

Sales of intermediate housing

20.1 Introduction	1
20.2 Intermediate Housing – who has been housed.....	1
Fig 1: Total shared ownership and OMHomeBuy sales 2005/06 & 2007/08.....	2
20.3 Previous Tenure.....	2
Table 2: Previous Tenure of Purchasers: Shared Ownership and OMHomeBuy, 2007/08.....	3
Fig 2: Previous tenure (%) of shared ownership and OMHomeBuy completions (2007/08) ..	3
20.4 Family Type	4
Table 3: Family Types of Purchasers of Shared Ownership & OMHomeBuy Housing, 2007/08 ..	4
Fig 3: Family types of shared ownership and OMHomeBuy completions (2007/08), %.....	5
20.5 Ages of Applicants	5
Table 4: Age of First Named Buyer, Shared Ownership & OMHomeBuy Homes, 2007/08.	5
20.6 Key workers	6
Table 5: Key Worker & Other Purchasers, 2007/08.....	6
20.7 Type of Property Bought	6
Number of Bedrooms.....	6
Table 6: Number of Bedrooms Purchased, 2007/08.....	6
Type of Home	7
Table 7: Type of Property Purchased, 2007/08	7
20.8 Financial issues.....	7
Table 8: Key Financial Data Relating to Shared Ownership & OMHomeBuy Sales, 2007/08.....	8
Fig 4: Mean purchase price of shared ownership and OMHomeBuy (2007/8).....	8
Fig 5: Comparison of mean mortgages for purchasers (2007/08)	9
Fig 6: Comparison of gross household incomes for purchasers by district (2007/08).....	9
20.9 Family types & finance	10
Table 9: Mean Purchase Price, Mortgage & Gross Household Income for purchasers, 2007/08	10
20.10 Deposits.....	11
Fig 7: Size of deposits intermediate housing purchasers, 2007/08	11
Table 10: Average Deposit by household type and previous tenure	11
20.11 Size of Property & Finance.....	12
Table 11: Properties by Bedrooms, mean price by district, 2007/08	12
20.12 Previous District of Residence.....	12
Table 12: District of Purchase by Previous District of Residence, 2005-06.....	13
20.13 Family Type by Number of Bedrooms	13
Table 13: Broad Family Types by Size of Property Purchased (Bedrooms); 2007/08	13
20.14 Issues arising from the analysis of low cost home purchasers.....	14

Chapter 20. Sales of intermediate housing

20.1 Introduction

The 'intermediate' housing sector relates to what appears to be a growing void between income levels and house prices.

In the Strategic Housing Market Assessment guidance, affordable housing is defined as housing that includes "social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices
- Include provision for the home to remain at an affordable price for future eligible households or if these restrictions are lifted for the subsidy to be recycled for alternative affordable housing provision."

Intermediate affordable housing is then defined as "housing at prices and rents above those of social rent but below market price or rents and which meet the criteria for affordable housing set out above."

While the guidance sets a framework to understand and respond to the market, the data set out in the cross tenure affordability chapter, shows that in most of sub-region, entry-level private rents are usually cheaper to access than shared ownership at 50% (the most common share level purchased).

20.2 Intermediate Housing – who has been housed

All data in this chapter is taken from CORE unless otherwise stated. The data covers the year 2007/08 as the last full year for which complete records are available. It excludes 'Right to Buy', 'Right to Acquire' and outright sales. Shared ownership purchasers generally pay a rent on the share of the home owned by a housing association – typically 2.5% to 4% of the capital each year.

In the following tables data is shown on the old Open Market HomeBuy scheme, under which purchasers were required to buy a minimum 75% share of a property at the outset.

All references to OMHomeBuy and OMBH refer to Open Market HomeBuy.

Prior to April 2006 a larger percentage equity loan was available. As is shown in the data below, this made it a less attractive option in most of the sub-region.

