

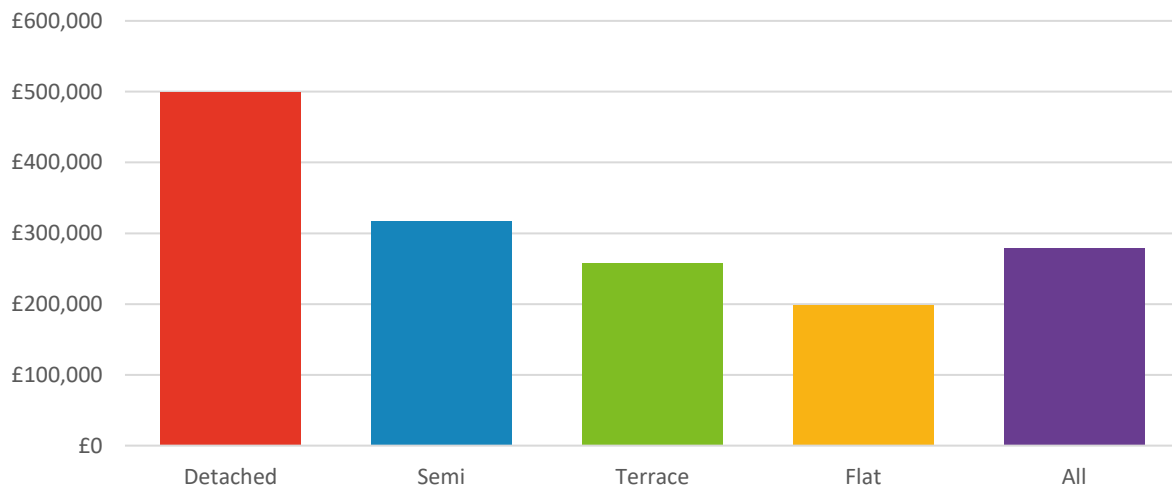
# Cheltenham



Residential Analysts

# 1. Affordability

Average house prices

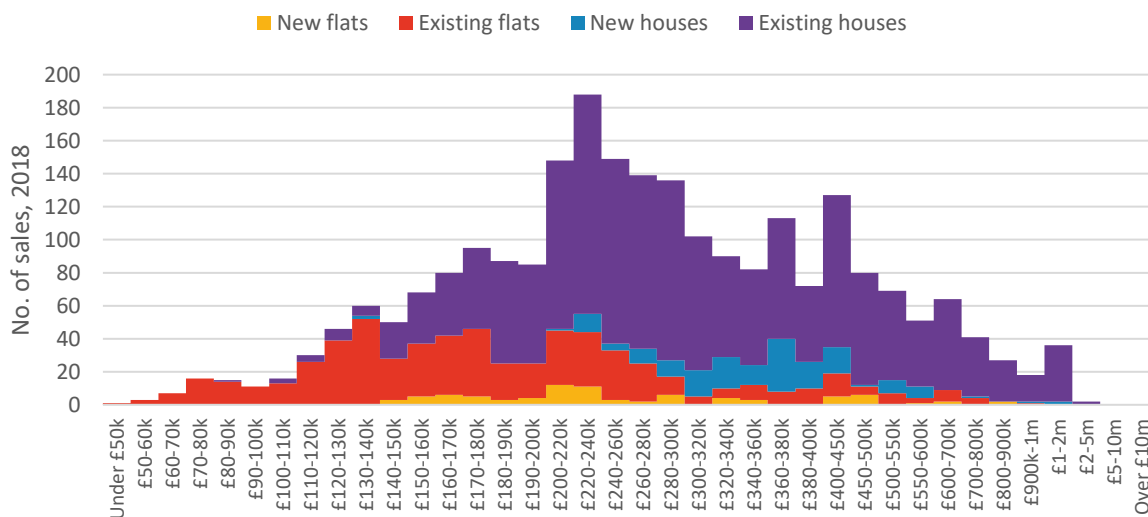


Source: HM Land Registry Price Paid Data

The average house price in Cheltenham in 2018 was £279,000. The median ratio of house prices to local earnings is 8.9. This is higher than the England average of 8.0, suggesting high house prices are likely to be an issue.

According to 2016 ONS data, the average price per square metre was £2,877 with the average price per bedroom £62,567 - the corresponding national average figures were £2,463 and £55,087.

Sales distribution by house price

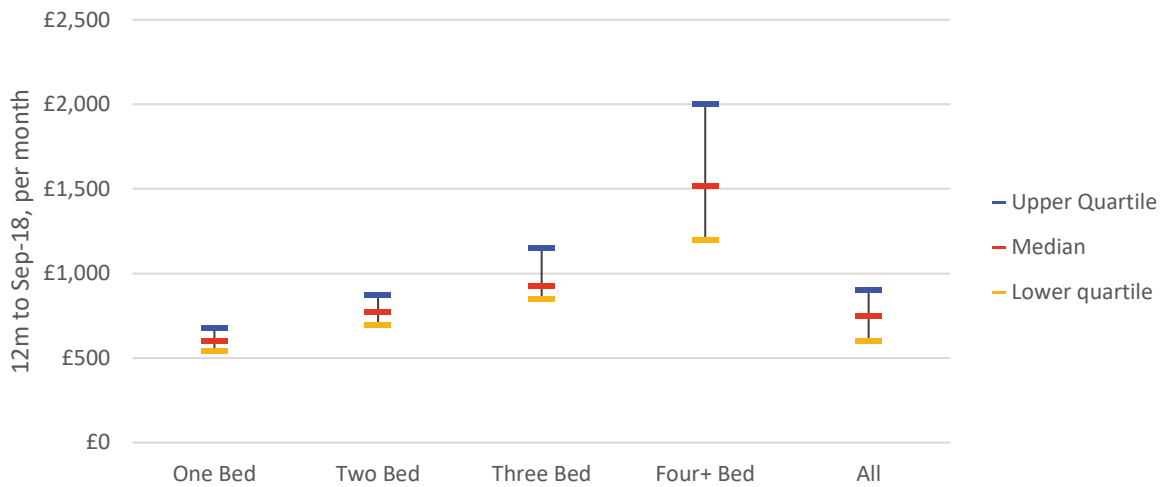


Source: HM Land Registry Price Paid Data

New homes made up 10.4% of the total 2,404 sales recorded by the Land Registry in 2018. 27.1% of total sales were flats, and 59.5% were under £300,000. By comparison, 66.0% of transactions nationally were under £300,000.

# 1. Affordability

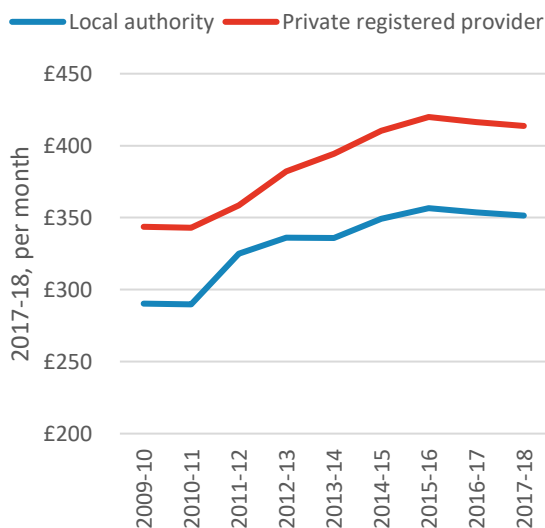
## Private rents



Source: VOA Private Rental Market Statistics

Private rents in Cheltenham in the 12 months to September 2018 ranged from £545 per month for a lower quartile one bed to £2,000 for an upper quartile four (or more) bed property. The overall median private rent was £750, which is approximately the same as the England average of £690, suggesting high private rents may be a problem.

## Social rents



## Rent comparison

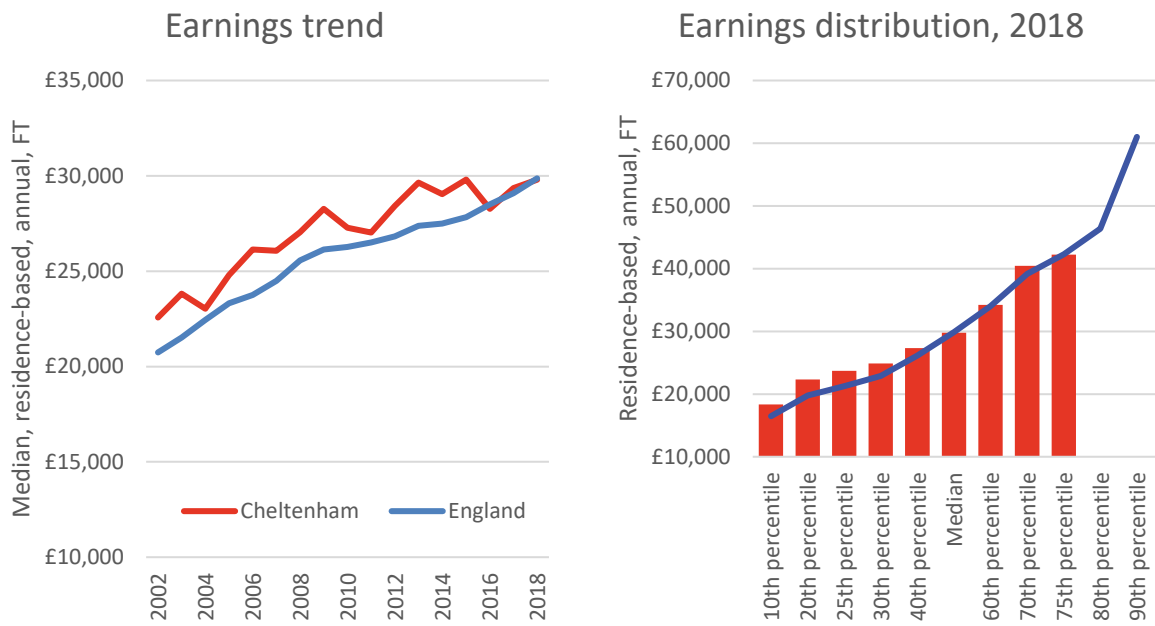


Source: MHCLG Live Tables on Rents, Lettings and Tenancies; VOA Private Rental Market Statistics

Social rents are approximately 51% of private rents in Cheltenham. Average social rents have increased 6.4% over the past five years, compared with 9.3% at national level.

