

Exmoor National Park Annual House Price Survey



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1. KEY FINDINGS

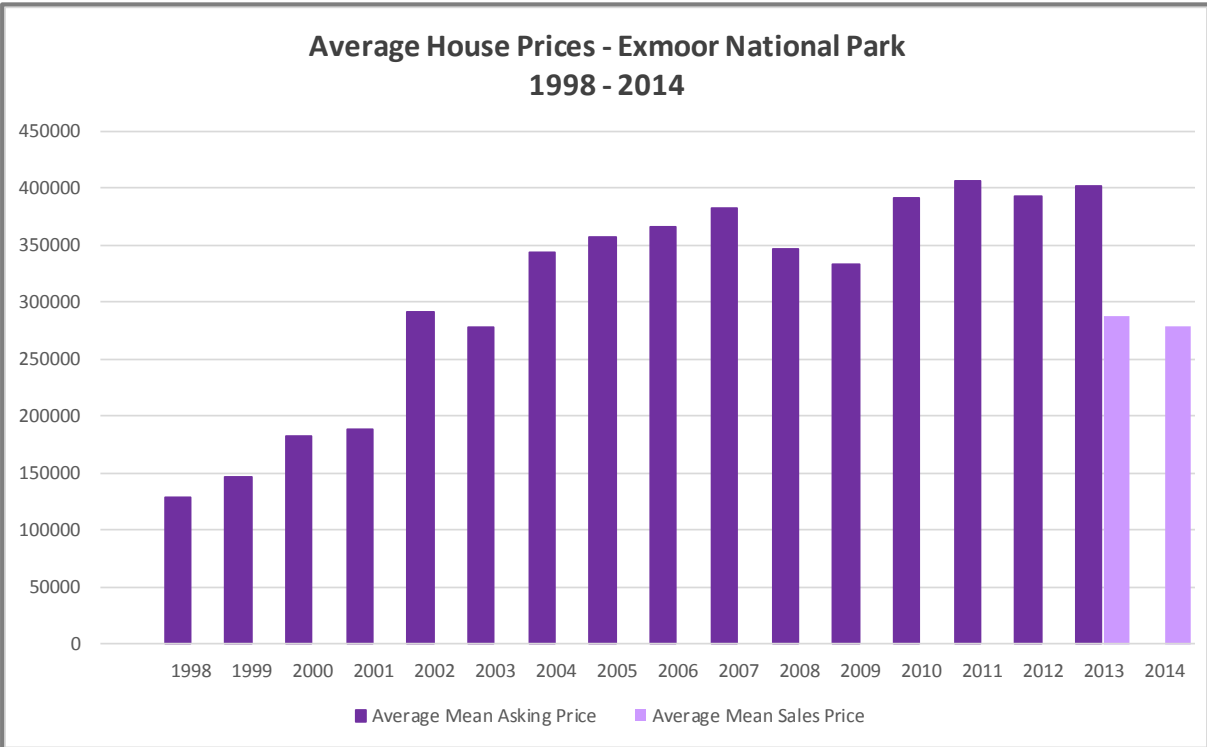
2014 Mean Average Sales Price £279,198
2014 Median Average Sales Price £233,500

The mean average sales price for 2014 was 2.8% lower than 2013, whilst the median average was 4.7% lower.

The Exmoor National Park Authority Annual House Price Survey 2014 records the average house price within the National Park, based on the price paid data released by the Land Registry for all sales within the National Park during 2014 calendar year.

From 1998 until 2013 the average house prices for the National Park were based on asking prices for all dwellings marketed in the National Park during a two week period in July. The 2013 House Price Survey was the first to contain both average house prices for 'asking prices' and the average for 'price paid' (sale prices) during 2013 based on Land Registry Data.

The mean average house price sales figures for 2013 and 2014 illustrate a markedly lower overall average compared with the average asking price of previous years (see figure 2).



2. INTRODUCTION

2.1. The Annual House Price Survey report has been undertaken by the National Park Authority since 1998. The information gained from this desktop study contributes towards:

- monitoring planning policies within the Exmoor National Park Local Plan; and
- evidence that will inform future policy-making, in terms of local need affordable housing.

