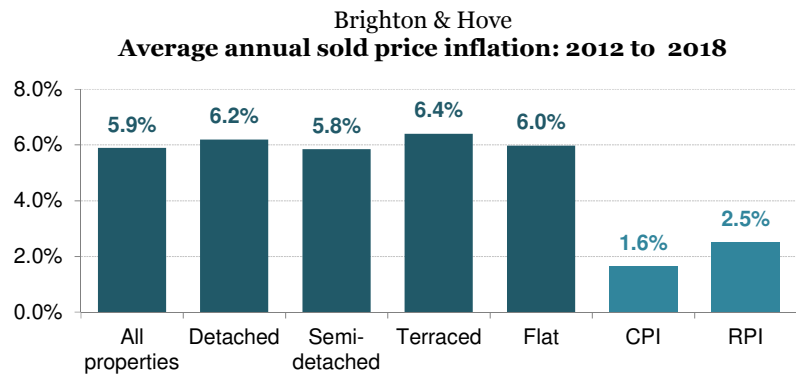
Flat							
	2012	2013	2014	2015	2016	2017	2018
Average Sale Price	£210,661	£218,128	£241,558	£267,170	£290,484	£302,845	£298,281
Half the prices were higher than	£189,950	£196,000	£225,000	£244,000	£262,000	£275,000	£276,500
Most frequent price	£250,000	£250,000	£250,000	£225,000	£240,000	£250,000	£250,000
Average of lowest quartile	£155,000	£160,000	£177,000	£195,000	£215,000	£225,500	£225,000
Number of properties sold	2,005	2,423	3,001	3,011	2,761	2,341	2,103

Changes since 2012

Comparison with the Consumer Price Index and Retail Price Index

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

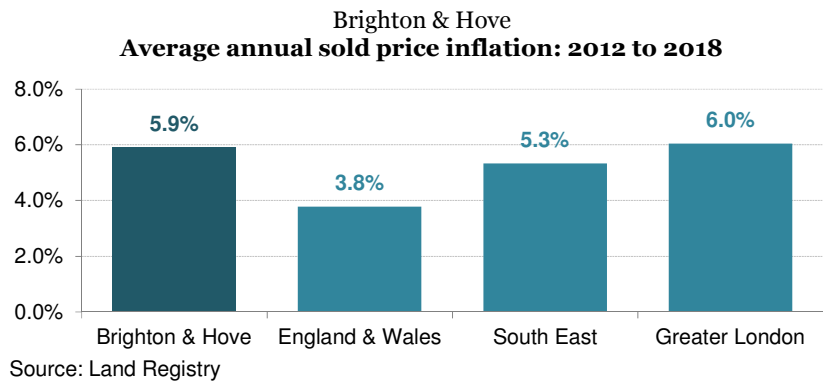
The average annual sold price across all the different type of properties since 2012 has increased at a greater rate than both the CPI and the RPI indices.



Comparisons with England & Wales, the South East and Greater London

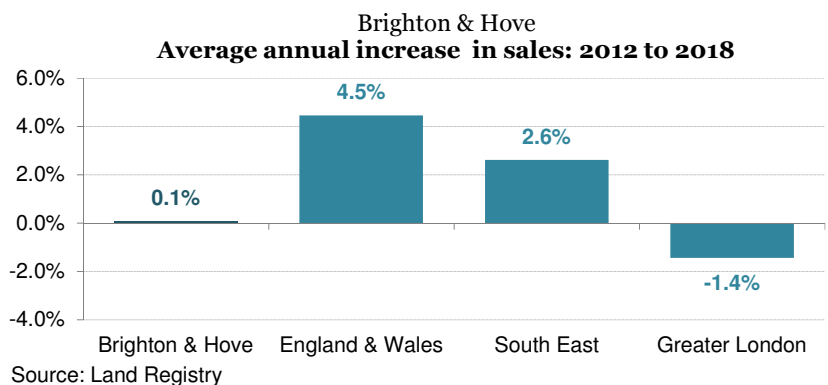
The chart shows the average annual sold price inflation for Brighton & Hove, England & Wales, the South East and Greater London since 2012.

The average annual sold price for Brighton & Hove has increased at a greater rate than England & Wales and the South East but at a lower rate than Greater London.



