

Economic Downturn, Implications for the Housing Market – April 2010

Key Findings

This report includes key facts on the housing market in Richmond upon Thames. These are useful as indicators for monitoring the impact of the economic downturn on the local housing market. The April 2010 report continues to highlight several positive signs amongst housing market indicators (such as house price increases, low time to sell and continuing stability of sales to asking prices). This needs to be balanced however by the low number of property sales (both new build and second hand) and price decreases during 2008 and 2009.

Property Sales

Property sales declined from 4,476 in 2008 to 2,413 in 2009 with new build houses and flats showing significant decline due to the economic downturn.

Time to Sell

The time to sell a property continues to decline and in March 2010 the average was 2.27 weeks.

Sales to Asking Price (percentage of the asking price that the seller gains on sale)

Sales to asking price remains constant at 95%, this level has continued in Richmond since October 2009.

Property Prices

Average overall property prices for the borough have increased from £514,000 in October 2009 to £541,079 in March 2010. This shows an ongoing upward trend in the average property price since September 2009.

Property Prices by Type

Average property prices have increased modestly for most property types apart from detached houses (although caution should be used in interpreting the latter due to small sample sizes for detached properties).

Property Prices by Ward (excluding Detached Houses)

10 wards saw property price increases in all property types whilst 3 wards have seen increases in property types apart from semi detached properties. Two wards saw declines in most property types although baseline prices remain high.

Empty Homes

There has been a reduction in the percentage of total private sector homes vacant for more than 6 months for the second year running. There was a decrease of 0.04% between April 2008 and April 2009, and 0.11% over the last 2 years.

Possession Orders Made

During 2009 a total of 80 possession orders were made for mortgaged properties. Richmond had the lowest number of orders made in Outer London during this period.

Job Seekers Allowance (JSA) Claims

There has been a reduction of JSA claimants between November 2009 and April 2010 from 2,520 to 2,259 which is a reduction of 10%.

1) The Housing Market - Property Sales

Data on the number of house sales within the borough is available via Hometrack using land registry data.

a) Number of property sales – annually

House Sale Type	2007	2008	2009
New build flats	200	213	48
New build houses	44	33	4
Second hand flat sales	3,544	1,704	805
Second hand house sales	5,092	2,526	1556
TOTAL	8,880	4,476	2413

Source: Hometrack, annual turnover by broad age and type

Between 2007 and 2008 there was a significant decline in sales of second hand flats and houses, although the number of new build flats and houses sold has been more stable. The figures for 2009 show a continued and significant decrease in the number of property sales for both new build and second hand flats and house sales.

c) Time taken to sell property

Information is available from Hometrack on the average time it takes to sell a property. In November 2008 the average had reached 14.7 weeks but since then has improved steadily, dropping to 9.4 weeks in January 2009 and 8.9 weeks in June 2009. This has decreased further and in October 2009 was an average of 3.92 weeks. By March 2010 this has decreased further to 2.27 weeks.

d) Sales to asking price

The average sales to asking prices within the borough have increased steadily during the period April 2009 to October 2009, although it is still lower than in January 2007. From October 2009 to March 2010 sales to asking prices have remained at 95%.

	Jan 07	Jun 09	July 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10
Percentage of asking price received on the sale of a property	98%	93%	93%	94%	94%	95%	95%	95%	95%	95%	95%

Source: Hometrack

Sales to asking prices have remained at 95% across the sub region with only Croydon (94%) and Sutton (96%) have slightly lower or higher percentages. Hounslow and Elmbridge have both seen slight declines since November 2009 with decreases from 95% to 93%.

Borough	Jan 09 %	June 09 %	Nov 09 %	Mar 10 %
Croydon	88	91	94	94
Hounslow	84	91	95	93
Kingston	89	93	95	95
Lambeth	88	93	95	95
Merton	88	92	96	95

Elmbridge	88	91	95	93
Richmond	88	93	95	95
Sutton	88	93	97	96
Wandsworth	89	92	95	95

Source: Hometrack

e) Number of new buyers (demand) and new properties on market (supply)

Hometrack includes data on the monthly percentage change in the number of new buyers coming into the market (demand) and the monthly percentage change in the number of sellers coming into the market (supply).

Demand

- March 2010 saw a monthly increase in the number of new buyers of +1.18%. The previous months both saw increases of +0.68% and +8.6%.

Supply

- March 2010 saw a monthly increase of +2.66% in the number of new properties entering the market although previous months have seen both decreases -9.79 and increases +8.85, although this may reflect seasonal trends.