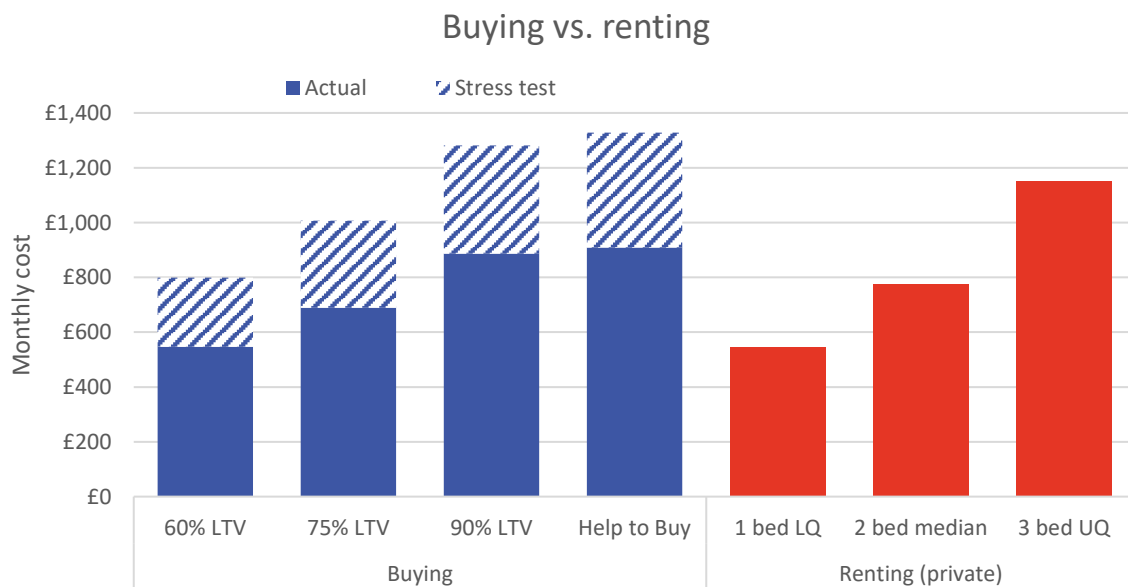
Note: Social rents based on simple average of RP and local authority stock, or RPs only where no local authority stock (e.g. LSVT).

# 1. Affordability



Source: ONS Annual Survey of Hours and Earnings

The median full-time earnings in Cheltenham were £29,795 in 2018, compared to £29,869 in England. Half of local full-time workers earn between the lower quartile of £23,723 and the upper quartile of £42,245, compared to national figures of £21,273 and £42,285.

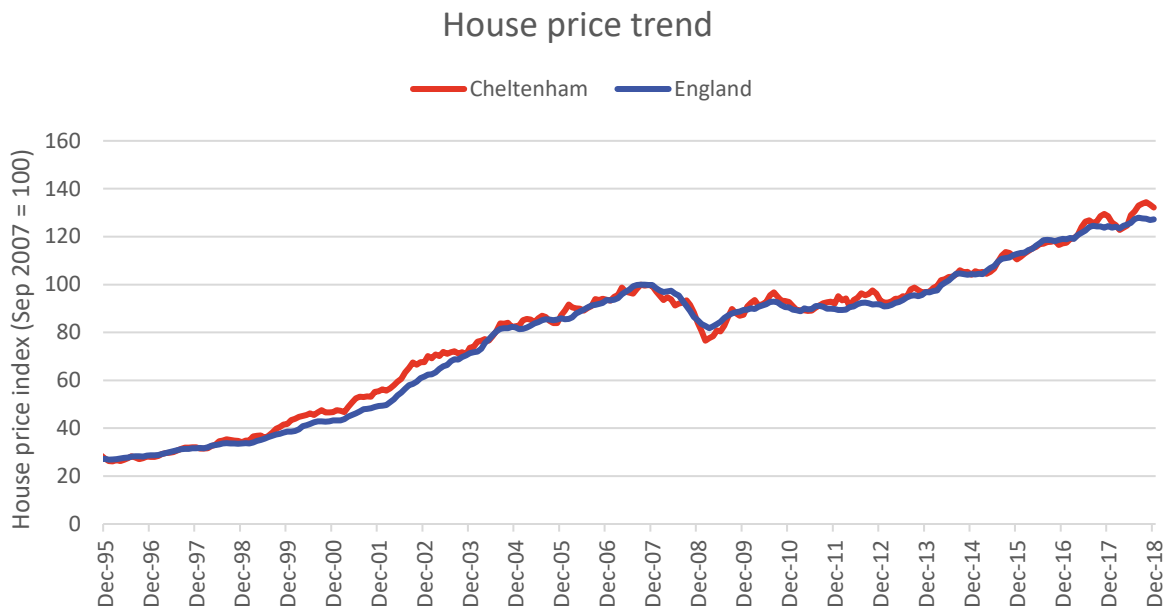


Source: HM Land Registry Price Paid Data; VOA Private Rental Market Statistics; Bank of England

This chart shows a simple comparison of initial mortgage costs and rents for a range of scenarios to represent potential FTB decisions.

*Note: Buying scenarios based on average terraced house value (flat in London), lower of £600k (HTB limit) or average new build for HTB, and includes +3% mortgage rate stress test.*

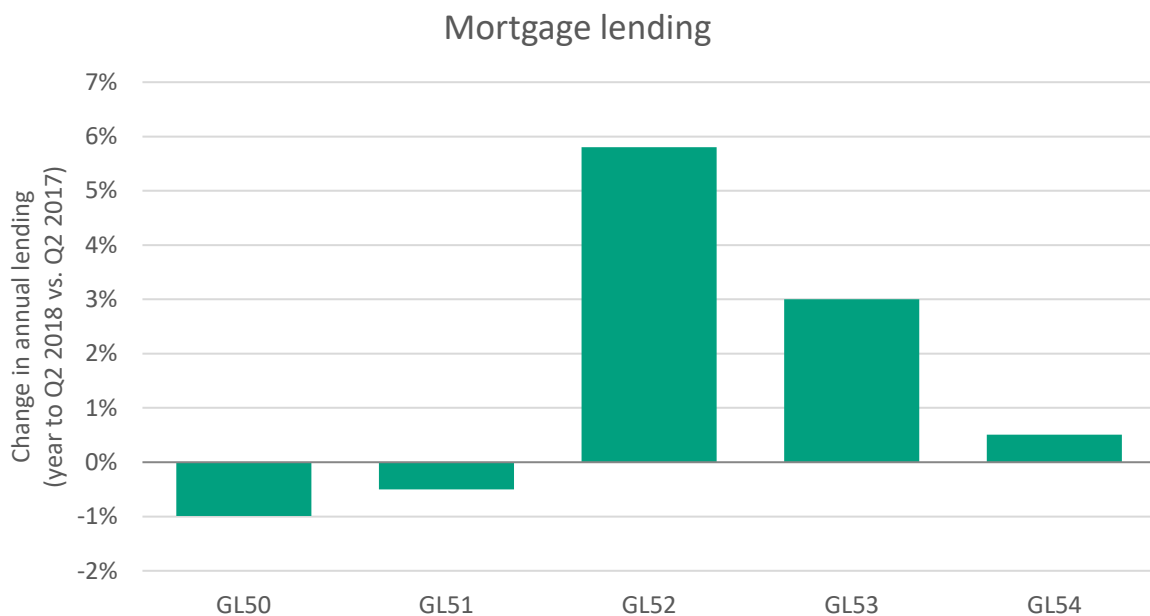
# 1. Affordability



Source: HM Land Registry UK House Price Index

House prices in Cheltenham in December 2018 are higher than their 2007/08 peak by 32.2%, compared with England at +27.3%. This suggests that rapid house price growth through the current cycle is likely to be a local problem. Values in 2018 increased by 2.8% annually.

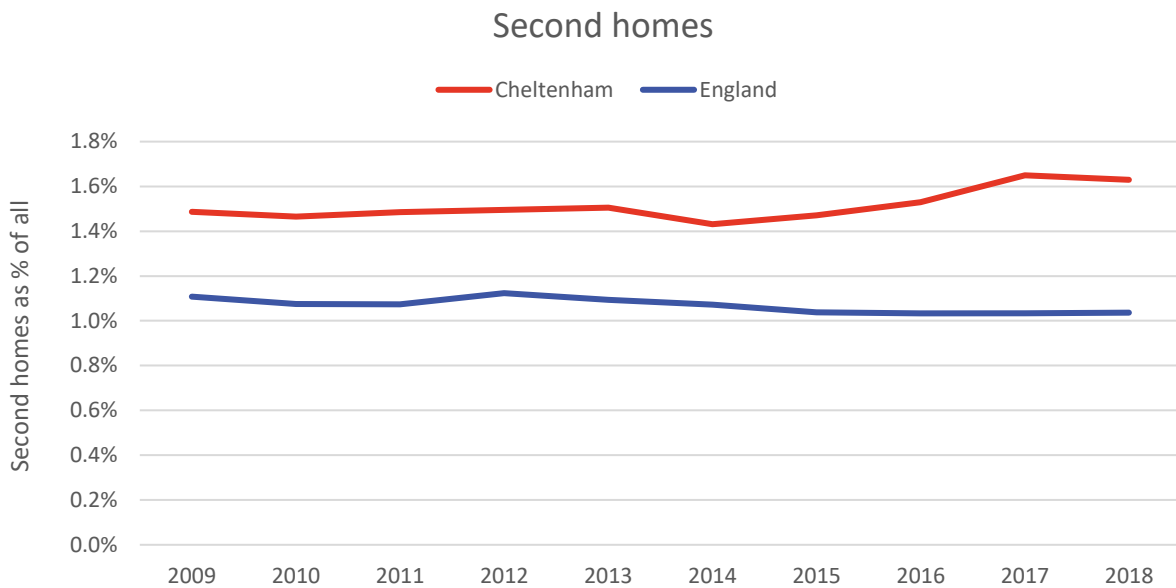
An indicative rental yield (based on ave 2 bed rent vs. ave flat sales value) for Cheltenham is 4.7%, compared with 3.4% nationally.



Source: UK Finance

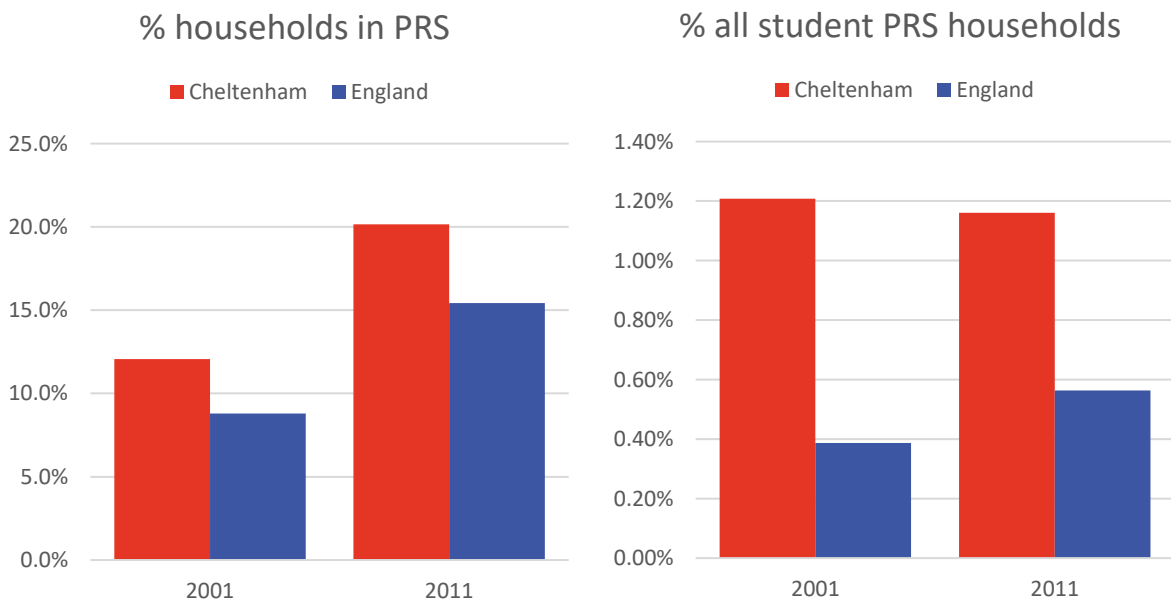
This chart shows the change in mortgage lending across the postcode districts in Cheltenham. The total volume of lending in the 12 months to Q2 2018 was £2,928 million, compared with £2,870 million a year earlier, a change of +2.0%.

