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Appendix 3. Survey of Private Rents (January 2009)

A3.1 Introduction

In January 2009 data was gathered on private rent levels from properties advertised online. The first section of this report looks at the average monthly rent by property size as provided by each survey carried out over the past three years.

The second section compares the cost of renting to incomes in each district.

Appendices provide details about the type of properties surveyed in terms of approximate age, type and number of rooms as these factors can affect prices. For example, new properties (those built within about the last ten years) are generally more expensive than older, second hand properties; houses are more expensive to rent than flats, etc.

All data is taken from County Council's Survey of Private Rents unless otherwise stated.

All rents are quoted as PCM (per calendar month) unless otherwise stated.

A3.2 Average rent levels comparing 2006, 2008 and 2009 surveys

The first survey of private rents was conducted between October and December 2006. The exercise was repeated in January 2008 and January 2009.

The 2006 survey looked at advertisements in local newspapers. The 2008 and 2009 surveys looked at properties advertised on agents' websites instead. There is a comparison of the types of properties reviewed each year in Appendix 2.

Table 1: Properties advertised per year, 2006 to 2009

	2006	2008	2009
Cambridge	183	406	308
East Cambridgeshire	82	131	260
Fenland	152	79	213
Huntingdonshire	337	376	582
South Cambridgeshire	126	203	288
Forest Heath	70	180	280
St Edmundsbury	47	132	214
Sub-Region	999	1,508	2,145

In the most recent survey completed in January 2009, there were 2,145 properties advertised for rent in the sub-region which formed the sample for this report. This was a significant increase on the 2008 survey, which gathered data on 1,508 properties, and on the first survey undertaken in 2006 which sampled 999 properties. Please see Appendix 2 for further detail.

The web based survey means there is a more even coverage of the districts than a newspaper review. Following a survey of estate and letting agents in 2008, CCCRG were able to update the list of agents operating in the sub-region and therefore found more places to look for properties being advertised, especially in areas further away from Cambridge.

A3.3 One bedrooms

Table 2: Average 1 bed rent PCM, 2006, 2008 and 2009

	2006	2008	2009	Difference 2008 to 2009	% change 2008 to 2009
Cambridge	£659	£765	£771	£6	1%
East Cambridgeshire	£546	£560	£514	£-46	-8%
Fenland	£409	£442	£405	£-37	-8%
Huntingdonshire	£461	£509	£490	£-19	-4%
South Cambridgeshire	£542	£602	£618	£16	3%
Forest Heath	£505	£498	£615	£117	23%
St Edmundsbury	£529	£591	£529	£-62	-10%
Sub-Region	£508	£612	£588	£-24	-4%

The average rent for one bedroom properties in Cambridge City, South Cambridgeshire, and Forest Heath has increased over the past three years. In Huntingdonshire and St Edmundsbury it decreased between January 2008 and 2009, but is still above 2006 survey levels. In East Cambridgeshire and Fenland, rents for one bedroom properties in January 2009 were lower than they were in 2006.

The “Difference” and “Change” columns show the difference in rent between 2008 and 2009. In the Cambridgeshire districts, this shows that 1 bed rents are fairly similar to what they were a year ago. In the Suffolk districts the amount of change is more dramatic. In St Edmundsbury this is due to the type of properties advertised. In January 2008 there were a large number of new build properties advertised in St Edmundsbury (see Appendix 1). As new builds tend to be more expensive to rent, this may have inflated the average. Generally in the Cambridge sub-region as a whole there were fewer new build properties of this size advertised in 2009 than there were in 2008.

Rents in Forest Heath for one bedrooms appear to have increased massively, but there were more flats than houses advertised in 2008 and more houses than flats in 2009, in particular detached houses. There were only 11 one bedroom properties advertised in total in Forest Heath, and this apparent increase may be due to the sample size (see above).

A3.4 Two bedrooms

Table 3: Average 2 bed rent PCM, 2006, 2008 and 2009

	2006	2008	2009	Difference 2008 to 2009	% change 2008 to 2009
Cambridge	£870	£940	£913	£-27	-3%
East Cambridgeshire	£595	£594	£584	£-10	-2%
Fenland	£505	£520	£498	£-22	-4%
Huntingdonshire	£572	£617	£613	£-4	-1%
South Cambridgeshire	£707	£696	£721	£25	4%
Forest Heath	£660	£627	£725	£98	16%
St Edmundsbury	£692	£600	£646	£46	8%
Sub-Region	£653	£734	£671	£-63	-9%

The average monthly rent for two bedroom properties increased in all districts between 2006 and 2009 except for East Cambridgeshire, Fenland and St Edmundsbury.