2) The Housing Market - House Prices & Sales**a) Average overall property prices**

Average overall property prices for the borough have increased from £514,000 in October 2009 to £541,079 in March 2010. This shows an ongoing upward trend in the average property price since September 2009.

b) Prices by property type**Flats & Maisonettes**

- The average price (based on sales and valuations) for flats and maisonettes in the borough has increased from £306,000 in October 2009 to £312,000. This is still slightly below the April 2008 figure of £322,000.
- Prices for flats range from £157,000 in Heathfield to £494,000 in Barnes.
- At ward level property prices increased for flats/maisonettes in 15 wards, remained stable in one and decreased in two wards.

Terraced

- The average price (based on sales and valuations) for terraced houses in the borough has increased from £520,000 in October 2009 to £535,000 in March 2010. This is still below the April 2008 figure of £560,000.
- Prices for terraced houses range from £230,000 in Heathfield to £987,000 in Barnes.
- 15 out of 18 wards in the borough have seen an increase in the average price of terraced properties between October 2009 and March 2010, with decreases in 3 wards, Barnes, Ham, Petersham and Richmond Riverside and Heathfield.

Semi Detached

- The average price (based on sales and valuations) for semi detached houses in the borough has increased slightly from £741,000 in October 2009 to

745,000 in March 2010. This is slightly above the April 2008 figure of £737,000.

- Prices for semi detached houses range from £323,000 in Heathfield to £1,660,000 in South Richmond.
- 13 out of 18 wards in the borough have seen an increase in the average price of semi detached properties between October 2009 and March 2010, with a decrease in 5 wards. Semi detached and detached properties are the property types with the highest numbers of wards with decreases in value although ward increases still outnumber decreases.

Detached

- The average price (based on sales and valuations) for detached houses in the borough has decreased from £1,044,000 in October 2009 to £1,030,000. This is slightly below the April 2008 figure of £1,061,000.
- Due to the small sample size involved in detached properties considerable caution is required in interpreting price change at ward level.
- There have been increases in 10 wards for detached properties, and decreases in 8. Although many of the increases and decreases are significant the sample sizes on which these averages are based are small, as fewer detached properties are sold than other property types.

c) Prices by Ward

Because of the small sample size of detached properties analysis by ward focuses on flats/maisonettes, terraced and semi detached properties only.

- 10 wards have seen increases in all property types. These include Hampton North, Kew, Mortlake and Barnes Common, North Richmond, South Richmond, South Twickenham, Teddington, Twickenham Riverside and Whitton.
- In West Twickenham property prices increased except for flats and maisonettes.
- In 3 wards property prices have increased apart from semi detached properties, these include Fulwell and Hampton Hill, Hampton and Hampton Wick.
- Barnes and Ham, Petersham and Richmond Riverside saw the greatest decline in property types (although Barnes remains the most expensive ward to purchase in and any decrease is from a significantly high value. In Ham, Petersham and Richmond Riverside the sample size is also extremely small so caution is required in interpretation).

The tables on the next pages show average property values by ward and property type for October 2009 and March 2010. The number of properties sold in each ward, and for each property type, varies and this should be taken into account as averages are sometimes based on a small number of property sales (this is especially significant in the case of detached properties).

Property Values by Ward - Flats & Maisonettes

Ward	Oct 09 (avg value in thousands)	Mar 10 (avg value in thousands)	Commentary – Jun to Oct 09	No. sales Mar 10
Barnes	469	494	Significant Increase	46
East Sheen	281	281	Stable	40
Fulwell & HH	215	229	Increase	47
Ham, P & RR	355	308	Significant Decrease	40
Hampton	221	222	Increase	29
Hampton North	177	192	Increase	26
Hampton Wick	268	289	Significant Increase	59
Heathfield	152	157	Increase	33
Kew	328	339	Increase	65
Mortlake & BC	315	340	Significant Increase	92
North Richmond	295	316	Increase	44
St Margs & N Twick	277	303	Significant Increase	81
Sth Richmond	397	437	Significant Increase	109
Sth Twickenham	247	259	Increase	35
Teddington	265	271	Increase	48
Twickenham Riv	331	347	Increase	96
W Twickenham	220	217	Decrease	52
Whitton	195	205	Increase	24

Source: Hometrack Oct 09 & Mar 10 statistics

Property Values by Ward – Terraced Properties

Ward	Oct 09 (avg value in thousands)	Mar 10 (avg value in thousands)	Commentary – Oct 09 to Mar 10	No. sales Mar 10
Barnes	1,053	987	Significant Decrease	41
East Sheen	593	662	Significant Increase	74
Fulwell & HH	411	436	Significant Increase	80
Ham, P & RR	414	369	Significant Decrease	39
Hampton	335	366	Significant Increase	45
Hampton North	252	261	Increase	59
Hampton Wick	500	523	Increase	36
Heathfield	249	230	Decrease	20
Kew	621	662	Significant Increase	45
Mortlake & BC	614	639	Significant Increase	92
North Richmond	635	681	Significant Increase	66
St Margs & N Twick	503	597	Significant Increase	46
Sth Richmond	777	909	Significant Increase	46
Sth Twickenham	433	447	Increase	95
Teddington	489	500	Increase	50
Twickenham Riv	553	634	Significant Increase	53
W Twickenham	325	368	Significant Increase	81
Whitton	259	273	Increase	38