# 1. Affordability



Source: Council Tax Base

1.6% of residential properties in Cheltenham were recorded as second homes in 2018 according to Council Tax Base data. This is higher than the England average, suggesting high levels of second home ownership are likely to be an issue, though other sources should be considered.

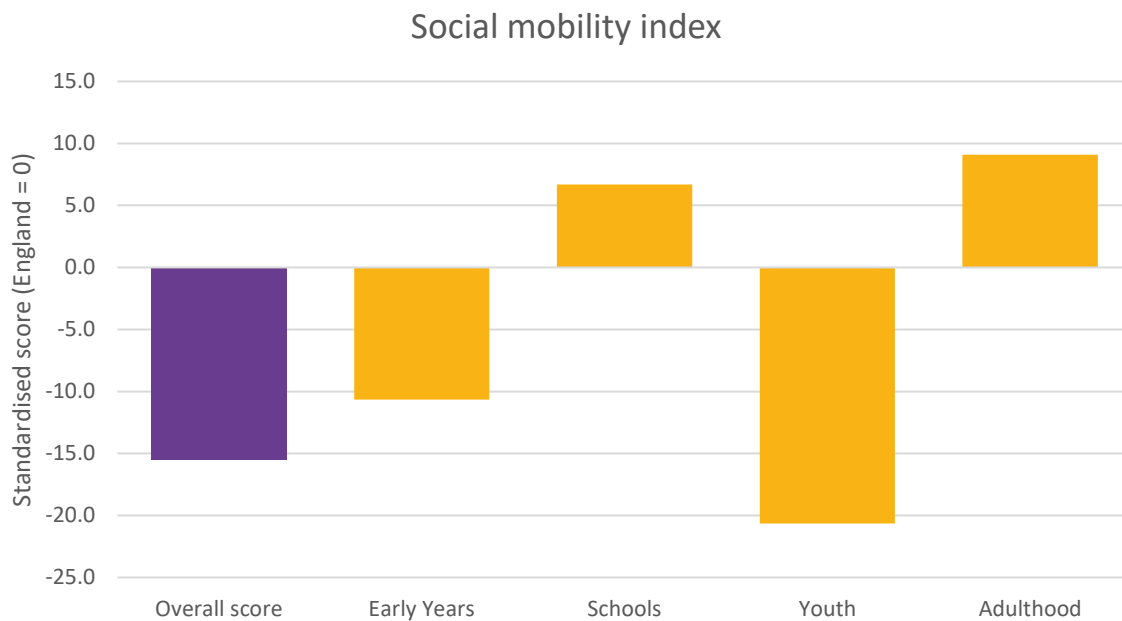


Source: 2001 and 2011 Census

20.1% of households in Cheltenham were rented privately according to the 2011 Census, compared to 12.1% in 2001. The England average changed from 8.8% to 15.4% over the same period.

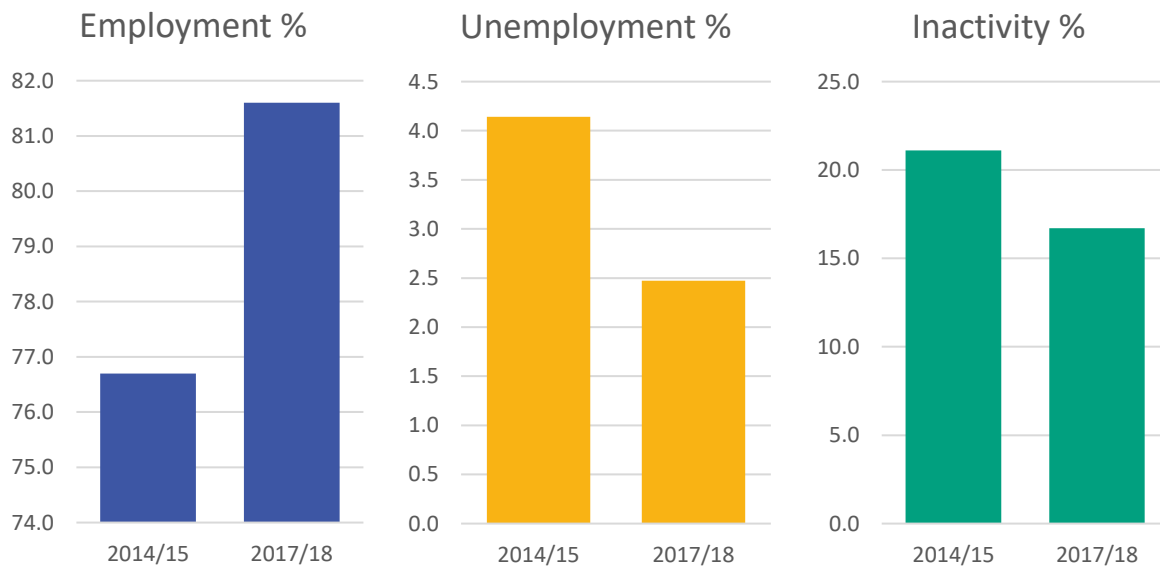
5.8% of the PRS households in Cheltenham comprised only students in 2011, compared with 3.7% in England, suggesting students play a relatively minor role in the local PRS market.

# 1. Affordability



Source: Social Mobility Index

Cheltenham received an overall standardised score of -15.5 in the 2017 Social Mobility Index, compared to the England average of zero. Cheltenham ranks as 225/324 for overall score across all English local authorities for which data is available. Local house price affordability could be a further barrier to social mobility in this area.

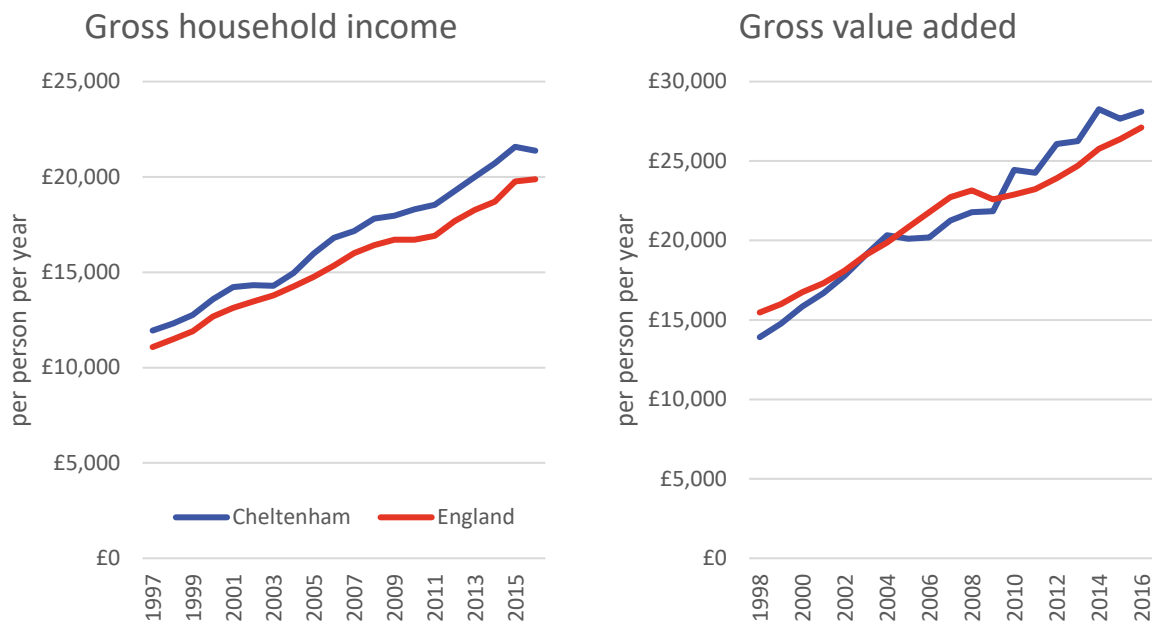


Source: ONS Local Labour Market Indicators

Employment in Cheltenham changed from 76.7% in 2014/15 to 81.6% in 2017/18; unemployment changed from 4.1% to 2.5%; and economic inactivity changed from 21.1% to 16.7%.

By comparison, employment in England changed from 73.6% in 2014/15 to 75.3% in 2017/18; unemployment changed from 5.3% to 4.2%; and economic inactivity changed from 22.2% to 21.3%.

# 1. Affordability



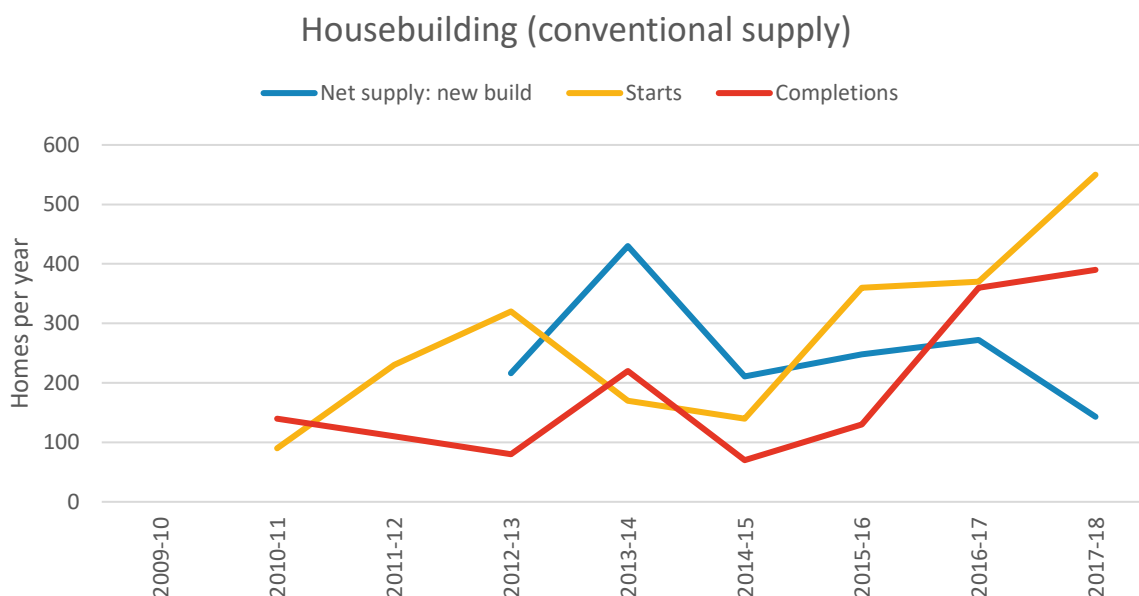
Source: ONS Regional Accounts

Gross domestic household income in Cheltenham was £21,371 per person per year in 2016, compared with £16,809 in 2006. By comparison the figure for England changed from £15,349 to £19,878 over the same period. Based on this measure, Cheltenham is an area of typical affluence.