3. METHODOLOGY

1998-2013 Methodology

3.1. As explained in the 'Key Findings', previous House Price Surveys took place during the first two weeks of July using information available on websites for local estate agents and other property sales websites to assess the number and type of dwellings for sale within Exmoor National Park. Prior to this, information would be directly obtained from local estate agents. The figures for the asking price were then used to ascertain the mean and median average house price on Exmoor. It was acknowledged that there were likely to be differences between the asking price and the selling price. However, until recently, they were the best and most easily obtainable and available figures directly relating to properties within the Exmoor National Park area. To reduce distortion of average house price figures; properties for sale which included land over 30 acres (12.5 hectares) were not included, as these could be described as working farms.

Land Registry Price Paid Data

3.2. The Land Registry recently released yearly 'Price Paid Data' files from 1995 to 2014, and will continue to provide this data on a monthly and yearly basis. Price Paid Data includes information on all residential property sales in England and Wales that are sold for full market value and are lodged with the Land Registry for registration.¹

3.3. The Exmoor data has been identified by first selecting all sales within postcode sectors which are partly/wholly within the National Park boundary. This data is further disaggregated by using local knowledge and postcode information on

¹ Data produced by Land Registry © Crown copyright 2015
<http://data.gov.uk/dataset/land-registry-monthly-price-paid-data>

the National Park geographic information system (GIS) to produce price paid data solely relating to properties sold within the National Park. The extracted data can be compared to national and regional averages, and those of neighbouring districts of North Devon and West Somerset.²

- 3.4. Both the mean and median average house prices for Exmoor National Park are calculated. The mean average is the most commonly used type of average. This is the sum of all the house prices collected and divided by the number of results. The median average is the middle house price of the house prices collected when arranged in order from the lowest to the highest. It reduces distortion due to larger, higher value properties whose inclusion would increase the mean average house price significantly.
- 3.5. Unlike nationally released House Price Index (HPI) data, this arithmetic average of house prices has not been standardised to take account of seasonal variations or had other analytical techniques applied such as the 'Repeat Sales Regression' method which makes a quality adjustment to ensure a like for like comparison between properties. Therefore, average national and regional figures quoted in this report will not necessarily reflect those published by the Land Registry House Price Index.³
- 3.6. The Land Registry does not always provide HPI for small local authority districts and postcode sectors as the small volume of sales will not always provide a reliable measure of price movement. This is likely to account for price fluctuations due to the relatively low sample size for Exmoor National Park e.g. a decrease in mean average house prices on Exmoor when compared with regional and national house price increases during 2014.

² All price figures refer to the arithmetic average of house prices and have not been standardised

³ <https://www.gov.uk/government/publications/about-the-house-price-index/about-the-house-price-index>

4. AVERAGE HOUSE PRICES 2014

4.1. Within Exmoor, 156 properties were sold during 2014, compared to 124 properties in 2013. With regard to the properties sold, 65% were within the West Somerset area, and 35% were within the North Devon area of the National Park. A higher proportion of sales were recorded within the North Devon area of the National Park when compared to 2013, and in relation to the proportion of properties marketed in previous years.

2014 Mean Average Sales Price £279,198

2014 Median Average Sales Price £233,500

The mean average sales price for 2014 was 2.8% lower than 2013, whilst the median average was 4.7% lower.

4.2. Only one new build property was sold within Exmoor National Park, this was in Lynton at Abbey Court – a conversion scheme.

Table 1: Mean average price paid data 2013 and 2014 – based on administrative boundaries⁴

Area	Price (£) ⁵	No. of	Price (£)	No. of
	2013	properties	2014	properties
		2013		2014
Exmoor National Park	287,227	124	279198	156
North Devon area of the National Park	218,116	34	229851	55
North Devon	219,784	1426	228446	1701
Devon	236,440	12337	227395	22330
West Somerset area of the National Park	313,335	90	305323	101
West Somerset	234,231	492	234068	651
Somerset	210,762	7822	218862	10415
South West	229,129	77887	240149	104631
England and Wales	247,175	708870	260741	913003

⁴ Data produced by Land Registry © Crown copyright 2015

⁵ Mean average house price

The Land Registry price paid data (unadjusted) for 2014 shows that the mean average house price within the National Park is:

- **18.2% higher than North Devon**
- **16.2% higher than West Somerset**
- **18.6% higher than Devon**
- **21.6% higher than Somerset**
- **14.0% higher than the South West region**
- **6.6% higher than England and Wales**

Table 2: Mean average price paid data for 2013 and 2014 – based on dwelling type

Dwelling Type	Price (£) ⁶	No. of properties	Price (£)	No. of properties
	2013	2013	2014	2014
Exmoor National Park	287,227	124	279198	156
Detached	389,090	58	375641	70
Semi-detached	201,932	22	203558	25
Terrace	199,790	36	205295	49
Flat	176,744	8	157818	11

Almost 45% of dwellings sold were detached, which closely corresponds to the proportion of detached dwellings within the National Park (47.2%). As expected, detached dwellings command a strong market price often including outbuildings, stabling, large gardens or paddocks, and in some cases extra accommodation such as an annex or an additional dwelling, which can increase their value substantially. Detached dwellings are likely to be located on the edge of settlements or in the open countryside.