Source: Hometrack Oct 09 & Mar 10 statistics

Property Values by Ward – Semi-detached Properties

Ward	Oct 09 (avg value in thousands)	Mar 10 (avg value in thousands)	Commentary Oct 09 to Mar 10	No. sales Mar 10
Barnes	1,521	1,440	Significant Decrease	38
East Sheen	907	1,118	Significant Increase	42
Fulwell & HH	597	543	Significant Decrease	36

Ham, P & RR	528	388	Significant Decrease	9*
Hampton	476	441	Significant Decrease	22
Hampton North	367	374	Increase	30
Hampton Wick	756	735	Significant Decrease	22
Heathfield	322	323	Increase	71
Kew	943	951	Increase	19
Mortlake & BC	1,038	1,613	Significant Increase	16
North Richmond	657	763	Significant Increase	47
St Margs & N Twick	556	664	Significant Increase	32
Sth Richmond	1,465	1,660	Significant Increase	33
Sth Twickenham	743	763	Increase	38
Teddington	701	719	Increase	35
Twickenham Riv	819	920	Significant Increase	22
W Twickenham	379	443	Significant Increase	36
Whitton	327	373	Significant Increase	61

*15 or less properties sold in this ward during period
Source: Hometrack Oct 09 & Mar 10 statistics

Property Values by Ward – Detached Properties

Ward	Oct 09 (avg value in thousands)	Mar 10 (avg value in thousands)	Commentary Oct 09 – Mar 10	No. sales Mar 10
Barnes	1,401	1,411	Increase	8*
East Sheen	1,149	1,589	Significant Increase	19
Fulwell & HH	659	1,130	Significant Increase	9*
Ham, P & RR	1,175	1,000	Significant decrease	12*
Hampton	583	582	Decrease	40
Hampton North	615	665	Significant Increase	21
Hampton Wick	881	873	Decrease	9*
Heathfield	391	362	Significant Decrease	9*
Kew	1,216	1,310	Significant Increase	9*
Mortlake & BC	1,549	956	Significant Decrease	8*
North Richmond	655	709	Significant Increase	4*
St Margs & N Twick	975	1,381	Significant Increase	12*
Sth Richmond	1,546	2,074	Significant Increase	21
Sth Twickenham	1,205	1,175	Significant Increase	4*
Teddington	853	875	Increase	12*
Twickenham Riv	1,908	1,300	Significant Decrease	3*
W Twickenham	427	377	Significant Decrease	4*
Whitton	401	365	Significant Decrease	12*

*15 or less properties sold in this ward during period
Source: Hometrack Oct 09 & Mar 10 statistics

3) Empty Homes

	As at 1 st Apr 07	As at 1 st Apr 08	As at 1 st Apr 09	% change Apr 08 to Apr 08
Percentage of total private sector homes in borough vacant for more than 6 months	0.91%	0.84%	0.80%	-0.04%

Source: Council Tax Data

There has been a reduction in the percentage of total private sector homes vacant for more than 6 months for the second year running. The decrease between April 2008 and April 2009 is 0.04%, and 0.11% over the last 2 years.

This contrasts with the previous recession in the early 1990's when there was an increase in the number of long term empty properties. Although the figures for April 2009 are a positive indication this will need to be closely monitored to watch for any move towards the vacant property trend which took place in the early nineties.

4) Mortgage and Landlord Possession Orders in Richmond upon Thames

Richmond is served by 3 County Courts, Brentford, Kingston and Wandsworth. A very small number of cases also go to Staines. Statistics on the numbers of orders made for each local authority have just recently become available via the Ministry of Justice website, this gives information on mortgage possession claims made, mortgage possession claims which have led to orders made and landlord possession claims leading to orders made (for rented accommodation).

Mortgage Orders Made (Table 1B)

- In Quarter 4 of 2009 there were 20 mortgage possession orders made for properties in Richmond upon Thames.
- For the period Quarter 1 to Quarter 4 2009 a total of 80 possession orders were made. Richmond had the lowest number of orders made in Outer London during this period.
- Analysis is available per 1,000 population. Richmond has a rate of 1.01 per 1,000 with the next lowest Outer London boroughs having figures of 1.92 per 1,000 (Kingston) and 2.44 per 1,000 (Sutton). The Outer London average is 3.59 per 1,000.