The chart shows the average annual change in number of properties sold since 2012.

The average number of properties sold each year in Brighton & Hove has increased at a lower rate than England & Wales and the South East but at a higher rate than Greater London.

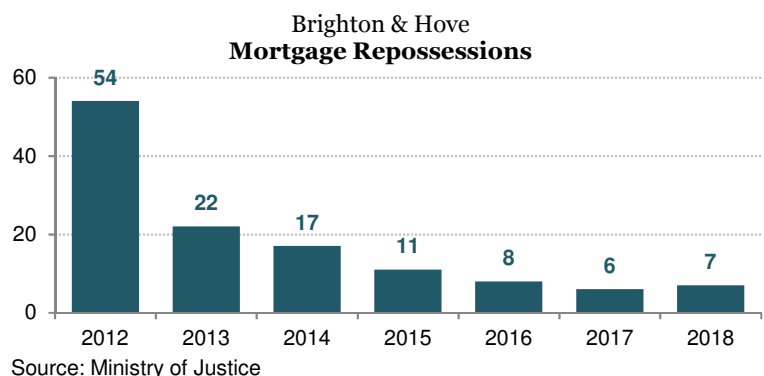


Mortgage Repossessions in Brighton & Hove since 2012

The chart shows the number of mortgage repossessions since 2012.

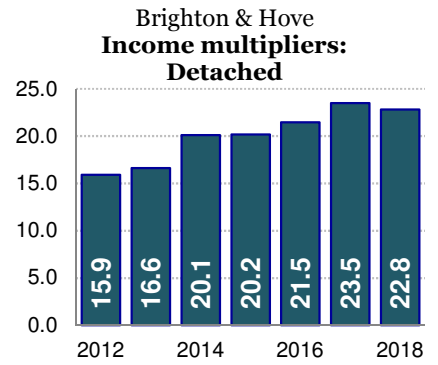
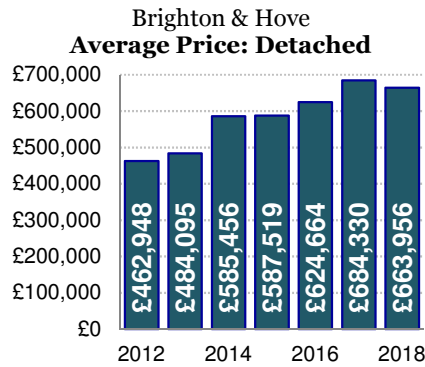
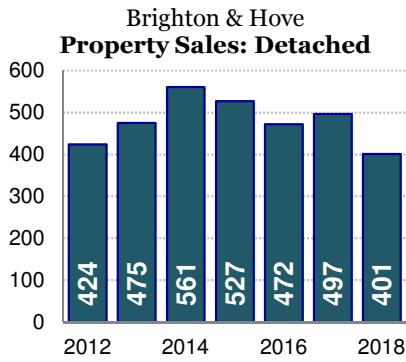
Following the higher number of mortgage repossessions in 2008 (91), the overall trend has been downward.

There were 7 repossessions in 2018; an annual increase of one but a decrease of 47 (87%) since 2012.

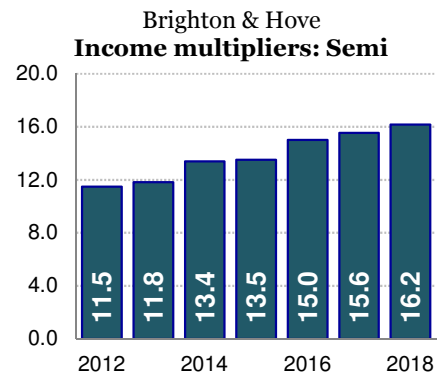
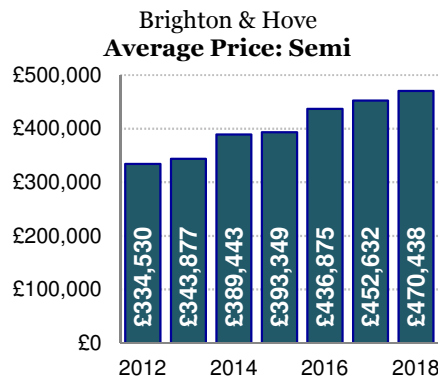
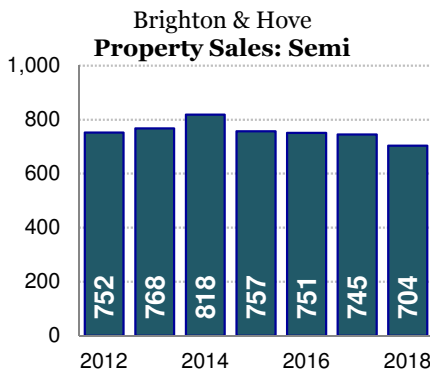