Gross value added at district level was £28,106 per person per year in 2016, compared with £20,199 a decade earlier. By comparison the figure for England changed from £21,773 to £27,108 over the same period.

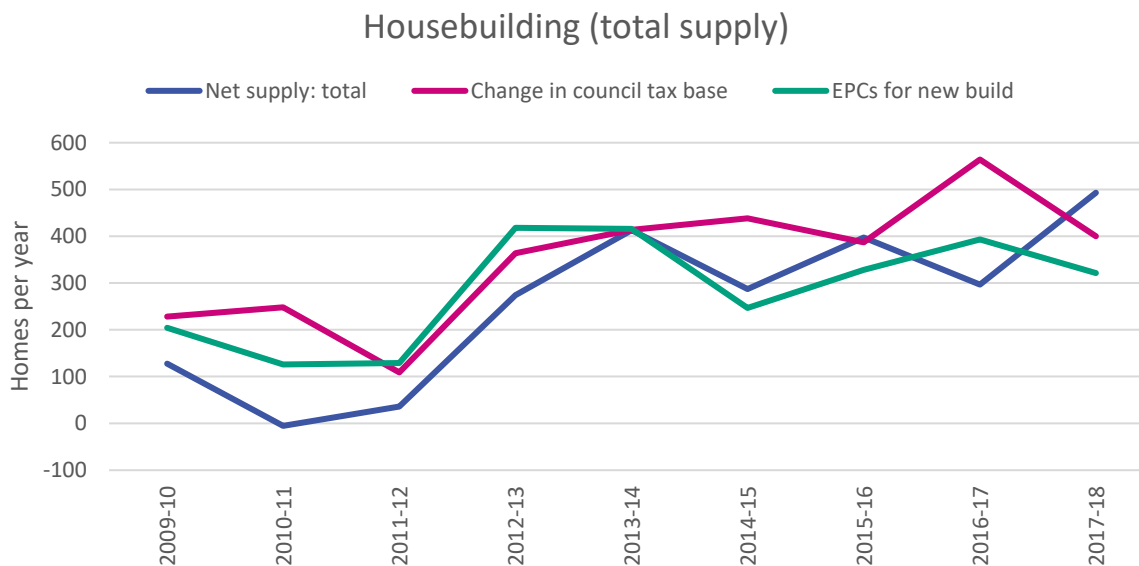


## 2. Availability



Source: MHCLG Live Tables 253a and 122

The measures of 'conventional' housebuilding for Cheltenham are shown in this chart. The 'official' MHCLG supply figures for 2017-18 recorded 143 new build completions (excluding any conversions or change of use). Over the same period 390 completions were recorded in the 'unofficial' quarterly data, along with 550 starts.



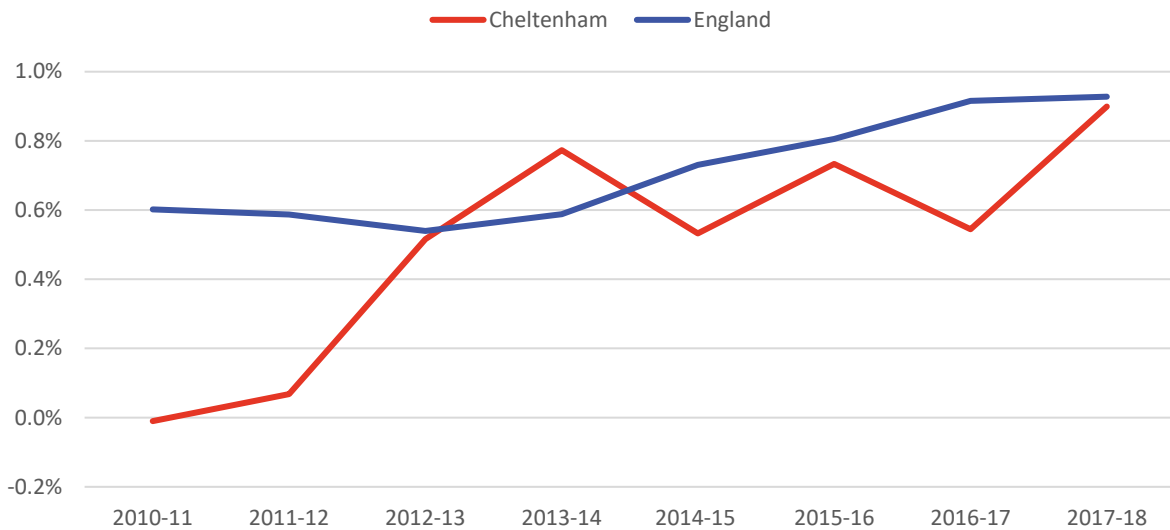
Source: MHCLG Live Table 122; MHCLG Live tables on Energy Performance of Buildings Certificates; Council Tax Base

This chart shows total supply for Cheltenham. The 'official' MHCLG supply figures for 2017-18 recorded 493 net new homes in total (including conversions and change of use, and after demolitions), and the Council Tax Base changed by +400 homes in the same period.

EPCs issued for new homes are used as a lead indicator of supply and can often be used to estimate net supply: 551 were recorded in the 2018 calendar year in Cheltenham.

## 2. Availability

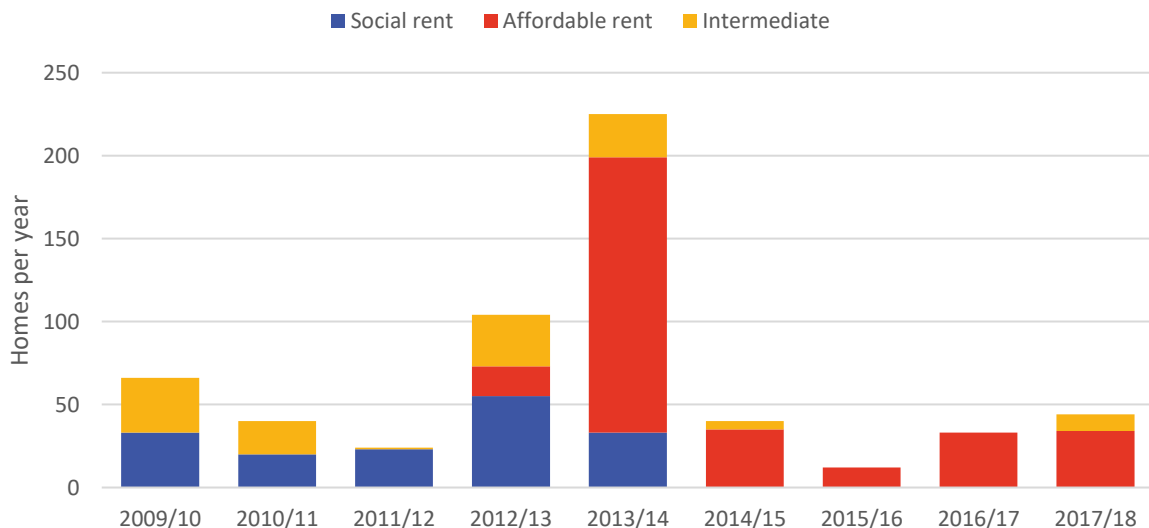
Net additions as % of stock



Source: MHCLG Live Tables 100 and 122

The net new supply in Cheltenham increased the existing housing stock by 0.9% in 2017/18. This is approximately the same as the England average of 0.9%, suggesting the level of local supply may be a problem. Note that the Government's national target of 300,000 homes per year is equivalent to 1.3%.

Affordable delivery

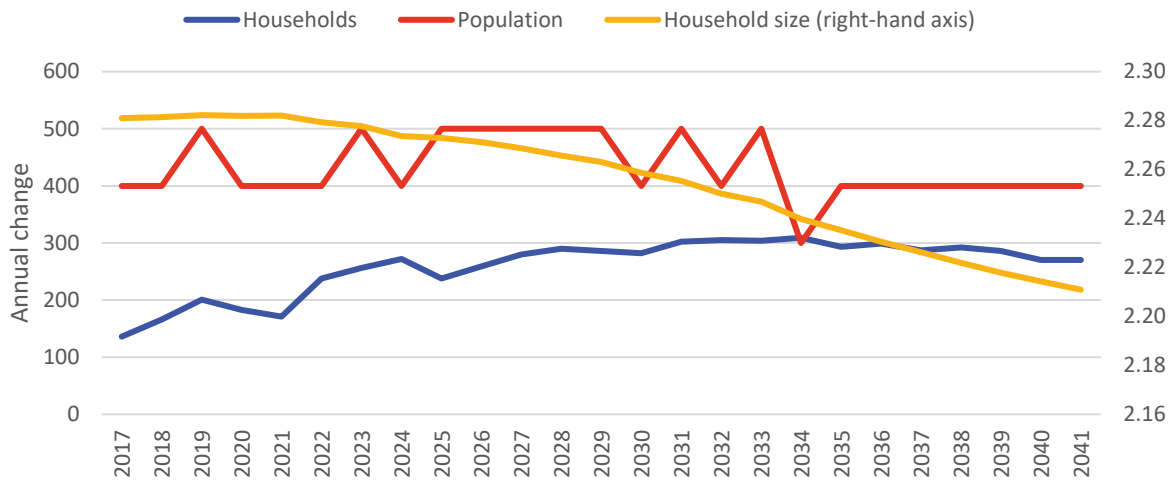


Source: MHCLG Live Tables 1006C, 1006aC and 1007C

The previous analysis in this section covers delivery of all tenures / by all types of developer. This chart shows only delivery of affordable housing. In Cheltenham 44 new affordable homes were completed in 2017/18: 0 for social rent, 34 for affordable rent and 10 intermediate affordable homes.