Landlord Claims leading to Orders Made (Tenants Table 3A)

- In Quarter 4 of 2009 45 landlord claims leading to possession orders were made for rented properties in the borough.
- For the period Quarter 1 to Quarter 4 2009 160 possession orders were made for rented properties in the borough. This is -16% compared to the same period in the previous year. Again Richmond has the lowest number of orders made in Outer London.
- If analysing by per 1,000 population then Richmond has 2.03 repossessions per 1,000 compared to 3.15 in Kingston and 3.80 in Bromley. The Outer London average is 6.14.

5) Job Seekers Allowance Claims

a) Total number of claimants

There has been a decrease in the number of people claiming Job Seekers Allowance (JSA) between November 2009 and March 2010. This is a reduction of 261 claimants which amounts to a -10% reduction. Richmond also has the second lowest level of JSA claimants in the sub region after Kingston upon Thames (the sub region consists of the London Boroughs of Croydon, Kingston upon Thames, Lambeth, Merton, Richmond upon Thames, Sutton and Wandsworth).

JSA Claimants by Month

Month	Claimant count
Oct 08	1,304
Jan 09	1,787

Apr 09	2,401
Jul 09	2,637
Nov 09	2,520
April 10	2,259
Percentage change Nov 09 to April 10	- 10%

Source: Office of National Statistics (ONS)

b) Claims by ward for November 2009 and March 2010

There have been small decreases (1-24 applicants) in the number of people claiming JSA in 14 wards in the borough with decreases (25-40 applicants) in a further 3. The largest percentage decreases have occurred in North Richmond, South Twickenham and West Twickenham. There have been slight increases (1 applicant) in Hampton Wick.

Ward	July 09	Nov 09	April 10	Percentage Increase / Decrease Nov 09 to Apr 10	Change in claimants Nov 09 to Apr 10
Barnes	117	108	98	-9%	-10
East Sheen	108	99	89	-10%	-10
Fulwell and HH	126	121	115	-5%	-6
Ham, P & RR	180	172	167	-3%	-5
Hampton	141	140	130	-7%	-10
Hampton North	206	191	167	-13%	-24
Hampton Wick	117	110	111	0%	+1
Heathfield	232	208	194	-7%	-14
Kew	137	122	116	-5%	-6
Mortlake and BC	168	169	159	-6%	-10
North Richmond	158	159	119	-25%	-40
St Marg & Nth Twick	124	125	106	-15%	-19
Sth Richmond	133	120	102	-15%	-18
Sth Twick	136	128	103	-20%	-25
Teddington	135	136	118	-13%	-18
Twickenham Riv	135	133	122	-8%	-11
W Twickenham	164	166	136	-18%	-30
Whitton	155	158	146	-8%	-12
Totals	2,672	2565	2298*	- 10%	267

*claimant count statistics by ward vary slightly from borough statistics
Percentages rounded up/down to nearest %

Source: ONS claimant count statistics Jan 09 & Jul 09

c) JSA claims in the sub region

There have been both decreases, no change and an increase at sub regional level in JSA Claims. Kingston, Merton and Sutton have seen percentage decreases between November 2009 and March 2010. There has been no percentage change in Wandsworth and Lambeth and a slight increase in Croydon.

	Richmond	Kingston	Sutton	Wandsworth	Croydon	Lambeth	Merton
Total population	182,000	157,900	185,900	281,800	339,500	273,200	199,300
Total Claimants Jul 09	2,637	2,568	3,666	6,497	9,289	10,698	3,927
Total Claimants Nov 09	2,520	2,585	3,598	6,641	9,484	11,629	3,975

Total Claimants Apr 10	2259	2,256	3,507	6,643	9,588	11,631	3,798
% change Nov 09 to Apr 10	-10%	-13%	-3%	0%	+1%	0%	-4%

Percentage rounded up/down to nearest %
Source: Office of National Statistics (ONS)

d) New JSA claims by age

There has been a decrease in the numbers of JSA claimants particularly for those aged 18-24 between November 2009 and October 2010. There has also been a decrease in the number of 25-49 year olds claiming JSA in the same time period. Figures for 25-49 year olds are still significantly higher than January 2009 however.

JSA claims – 25-49 yr olds

Month	Claimant count
July 09	1,580
Nov 09	1,520
April 10	1395
Percentage change Nov 09 – April 10	- 8%

Source: Office of National Statistics (ONS)

JSA claims – 18-24 yr olds

Month	Claimant count
July 09	540
Nov 09	510
April 10	395
Percentage change Nov 09 – April 10'	-23%

Source: Office of National Statistics (ONS)