Between 2008 and 2009 the average rent for a two bedroom property in all the Cambridgeshire districts except South Cambridgeshire decreased slightly.

In the Suffolk districts the average increased. In Forest Heath this is likely to be inflated by some very expensive rents advertised at a development in Herringswell. There were 9 two bedroom properties advertised on this development, ranging in asking rent from £1,000 to £2,100. If these are excluded, the district average rent for 2 bedroom properties in 2009 was £671/month, which is a 7%, rather than a 16%, increase.

A3.5 Three bedrooms

Table 4: Average 3 bed rent PCM, 2006, 2008 and 2009

	2006	2008	2009	Difference 2008 to 2009	% change 2008 to 2009
Cambridge	£984	£1,016	£1,077	£61	6%
East Cambridgeshire	£754	£727	£701	−£26	−4%
Fenland	£653	£602	£626	£24	4%
Huntingdonshire	£709	£742	£741	−£1	0%
South Cambridgeshire	£856	£845	£880	£35	4%
Forest Heath	£764	£848	£840	−£8	−1%
St Edmundsbury	£863	£750	£791	£41	5%
Sub-Region	£774	£829	£799	−£30	−4%

Over the three surveys prices have increased in most areas but decreased in East Cambridgeshire, Fenland and St Edmundsbury. Between 2008 and 2009, 3 bedroom rents have fallen in East Cambridgeshire, Huntingdonshire and Forest Heath. On the whole the decrease has been very small – in Huntingdonshire, the average rent fell by only £1.

A3.6 Four bedrooms

Table 5: Average 4 bed rent PCM, 2006, 2008 and 2009

	2006	2008	2009	Difference 2008 to 2009	% change 2008 to 2009
Cambridge	£1,464	£1,367	£1,354	−£13	−1%
East Cambridgeshire	£941	£1,067	£991	−£76	−7%
Fenland	£808	£825	£858	£33	4%
Huntingdonshire	£988	£1,008	£1,039	£31	3%
South Cambridgeshire	£1,142	£1,242	£1,171	−£71	−6%
Forest Heath	£1,148	£1,155	£1,217	£62	5%
St Edmundsbury	£1,185	£998	£1,155	£157	16%
Sub-Region	£1,094	£1,139	£1,106	−£33	−3%

In all districts except Cambridge City and St Edmundsbury, rents for 4 bedroom properties were higher in January 2009 than they were in 2006. The rent in Cambridge City has decreased in each survey, but in St Edmundsbury it decreased in 2008, but increased in 2009 to almost the same level as 2006.

A3.7 Rental affordability

Table 6: Lower quartile rents by district and size

	1 bed	2 bed	3 bed	4 bed	All
Cambridge	£650	£754	£895	£1,175	£750
East Cambridgeshire	£456	£532	£626	£825	£575
Fenland	£395	£475	£550	£725	£480
Huntingdonshire	£450	£550	£646	£850	£550
South Cambridgeshire	£575	£650	£790	£950	£700
Forest Heath	£500	£575	£673	£950	£600
St Edmundsbury	£475	£575	£650	£944	£595
Sub-Region	£461	£550	£650	£895	£595

Overall lower quartile rents range between £480/month in Fenland to £750/month in Cambridge City. The lower quartile price is a more useful measure for assessing how easy it is for people to access the market.

Table 7: Lower quartile rent as % of lower quartile earnings

	1 bed	2 bed	3 bed	4 bed	All
Cambridge	23%	27%	32%	42%	27%
East Cambridgeshire	17%	19%	23%	30%	21%
Fenland	20%	24%	27%	36%	24%
Huntingdonshire	14%	18%	21%	27%	18%
South Cambridgeshire	18%	20%	24%	29%	21%
Forest Heath	24%	27%	32%	45%	28%
St Edmundsbury	21%	25%	29%	41%	26%

Table 7 shows the annual rent as a percentage of annual lower quartile gross earnings.

If it is assumed that between a quarter and a third of income spent on renting is a “reasonable” level of affordability, renting is generally a feasible option for people on lower incomes in the sub-region, especially for smaller properties.

Further information about affordability of renting privately and other tenures is covered in depth in Chapter 21, *Current affordability by tenure and size*.