## 2. Availability

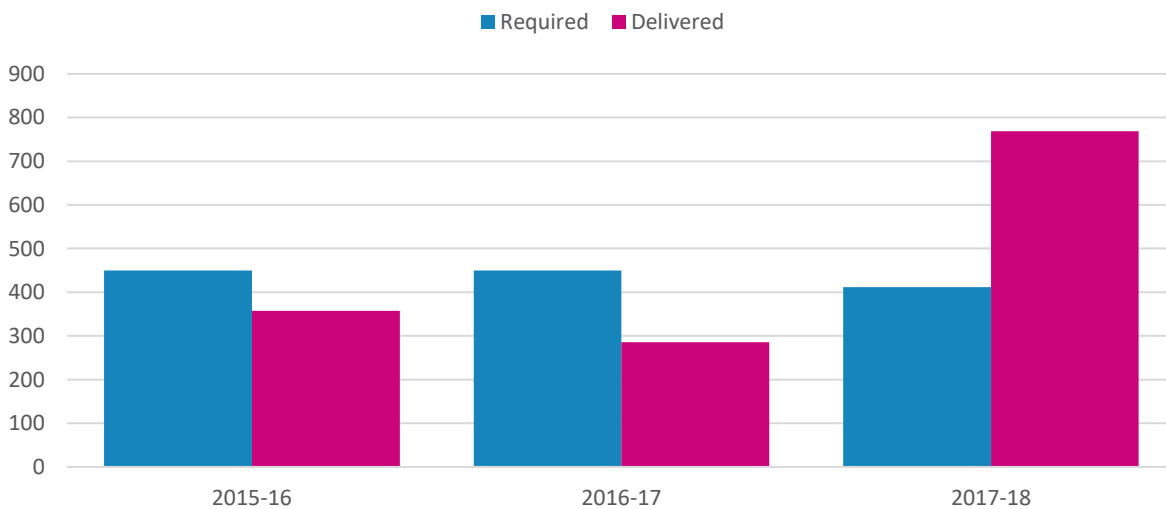
### Household and population projections



Source: ONS 2016-based Sub-national Population and Household Projections

Population growth in Cheltenham is set to average 432 people per year from 2020 to 2041, with projected average annual household growth of 271 households over the same period. The average household size in 2020 is projected to be 2.28, and 2.21 in 2041.

### Housing delivery test

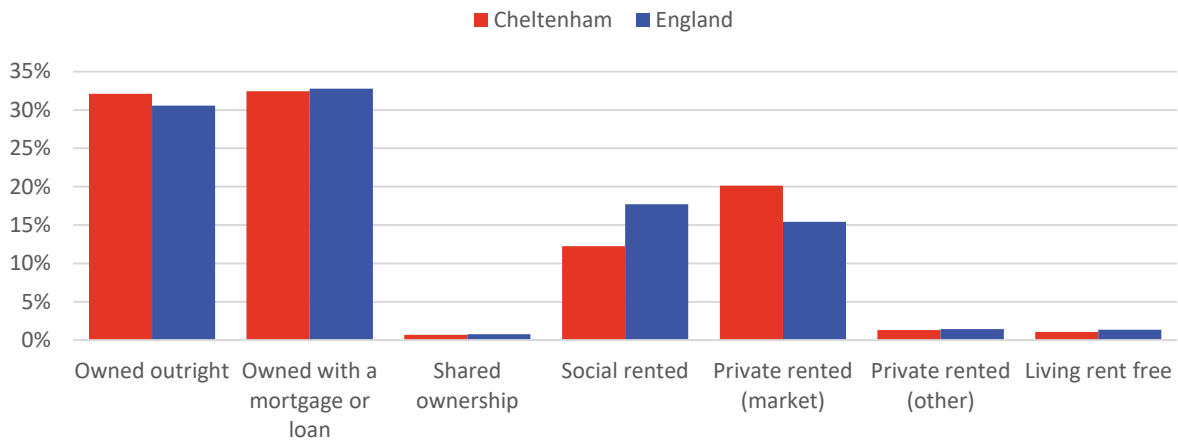


Source: MHCLG Housing Delivery Test 2018 Measurement

The most recent figures show that Cheltenham delivered new homes broadly in line with the numbers required by the MHCLG Housing Delivery Test. 1,412 net new homes were supplied over the past three full years, compared with the 1,312 required. The result of the test is that no action is required.

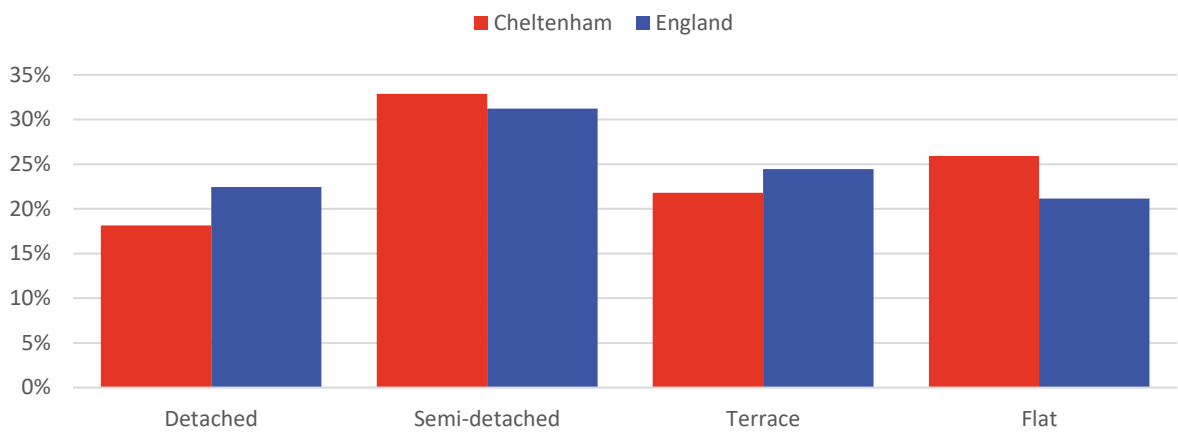
## 2. Availability

### Tenure



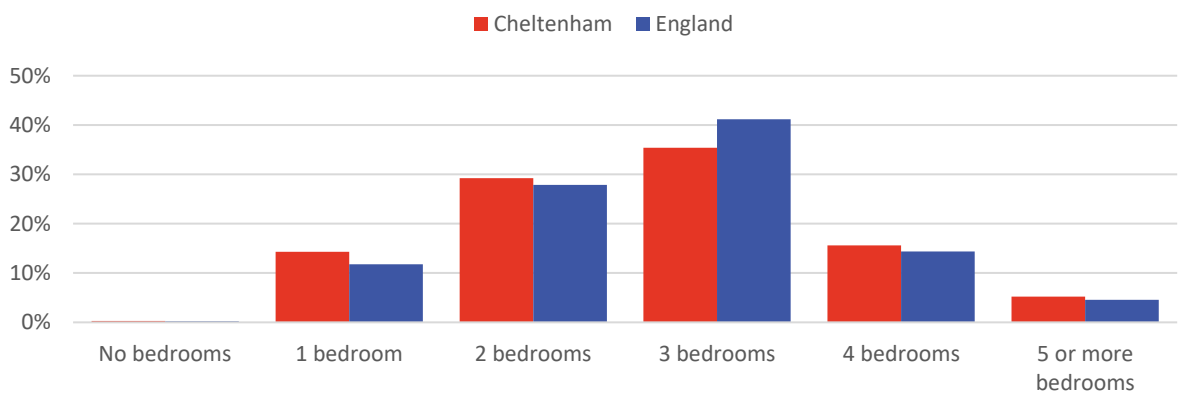
Source: 2011 Census

### Property type



Source: 2011 Census

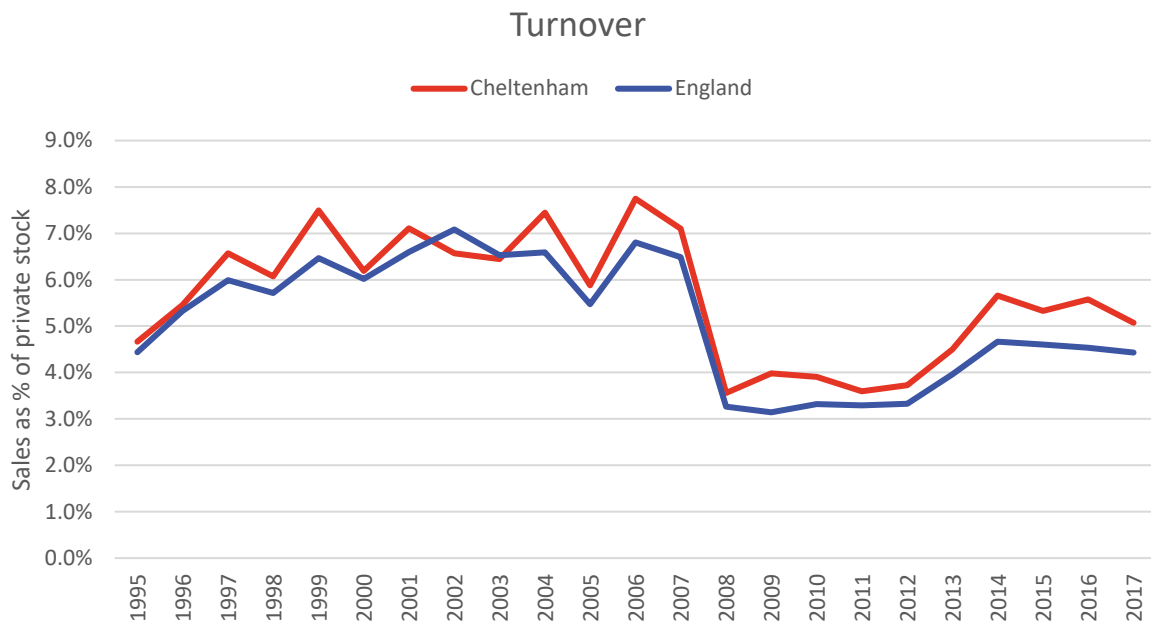
### Number of bedrooms



Source: 2011 Census

These three charts show property characteristics for Cheltenham from the 2011 Census, compared to the national averages.

## 2. Availability

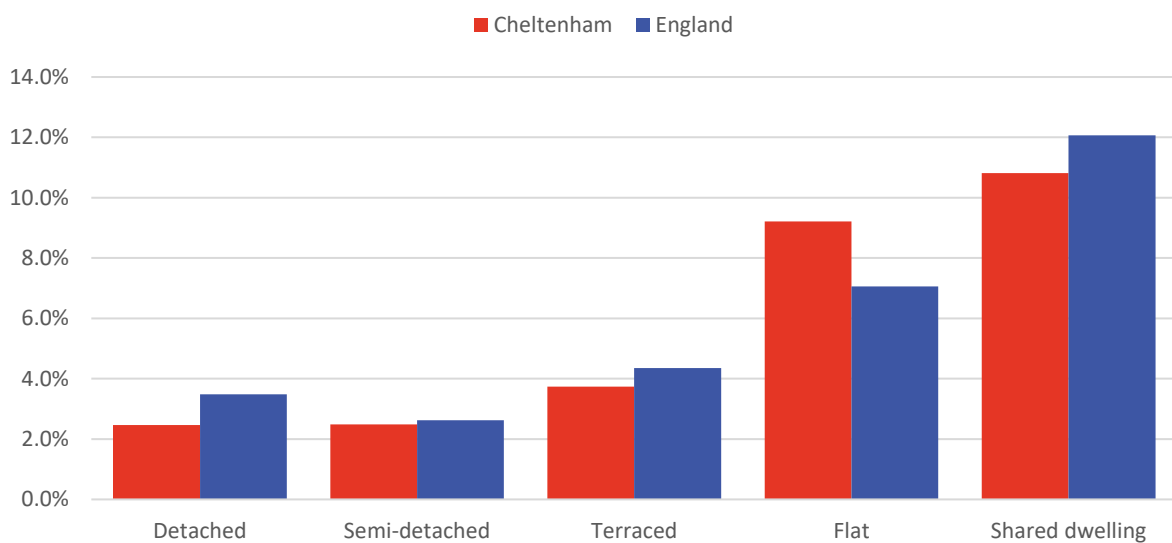


Source: HM Land Registry Price Paid Data

Turnover in Cheltenham was 5.1% in 2017 (the latest year with full data). This is significantly lower than the average before the global financial crisis (turnover from 2001-05 averaged 6.7%). For comparison turnover in England was 4.4% in 2017.