The average price of terrace and semi-detached dwellings is very similar. This is probably due to the age and style of the dwelling. Older properties are more expensive than new properties, and some terraced properties tend to be period dwellings within the centre of settlements. Many semi-detached properties tend to correspond with the development of local authority housing post World War II and can have large gardens.

⁶ Mean average house price

Very few flats were sold during 2014, which reflects the low proportion of flats (2.7%) within Exmoor housing stock. However, the mean average price is still relatively high as many flats have been created through the change of use and conversion of existing buildings and are often developed at a high specification to maximise value e.g. two flats at Castle Heights in Lynton were priced over £250,000 – this is a relatively modern development with superb coastal views.

5. AFFORDABILITY

- 5.1. The Nationwide House Price Index Special Report⁷ highlighted an increase in the house price premium that National Parks attracts to 21% in 2014 from 18% in 2013. The report focuses on nine of the largest National Parks in the UK such as the South Downs, Lake District and Cairngorms; but omitting smaller and sparsely populated National Parks such as Exmoor, The Broads and Northumberland. This premium, which equates to around £39,000 based on the current average house price, is due to the superb landscapes, rich heritage and important wildlife of the National Parks; these factors mean they are highly desirable places to live. The report also states that there is a premium of 8% on properties within 5km of the boundaries of National Parks.
- 5.2. In February 2014, the charity Shelter published a report analysing average annual earning and average house prices within local authorities between 1997 and 2012.⁸ The analysis showed that house prices have vastly outstripped wages leaving homes unaffordable in local authorities across the country. This 'affordability gap' is a national issue, although some areas will be more unaffordable than others, notably London and the South East. It is also noted that there are high house prices in the South West. Shelter states that this means "people are potentially either priced out, overstressing themselves or trapped in unaffordable renting".
- 5.3. The report shows the level of earnings that would be achieved if they had been inflated to the extent of house prices between 1997 and 2012. For North Devon local authority area, single household annual earnings in 2012 were £19,729, but if the rate of change in mean house prices was applied the inflated earnings are calculated as £44,828; a gap of £25,099. Similarly in West Somerset, single household annual earnings of £23,338 would be inflated by £24,379 to £43,864 if the rate of change in mean house prices was applied.

⁷ Nationwide (December 2014), Nationwide House Price Index – Special Report: House Price Premium in National Parks rises to 21%, www.nationwide.co.uk/hpi

⁸ The House Price Gap: Analysis of house prices and earnings – Shelter policy library (February 2014)

- 5.4. The issue of house prices and affordability is one of the key topics discussed in the UK Housing Review Briefing Paper 2014⁹ and the difficulty in measuring house price trends is emphasised as the various measures are reported (*“ranging from [at the simplest] asking prices [what the seller hopes for], to approval prices [prices agreed by lender], to completion prices [what the property sells for]”*) without differentiating between them and further complexity added when considering the mix of housing and adjusting for seasonal variations. At a national level, house prices were reported as generally rising during 2014, and the proportion of mortgages with high loan to value ratios were increasing – although the paper notes that the Government Help to Buy scheme may be partly responsible for this trend.
- 5.5. The National Parks economic comparison report by the DEFRA Rural Statistics Unit (2010)¹⁰ demonstrated that Exmoor had the lowest mean average household income (£28,668) in comparison to other English National Parks. This is lower than the average income for Dartmoor National Park by over £4,000 and is 14.8% lower than the South West average. It is the largest difference of all the English National Parks in comparison to their region.¹¹
- 5.6. However, house prices in Exmoor were the third highest in comparison to other English National Parks. This figure, when compared to household income, shows that Exmoor had the second highest house price relative to incomes for the English National Parks.¹² It highlights the significance of the issue of affordability of housing and the continuing importance of providing affordable homes for local communities across Exmoor National Park. Planning policies for the National Park were adopted in 2005 to provide for virtually all new housing in Exmoor to meet the needs of the local community as affordable housing. The new Local Plan continues to prioritise the delivery of local need affordable homes, using a flexible approach to adapt to changing circumstances.
- 5.7. The need for affordable housing is a key issue for local communities. Reporting on how the Exmoor National Park Local Plan housing policies that promote local affordable housing have been implemented, is available in the Authority Monitoring Reports (AMRs) which also include detailed information on the number and type of affordable homes and where they are located.¹³