Changes in the city during the last seven years by property type

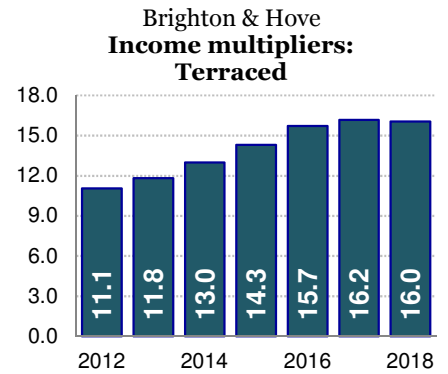
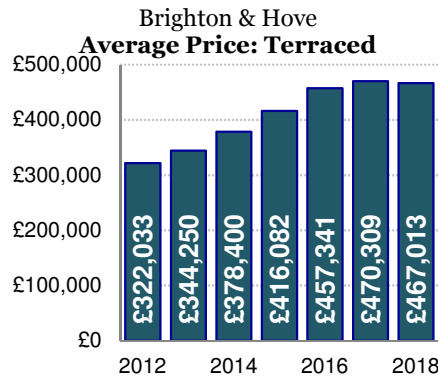
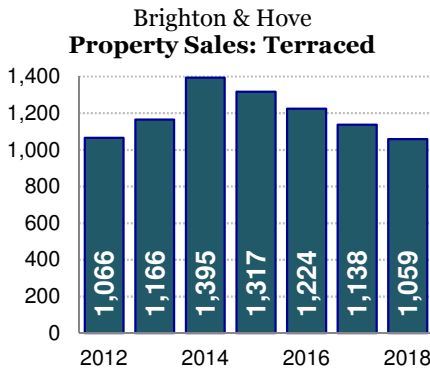
Detached



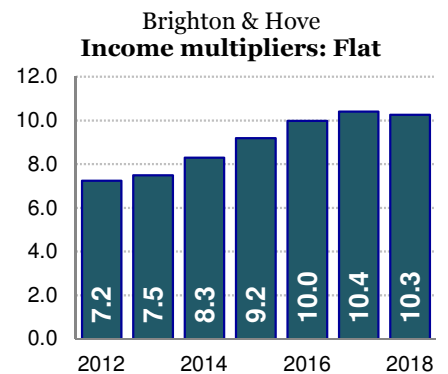
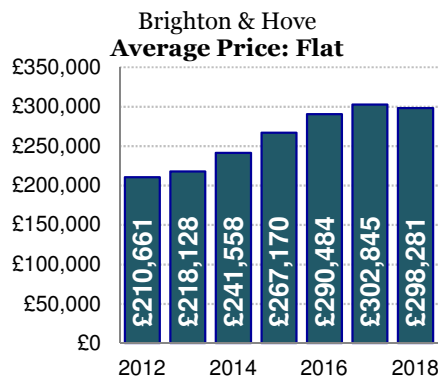
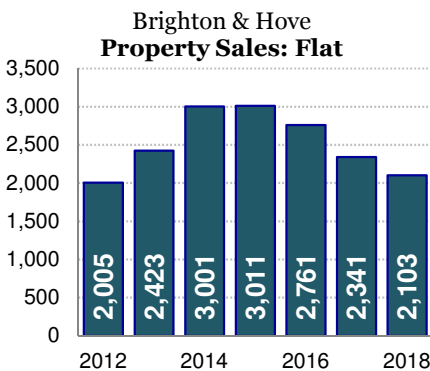
Semi-detached



Terraced



Flat



NB: Income multipliers based on median gross household income of £29,100 per annum

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