Note that the above analysis includes both standard Land Registry 'A' data and additional 'B' data (which covers repossessions, mortgaged buy-to-let and corporate transactions). In Cheltenham in 2017 there were 169 'B' sales, 6.9% of the total.

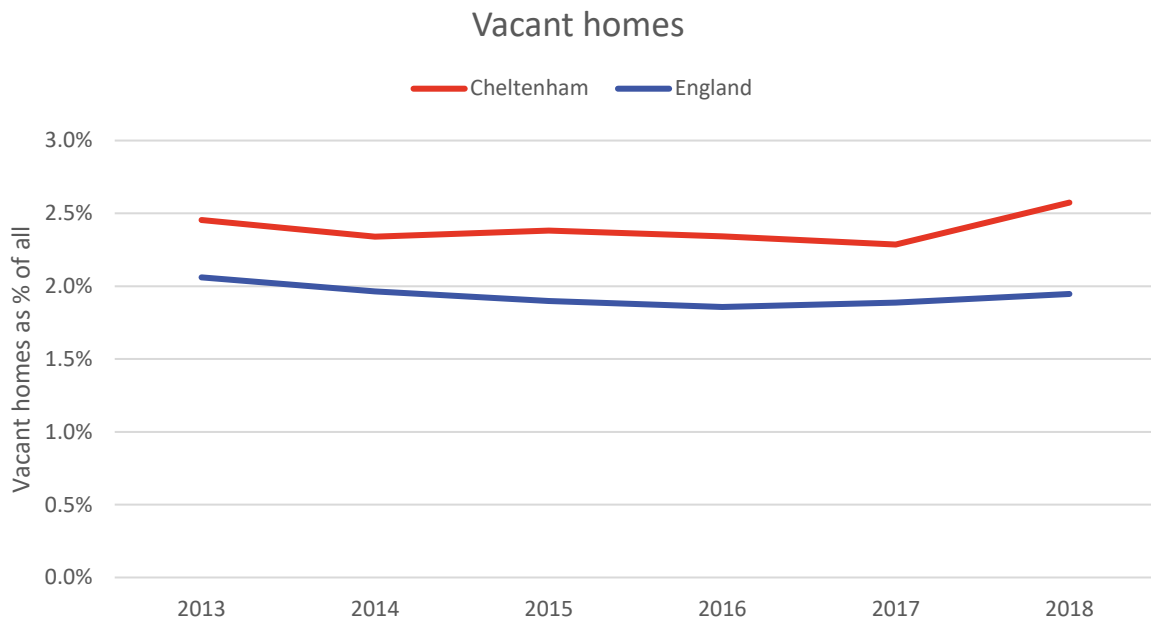
### Homes with no usual residents



Source: 2011 Census

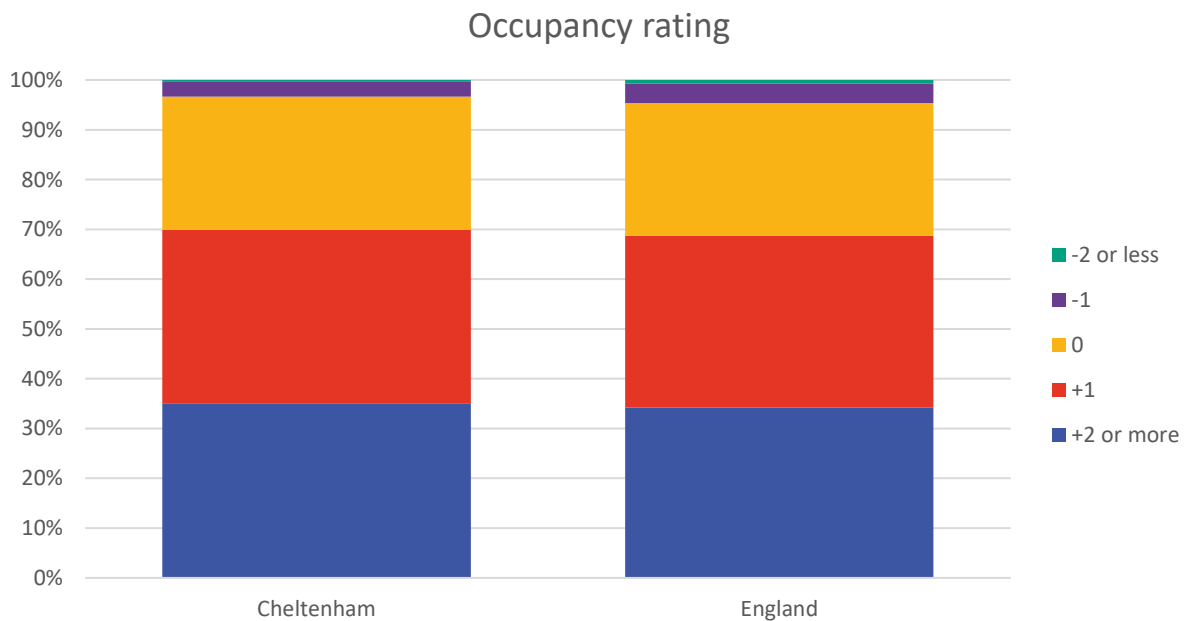
The proportion of homes with no usual residents in Cheltenham was 4.7% according to the 2011 Census. This level is approximately the same as the England average of 4.3%.

## 2. Availability



Source: Council Tax Base

2.6% of residential properties in Cheltenham were recorded as vacant in 2018 according to Council Tax Base data. This is much higher than the England average, suggesting high levels of vacant homes are likely to be a significant problem.

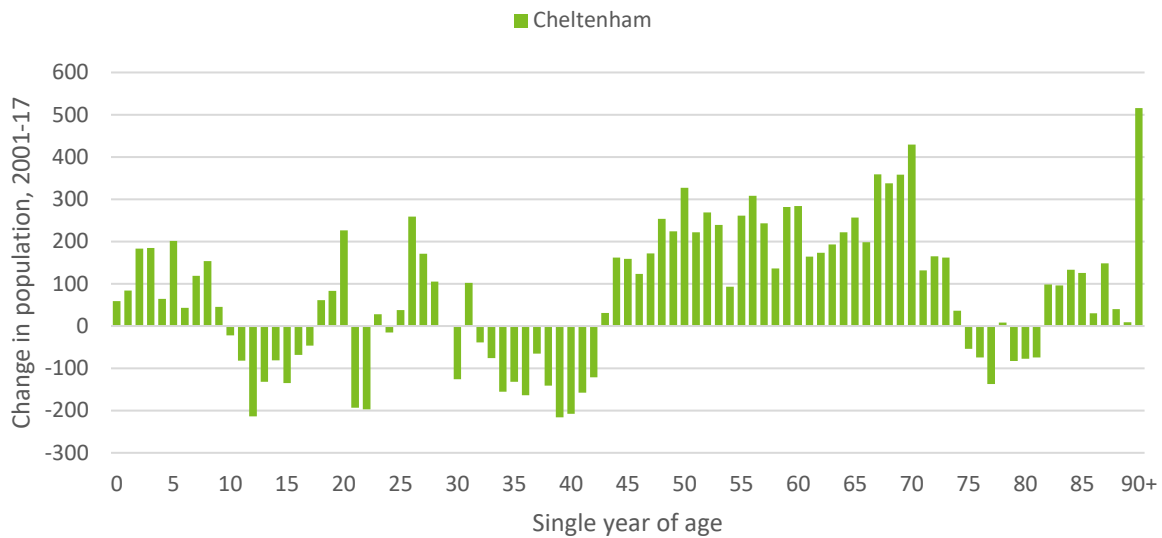


Source: 2011 Census

35.1% of homes in Cheltenham had two or more spare bedroom, according to the 2011 Census. This is approximately the same as the England average, suggesting the distribution of housing may be a problem.

## 2. Availability

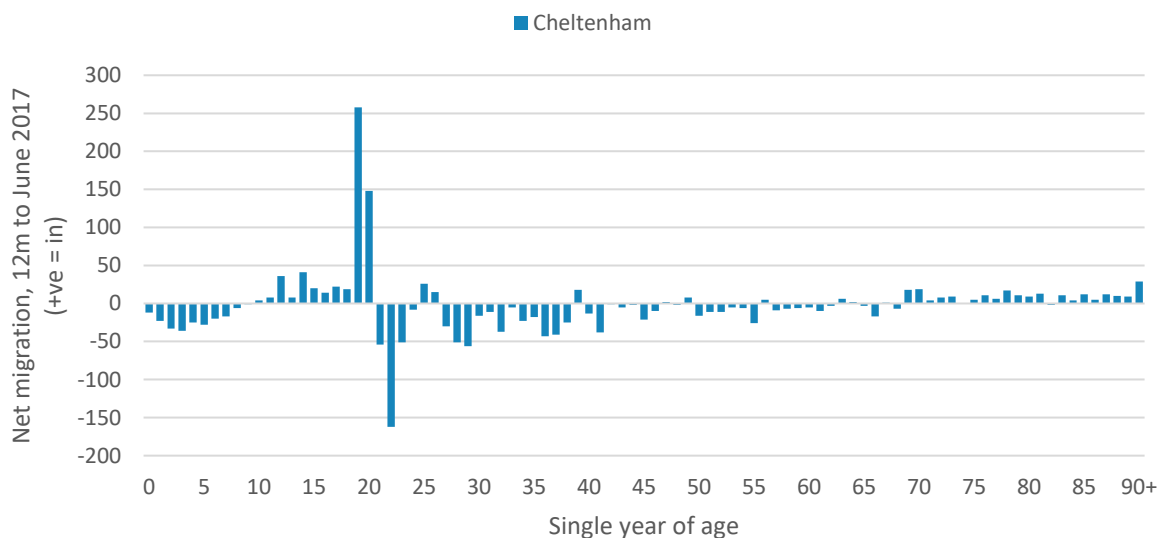
Population change by age, 2001-17



Source: ONS Population Estimates

Overall, the population of Cheltenham grew between 2001 and 2017, changing by +6.5%. Overall growth at national level over the same period was +12.5%. By age, the largest single contribution to growth was from 90+ year olds.