⁹ Chartered Institute of Housing and the Centre for Housing Policy (2014), UK Housing Review Briefing Paper 2014

¹⁰ The findings of this report were based on ‘Census Output area’ (COA) levels where figures for Exmoor National Park were considered to consist of all COAs within which more than 50% of the population live within the National Park boundary.

¹¹ CACI Paycheck data, 2009-2010. National Parks: economic comparison – Defra Rural Statistics Unit (2010)

¹² Land Registry sales data (2009), CACI Paycheck data 2009- 2010. National Parks: economic comparison – Defra Rural Statistics Unit (2010)

¹³ <http://www.exmoor-nationalpark.gov.uk/planning/planning-policy/local-development-framework/evidence-base>

- 5.8. To determine the affordability of housing on the open market, the lower quartile¹⁴ sale price within the National Park identified for the 2014 annual House Price Survey is calculated as **£175,000**.
- 5.9. In 2010 the average gross household income for Exmoor National Park was £28,668.¹⁵ This figure differs from average individual income, as it may include more than one person generating income and income other than wages and salaries such as pensions. The lower quartile average income¹⁶ (for the lowest 25% of household incomes) within the National Park was £16,078.¹⁷

Ratio of Mean Average House Price to Average Household Income: 10:1

Ratio of Lower Quartile house price to Mean Average Household Income: 6:1

Ratio of Lower Quartile house price to Average Lower Quartile Household Income: 11:1

- 5.10. Even those with an average household income of around £29,000 would be unable to afford property at the lower quartile house price without a significant deposit. Mortgages are still difficult to obtain for those on average incomes looking to buy their first home without financial assistance from relatives – this means that there is a demand for rented accommodation in many areas of the country including within the National Park.¹⁸ The Government's 'Help to Buy' scheme covers buyers who have at least a 5% deposit and can raise the remainder with a mortgage. Although this scheme is not restricted to first time buyers it may have the potential to help some households in the National Park.
- 5.11. These figures highlight that for lower income households on Exmoor, the need for affordable homes for rent will still be an important component of future housing delivery.

¹⁴ Lower quartile – the lower quartile divides the bottom half of the data into two halves when arranged in order from lowest to highest house price. This is also known as the 25th percentile.

¹⁵ The 2009-2010 CACI Paycheck data, mid-year estimates for mean average annual gross household income was £28,668 (Exmoor National Park Economic Profile, DEFRA Rural Statistics Unit, July 2010) – the ratios between household income and house prices (p.15) remained the same when using this figure.

¹⁶ The mean average of households in the lower 25% of the average household income (2007)

¹⁷ Data obtained from mean lower quartile household income at postcode level (CACI) (2007)

¹⁸ Housing Vision (2014) SHMA Update: Exmoor National Park in West Somerset (Published online at www.exmoor-nationalpark.gov.uk)

Provision of Local Need Affordable Homes on Exmoor

- 5.12. Most completed local needs affordable housing on Exmoor is owned or partly owned by a Registered Housing Provider with around a quarter being intermediate owner occupied homes. The local occupancy tie and a maximum internal floor area of 90m² is required to ensure that if these owner occupied properties are sold their value will be 'more affordable' with prices being lower than equivalent open market housing. New affordable housing permitted within the National Park can only be occupied, in perpetuity, by local people who meet the criteria of Local Plan housing policies.
- 5.13. The greatest need is for rented housing, but there are also opportunities for 'home ownership' schemes including through self-build. Dartmoor and Exmoor National Park Authorities were one of 11 authorities selected to take part in the governments Right to Build Vanguard Project which ran from October 2014 to the end of March 2015. Both authorities set up a self-build register for those who would be interested in building their own home on Dartmoor and Exmoor. The key focus of the project is to identify and address local housing needs for those who cannot afford to buy their own home on the open market.