A3.8 Summary

Information about rent level is not collected centrally and is less easily available than information on house prices etc.

While an annual review of advertisements for rental properties provides a useful snapshot of data, it is difficult to compare these snapshots over time without being aware of what is being advertised in terms of size, age and type of property as all of these affect the rent levels. This detail is set out in Appendix 1.

Advertised rent levels may be slightly higher than the average typical rent paid, as cheaper properties may be let more quickly. However, it is more robust than trying to work out sale

prices from advertisements, as sale prices change more than rent levels, during the negotiation process.

Average rents have decreased slightly in the sub-region as a whole across all sizes of properties, but the average rent for one and two bedroom properties have decreased by slightly more than rents for larger properties. Some of this decrease is due to a smaller proportion of advertisements for new build properties which generally achieve higher rents.

There is broadly a relationship between rent levels and house prices – the two most expensive districts for purchase are also the most expensive for renting, and the cheapest district to buy in (Fenland) is also the cheapest area to rent. However, Forest Heath is the second cheapest area to buy in, but the third most expensive for rents. The market is distorted by the USAF presence in the district.

Generally when rents are compared to lower quartile salaries, renting is a reasonably affordable option, particularly for smaller properties.

Appendix 1: Profile of Advertisements by Districts

Fig 1: Cambridge City

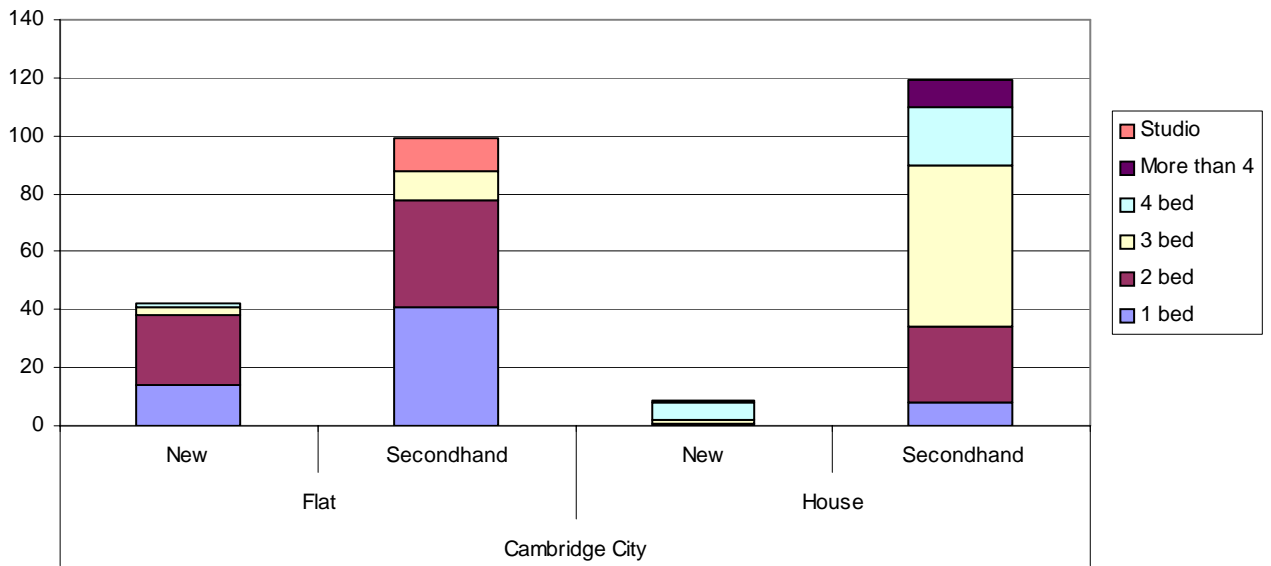


Fig 2: East Cambridgeshire

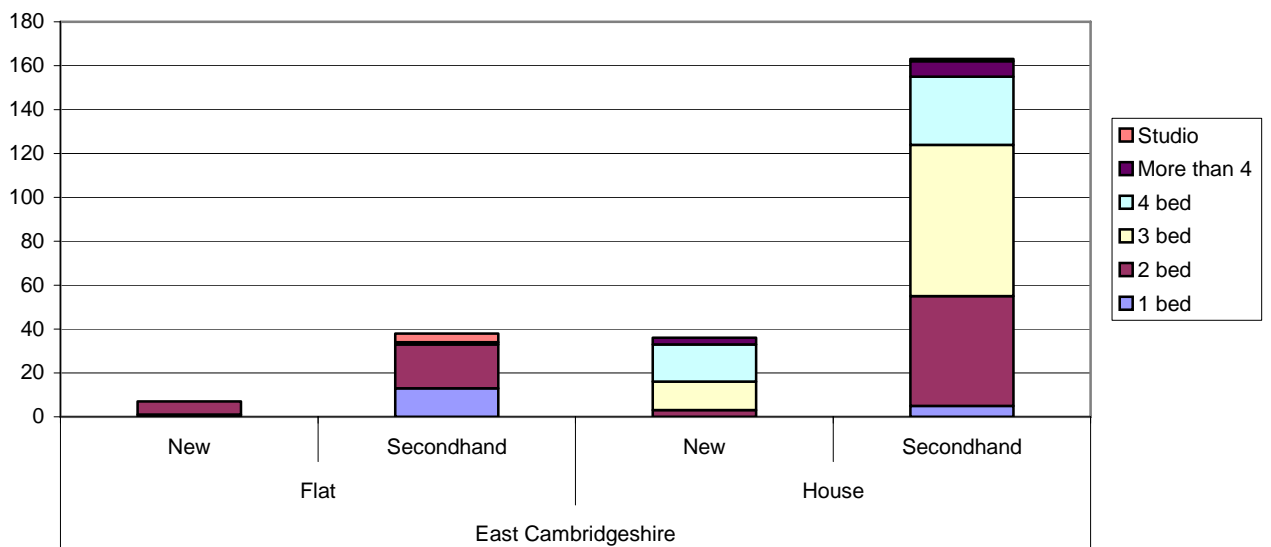


Fig 3: Fenland

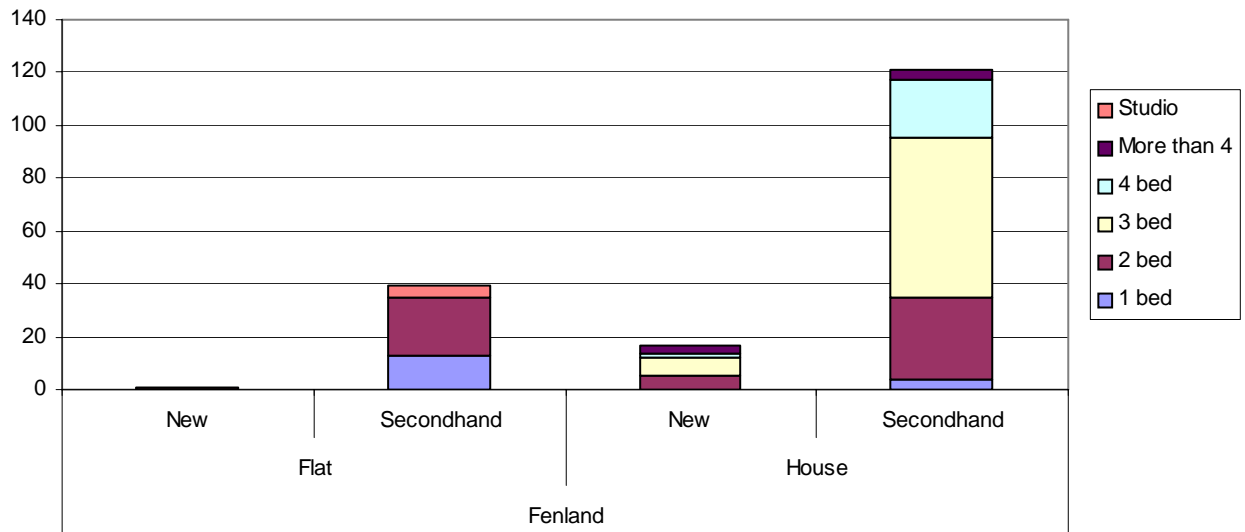


Fig 4: Huntingdonshire

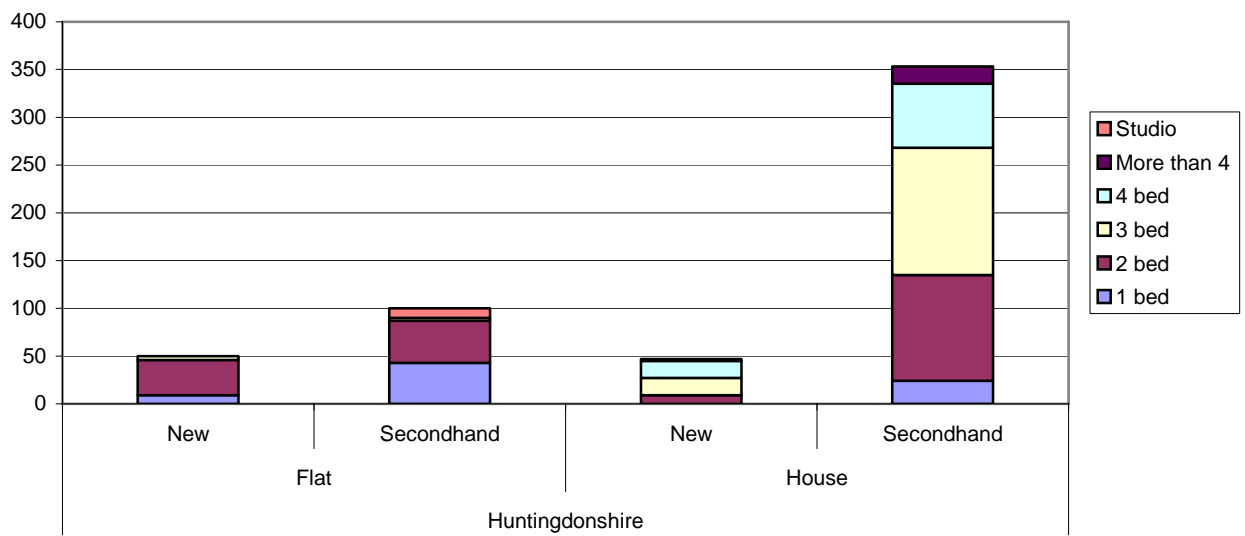


Fig 5: South Cambridgeshire

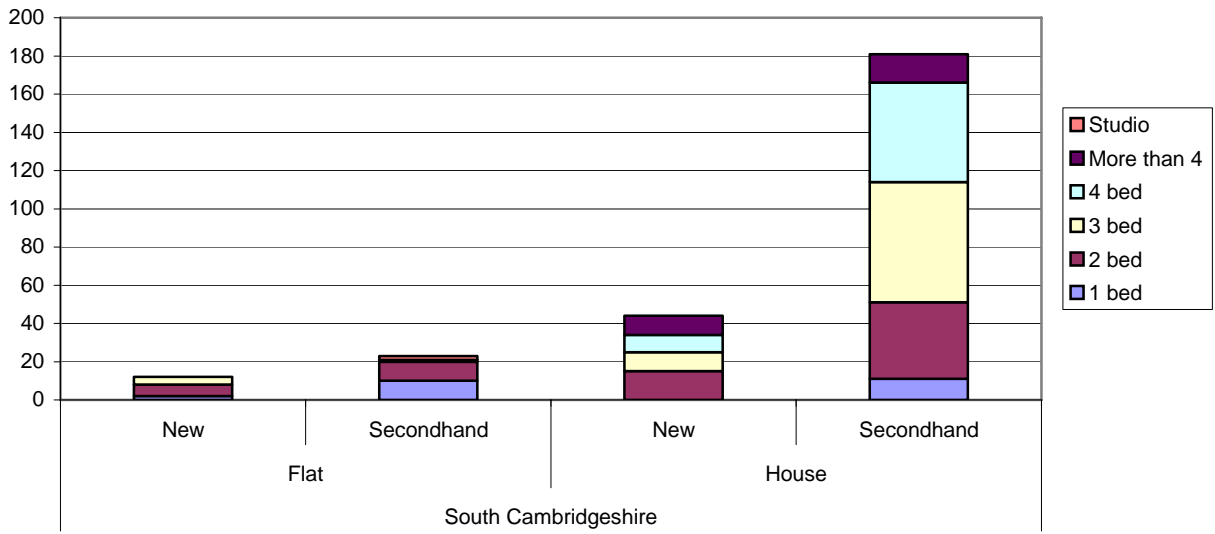


Fig 6: Forest Heath

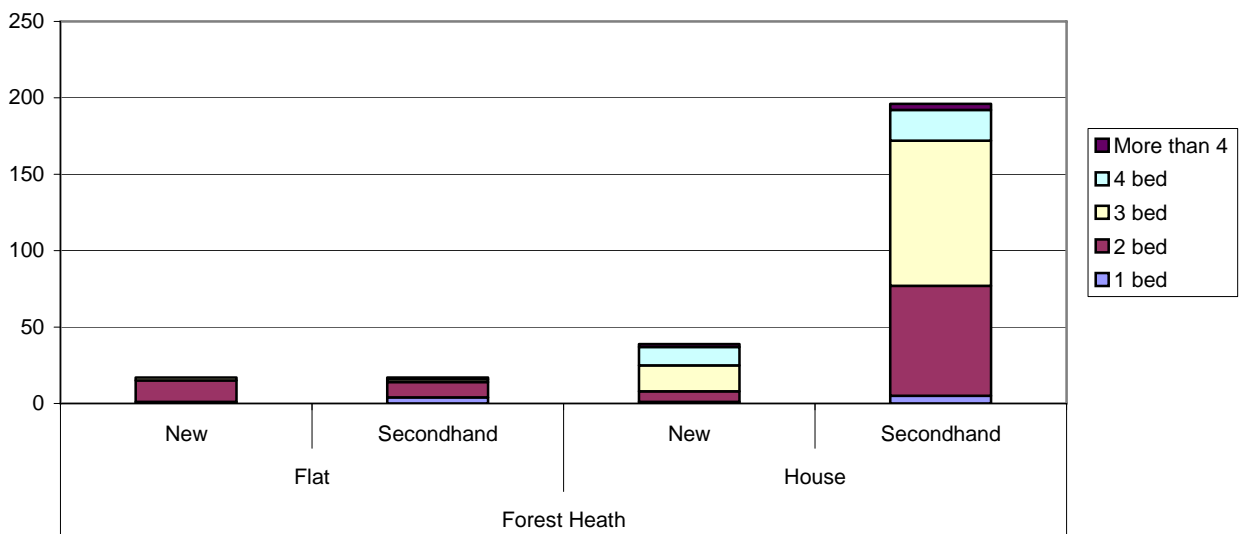
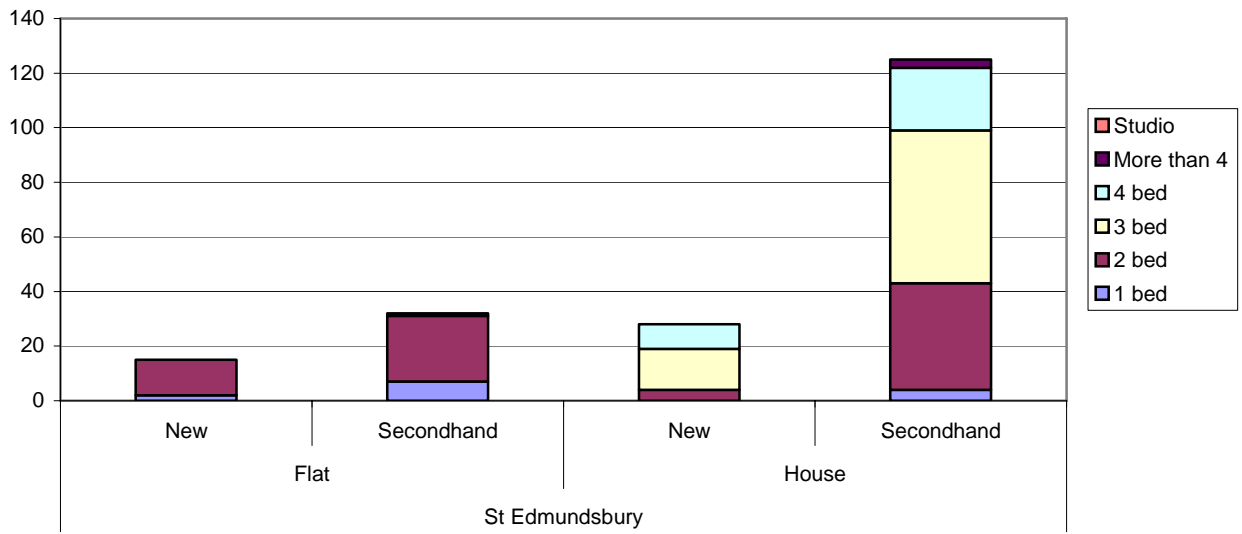