Net migration by age

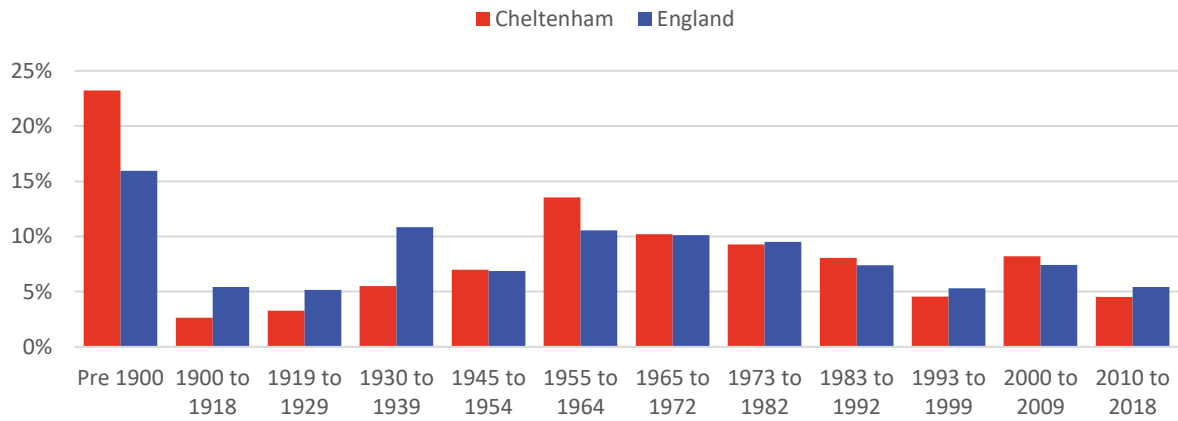


Source: ONS Local Area Migration Indicators

The overall population in Cheltenham changed by -0.2% due to migration in the 12 months to June 2017: -0.2% from domestic sources and -0.0% from international. By age, the largest single contribution to growth was from 19 year olds.

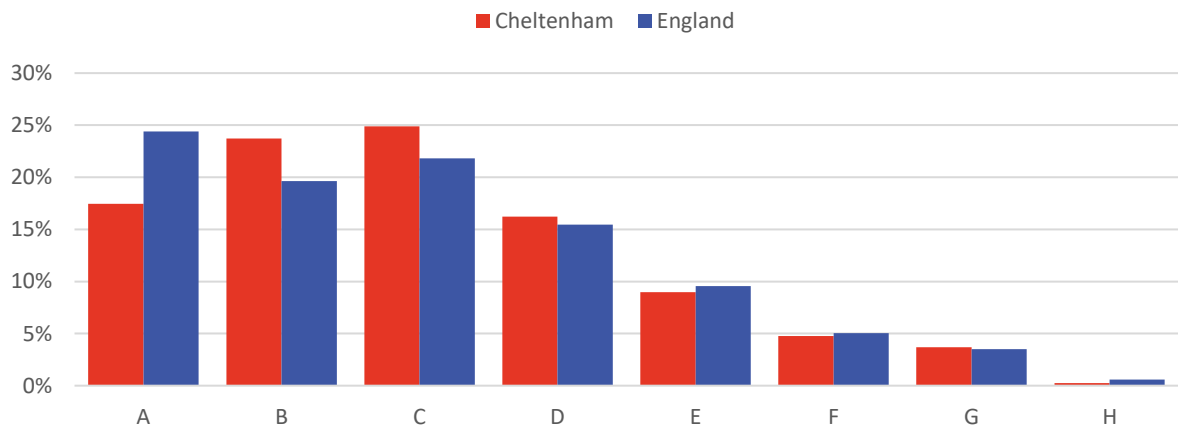
# 3. Suitability

## Age of housing stock



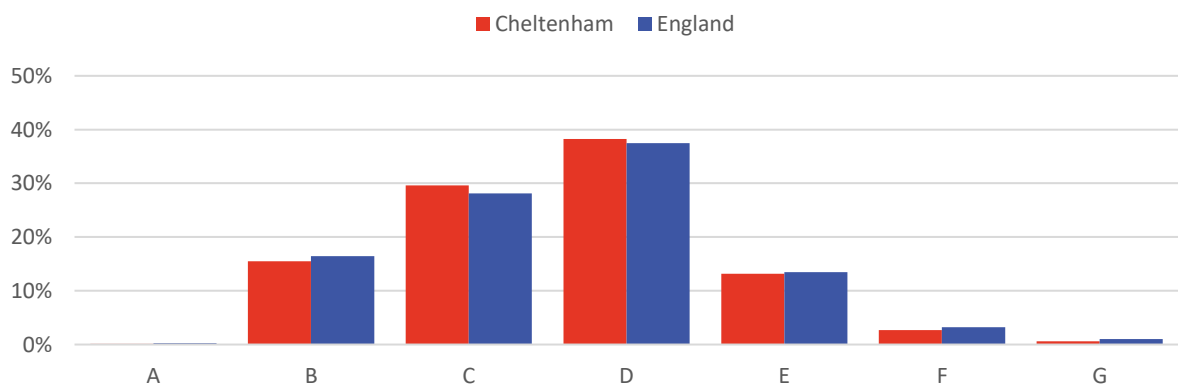
Source: Council Tax Base

## Council Tax band



Source: Council Tax Base

## EPC rating

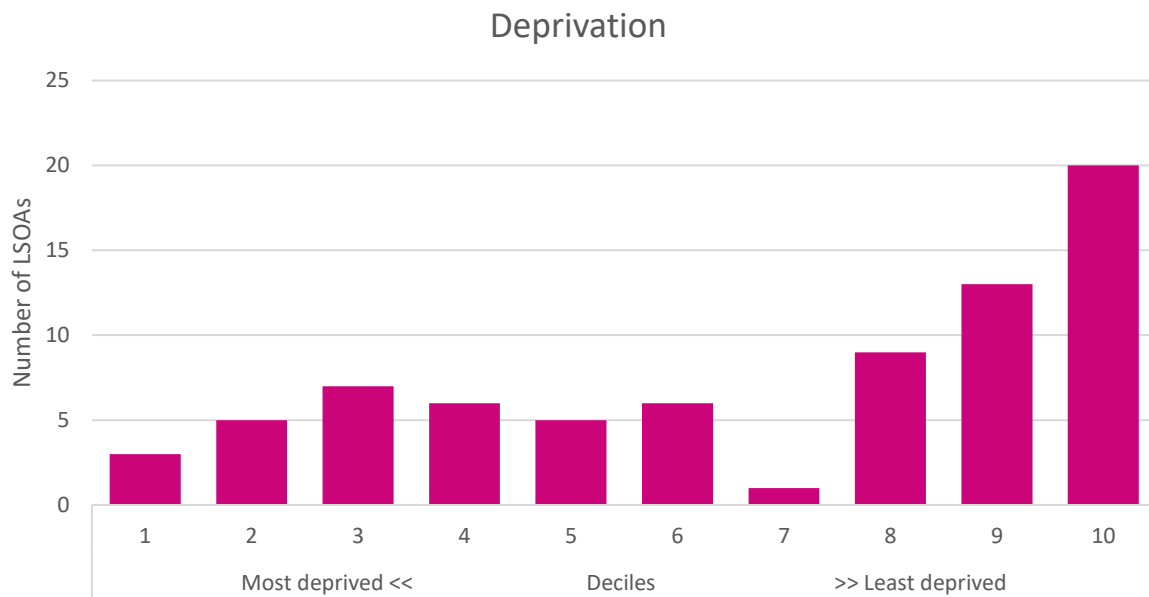


Source: Council Tax Base

These three charts show property characteristics for Cheltenham from the 2018 Council Tax Base, compared to the national averages.

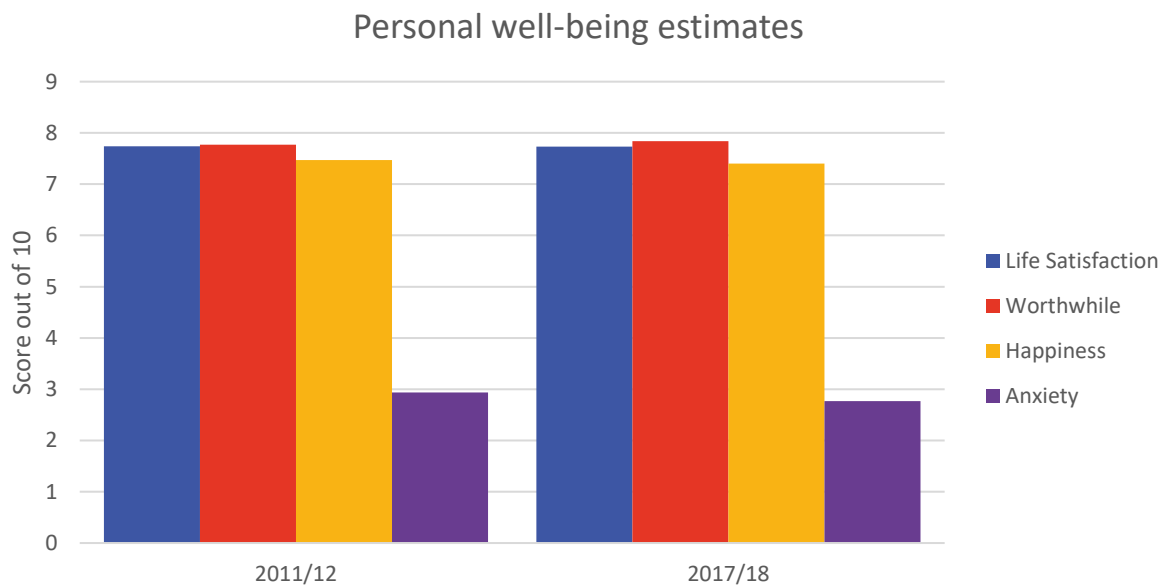


# 3. Suitability



Source: 2015 Indices of Multiple Deprivation

20% of the LSOAs in Cheltenham are in the three most deprived deciles, based on the 2015 indices of multiple deprivation. This suggests it is an area of low relative deprivation (the national average is 30%).



