

## SURVEY OF LOCAL HOUSE PRICES & RENTALS

In December 2005, Herefordshire Council Research Team carried out a survey of 11 estate agents / letting agents in the city, asking about minimum (entry level) prices and rental levels for different types and sizes of property. The agents were chosen as representing both independents and national chains, with some dealing only with sales, some only with rentals and some with both sales and rentals. 12 agents were initially approached, and 11 responded. *(Draft guidance from ODPM, Office of the Deputy Prime Minister, recommends that at least 6 agents are contacted)*

The house price data gathered by this survey **supplements** the quarterly data received from the Land Registry in the following ways. (See regular article on property prices in this report for Land Registry house price data).

- Land Registry data is broken down by property type – detached, semi-detached, terraced, and flats/maisonettes – but not by **property size** as given by number of bedrooms.
- Land Registry data provides the **mean** price for each property type, (and also after a time-lag, median and lower quartile prices), but not the **entry level** price.

Data on private rental levels is currently not available nationally, so a local survey was necessary to gather this. This approach follows guidance from the ODPM (Office for the Deputy Prime Minister) which recommends periodic surveys of this type as a supplement to other data.

Advice from a local estate agent was used in designing the survey. Agents were asked to estimate price levels for 3 areas – Hereford city north of the river, Hereford city south of the river, and the rest of the county.

The questions used were as follows.

### Question on house prices:

For each dwelling type given below, could you please indicate **in your opinion** what you would consider to be the **minimum (entry level)** price for this type of property in good condition (not needing any major repair) and with a reasonable supply (not one-off properties occasionally coming on to the market).

*Dwelling types:* 1-bed property, 2-bed flat, 2-bed house, 3-bed property, 4-bed property

### Question on rentals:

For each dwelling type given below, could you please indicate **in your opinion** what is the **minimum monthly rental** needed to secure this type of property in reasonable condition and with a reasonable supply (not one-off properties occasionally becoming available).

*Dwelling types:* bedsit, 1-bed flat, 2-bed property, 3-bed property, 4-bed property

Of the agents surveyed, not all deal with both sales and rentals and some left gaps on the response form where they did not feel that they had enough data to make a reliable estimate. The number of responses received is shown in Table 1 below.

**Table 1: number of estimates received**

		Elsewhere in the county
Sales	10	8
Rentals	7	3

The results of the survey are given in Tables 2 and 3.

**Table 2: Entry level price for different sizes of property by location – averages (means) of the estimates from the estate agents**

					4 bed property
Hereford city (north)	£83,200	£105,000	£117,700	£132,800	£174,000
Hereford city (south)	£75,000	£87,100	£106,000	£119,900	£158,300
The rest of Herefordshire	£86,900	£102,100	£124,000	£135,600	£170,600

*Figures are rounded to the nearest £100*

The mean of the property price estimates for Hereford south of the river is generally about 10% below the mean of estimates for Hereford north of the river. Estimates for the rest of the county are generally similar to estimates for Hereford north of the river, although two-bedroom houses are estimated to be significantly more expensive outside the city.

The lower quartile price for all properties sold in Herefordshire between July and October 2005 was £126,625 (source: HM Land Registry). This survey indicates that in 2005 the lower quartile price from the Land Registry was between the entry level price for a two-bed house and a three-bed house. The exception to this is Hereford city south where the county lower quartile price was higher than the local entry level price for 3 bedrooms.

**Table 3 Minimum monthly rental for different sizes of property by location – averages (means) of the estimates from the estate / letting agents**

					4 bed property
Hereford city (north)	£253	£335	£416	£481	£571
Hereford city (south)	£220	£316	£395	£468	£544
The rest of Herefordshire	£253	£345	£407	£453	£537

Excluding bedsits (where only 2 estimates were received for south Hereford), estimates for south Hereford are between 3% and 6% below those for north Hereford.

For the rest of Herefordshire (outside Hereford), the rental estimate for 1-bed flats is 3% above the estimate for north Hereford – this is likely to be due fewer numbers of this type of property available outside of the city. For 2-bedroom properties, rentals outside Hereford are estimated at 2% below north Hereford prices, and for 3 and 4 bedroom properties, county rentals are estimated at 6% below north Hereford prices.

The agents were invited to add comments if they felt that there were any particular features of the local housing market which it would be useful to highlight. Two agents responded and in both cases they commented on a shortage of properties for first time buyers.

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**A fuller report of this survey can be obtained from the Research Team on 01432 260464, or e-mail [researchteam@herefordshire.gov.uk](mailto:researchteam@herefordshire.gov.uk)**