Fig 7: St Edmundsbury



Appendix 2: Profile of properties advertised by district, 2006-2009

Fig 8: Cambridge City

		2006	2008	2009
Number of Rooms	Studio	2%	0%	4%
	1 bed	17%	20%	24%
	2 beds	40%	42%	32%
	3 beds	25%	23%	25%
	4 beds	13%	12%	10%
	5 or more	3%	3%	4%
Property type	Flats	39%	49%	53%
	Houses	57%	49%	45%
	Unknown	4%	2%	2%
Property age	Second hand	7%	28%	17%
	New	88%	61%	72%
	Unknown	5%	11%	12%
Total number of properties		183	406	308

Fig 9: East Cambridgeshire

		2006	2008	2009
Number of Rooms	Studio	1%	0%	2%
	1 bed	11%	11%	8%
	2 beds	34%	21%	33%
	3 beds	32%	45%	33%
	4 beds	7%	21%	20%
	5 or more	6%	1%	4%
Property type	Flats	20%	10%	19%
	Houses	55%	89%	79%
	Unknown	26%	2%	2%
Property age	New	5%	20%	17%
	Secondhand	71%	72%	78%
	Unknown	24%	8%	5%
Total number of properties		82	131	260

Fig 10: Fenland

		2006	2008	2009
Number of Rooms	Studio	3%	0%	2%
	1 bed	18%	16%	12%
	2 beds	34%	34%	32%
	3 beds	37%	37%	39%
	4 beds	9%	10%	12%
	5 or more	0%	3%	3%
Property type	Flats	16%	23%	24%
	Houses	74%	77%	75%
	Unknown	11%	0%	1%
Property age	New	7%	23%	8%
	Secondhand	59%	70%	75%
	Unknown	36%	8%	16%
Total number of properties		152	79	213

Fig 11: Huntingdonshire

		2006	2008	2009
Number of Rooms	Studio	1%	0%	2%
	1 bed	19%	16%	14%
	2 beds	33%	31%	37%
	3 beds	27%	26%	29%
	4 beds	16%	23%	15%
	5 or more	4%	4%	4%
Property type	Flats	23%	27%	27%
	Houses	65%	72%	71%
	Unknown	12%	1%	2%
Property age	New	6%	17%	17%
	Secondhand	80%	70%	79%
	Unknown	14%	12%	4%
Total number of properties		337	376	582

Fig 12: South Cambridgeshire

		2006	2008	2009
Number of Rooms	Studio	2%	0%	1%
	1 bed	8%	12%	9%
	2 beds	29%	36%	27%
	3 beds	29%	31%	31%
	4 beds	21%	16%	24%
	5 or more	10%	6%	9%
Property type	Flats	10%	15%	14%
	Houses	79%	82%	82%
	Unknown	10%	3%	3%
Property age	New	8%	22%	20%
	Secondhand	82%	68%	72%
	Unknown	10%	10%	8%
Total number of properties		126	203	288

Fig 13: Forest Heath

		2006	2008	2009
Number of Rooms	Studio	1%	0%	0%
	1 bed	13%	16%	4%
	2 beds	53%	40%	39%
	3 beds	16%	29%	43%
	4 beds	9%	12%	13%
	5 or more	0%	2%	2%
Property type	Flats	34%	27%	13%
	Houses	53%	72%	86%
	Unknown	13%	1%	1%
Property age	New	11%	17%	20%
	Secondhand	56%	77%	76%
	Unknown	33%	6%	4%
Total number of properties		70	180	280

Fig 14: St Edmundsbury

		2006	2008	2009
Number of Rooms	Studio	0%	0%	2%
	1 bed	11%	8%	6%
	2 beds	40%	31%	40%
	3 beds	28%	42%	36%
	4 beds	19%	17%	15%
	5 or more	2%	2%	1%
Property type	Flats	23%	22%	25%
	Houses	70%	77%	73%
	Unknown	6%	2%	2%
Property age	New	19%	34%	21%
	Secondhand	74%	63%	74%
	Unknown	6%	3%	6%
Total number of properties		47	132	214

Fig 15: Whole housing sub-region

		2006	2008	2009
Number of Rooms	Studio	2%	0%	2%
	1 bed	16%	15%	12%
	2 beds	36%	35%	34%
	3 beds	28%	30%	33%
	4 beds	14%	17%	16%
	5 or more	4%	3%	4%
Property type	Flats	24%	29%	26%
	Houses	65%	69%	72%
	Unknown	11%	2%	2%
Property age	New	7%	23%	17%
	Secondhand	75%	68%	76%
	Unknown	17%	10%	7%
Total number of properties		999	1,508	2,145