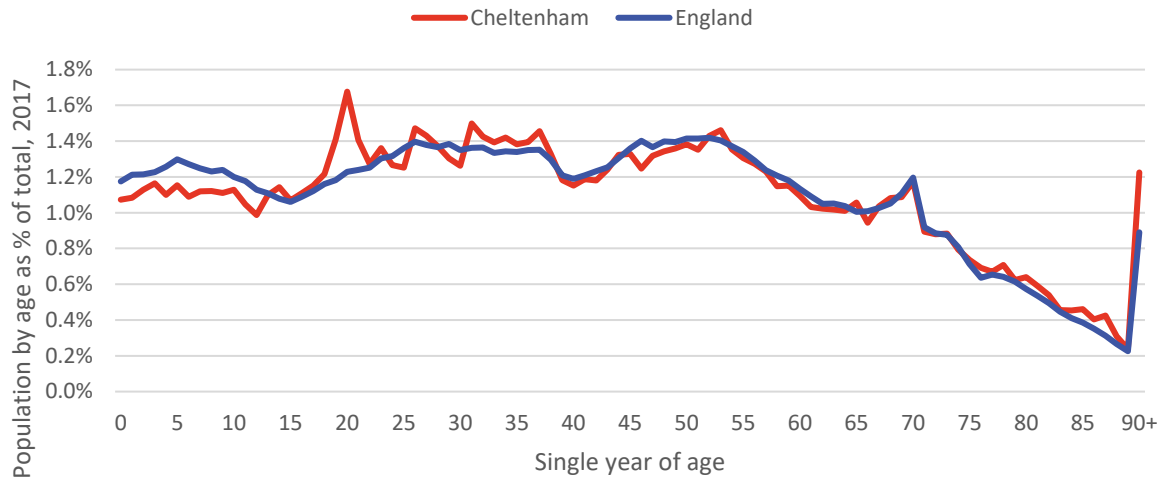
Source: Annual Population Survey (Headline estimates of personal well-being)

Residents of Cheltenham scored their life satisfaction at 7.73 out of 10 on average in 2017/18, compared to the England average of 7.68. The corresponding figures for 2011/12 were 7.74 and 7.41 respectively.

Over all four categories combined, local people have approximately average levels of well-being in 2017/18, compared to the national figures.

# 3. Suitability

## Population structure

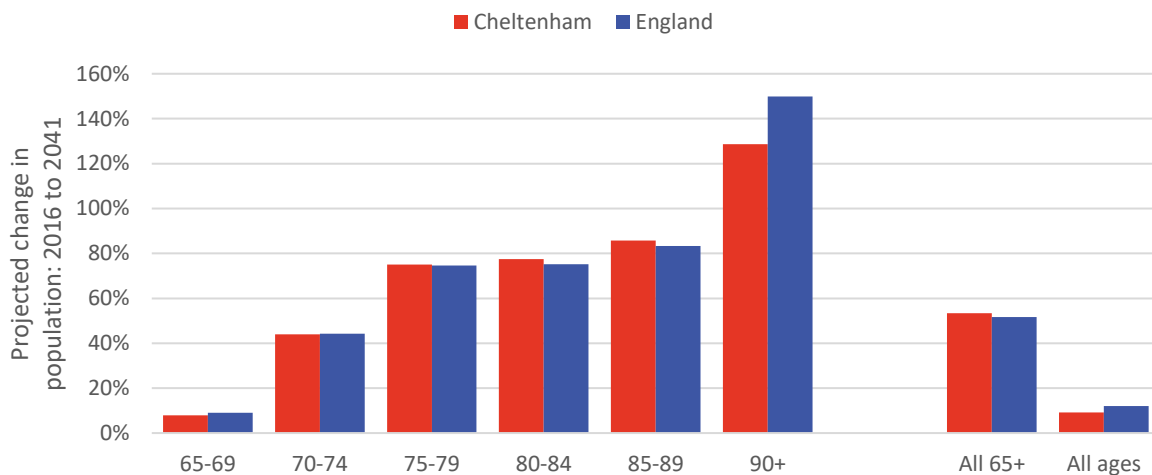


Source: ONS Population Estimates

The population structure of Cheltenham comprised 9.6% aged 18 to 24, 51.5% aged 25 to 64, and 19.0% aged 65 and over in 2017. The corresponding figures for England were 8.7%, 51.9% and 18.0%.

This suggests that the local population may include a higher than average level of students, along with an average level of older people.

## Population growth: older people

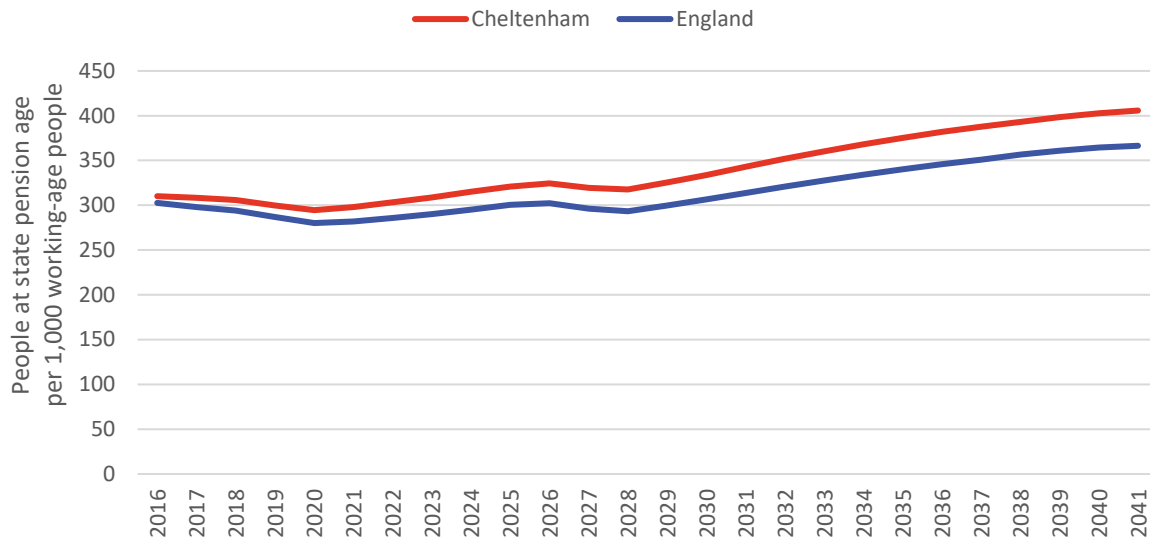


Source: ONS 2016-based Population Projections

The 65 and over population of Cheltenham is expected to grow by 53.4% from 2017 to 2041, according to the latest ONS population projections. This is compared to an overall population change of +9.2%. The corresponding national figures are growth of 51.7% and 12.1% respectively.

# 3. Suitability

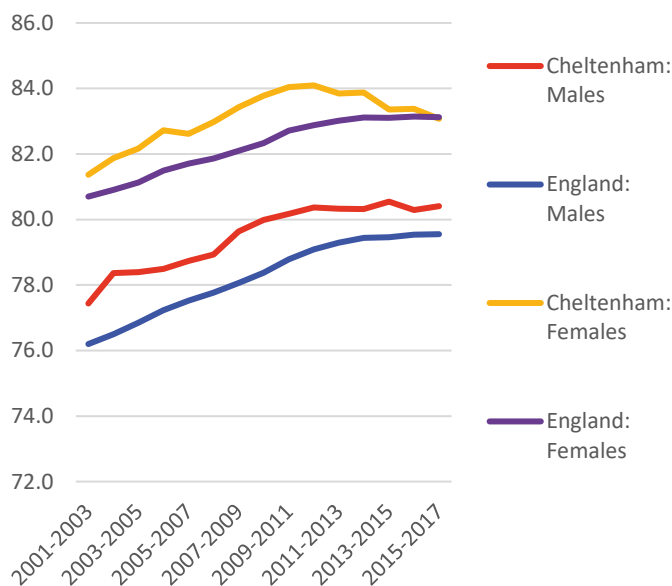
## Old age dependency ratio



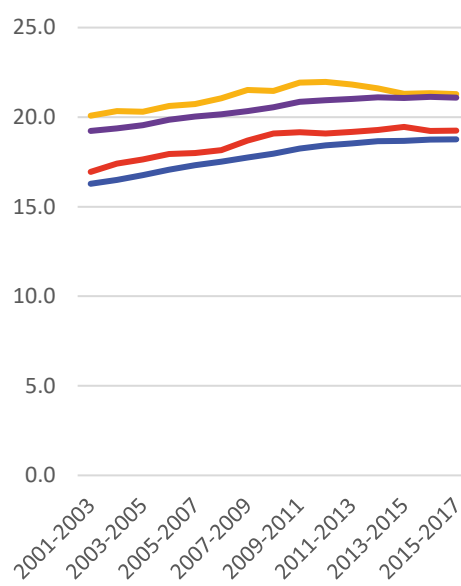
Source: ONS Old Age Dependency Ratios

In Cheltenham in 2019 there are expected to be 299.9 people of state pension age for every 1,000 working-age people, compared to an average of 286.8 at national level. By 2041 these rates are projected to reach 405.8 and 366.4 respectively.

## Life expectancy at birth



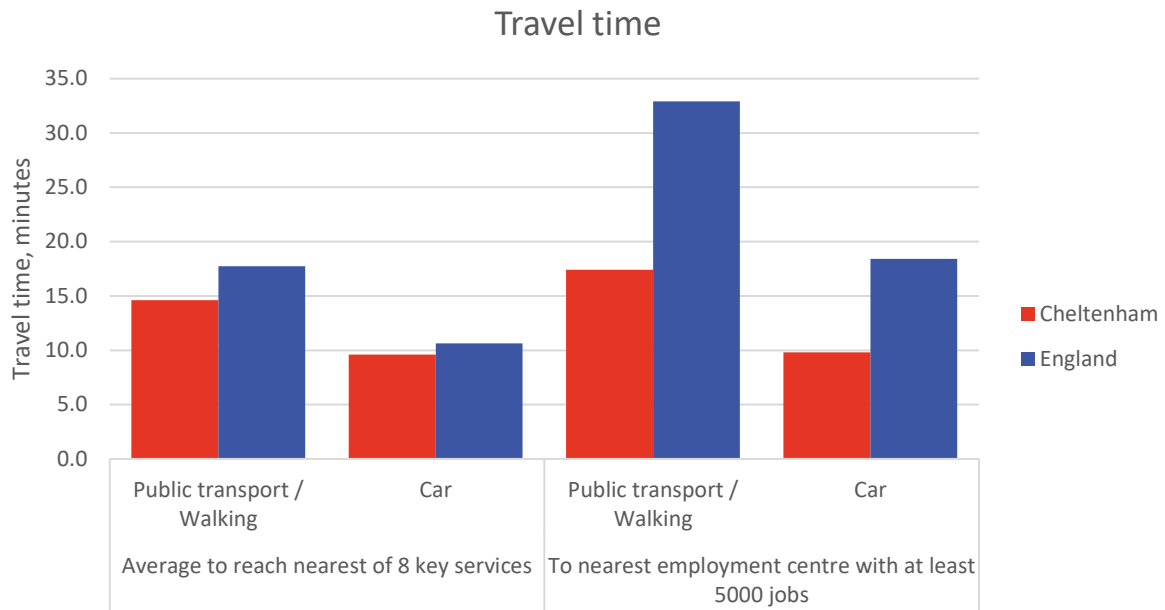
## Life expectancy at age 65



Source: ONS Life expectancy at birth and age 65

The average life expectancy for people born in 2015-17 in Cheltenham is 80.4 years for men and 83.1 years for women. The equivalent national figures are 79.6 and 83.1 respectively.

# 3. Suitability



Source: DfT Journey Time Statistics

Cheltenham has above average public transport connectivity compared to the national figures, with an average travel time to reach the nearest 8 key services of 14.6 minutes (England average = 17.7).