In total, 252 sales were recorded across the 7 districts in 2007/08. Table 1 and Fig 1 show the breakdown in detail. Table 1 shows that more dwellings were sold in Cambridge City than any other district – 72, almost one third of the total. Huntingdonshire recorded 59 sales and South Cambridgeshire 38, just ahead of St Edmundsbury and East Cambridgeshire. There were less than 20 sales in Fenland and Forest Heath. In the sub-region as whole, 68% of sales were shared ownership and 32% were Open Market HomeBuy, and in most districts shared ownership was the preferred option. In Fenland however, only 21% of sales were shared ownership compared to 79% Open Market HomeBuy.

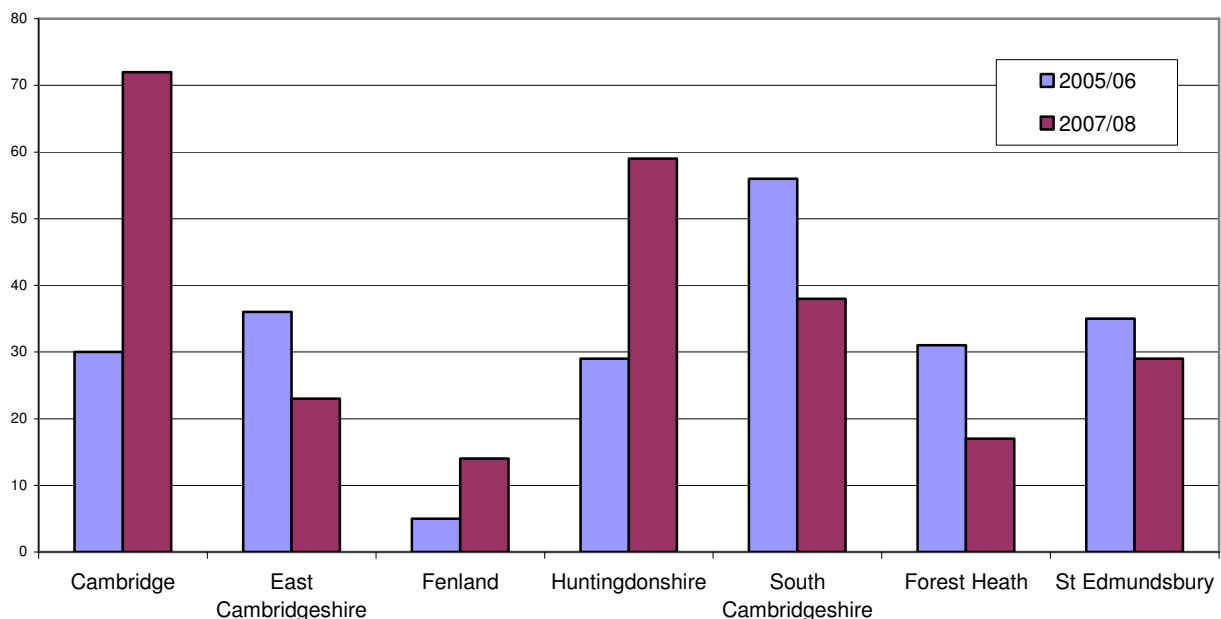
Table 1: Shared ownership and OMHomeBuy sales, 2007/08

	Cambridge City	East Cambs	Fenland	Hunts	South Cambs	Forest Heath	St Edmundsbury	Sub-Region
Shared Ownership	64	14	3	33	28	13	16	171
Open Market HomeBuy	8	9	11	26	10	4	13	81
Total Sales	72	23	14	59	38	17	29	252
% Shared Ownership	89%	61%	21%	56%	74%	76%	55%	68%
% Open Market HomeBuy	11%	39%	79%	44%	26%	24%	45%	32%
% Total of Sales	29%	9%	6%	23%	15%	7%	12%	100%

Source: CORE

There have been a large increase in sales in Cambridge, Huntingdonshire and Fenland. In Cambridge, this is probably due to greater availability. As most of the growth in Fenland has been in the Open Market HomeBuy, this may have been a more appropriate product in this area. The total number of sales for the sub-region as a whole has increased by thirty since 2005/06.

Fig 1: Total shared ownership and OMHomeBuy sales 2005/06 & 2007/08



Source: CORE

20.3 Previous Tenure

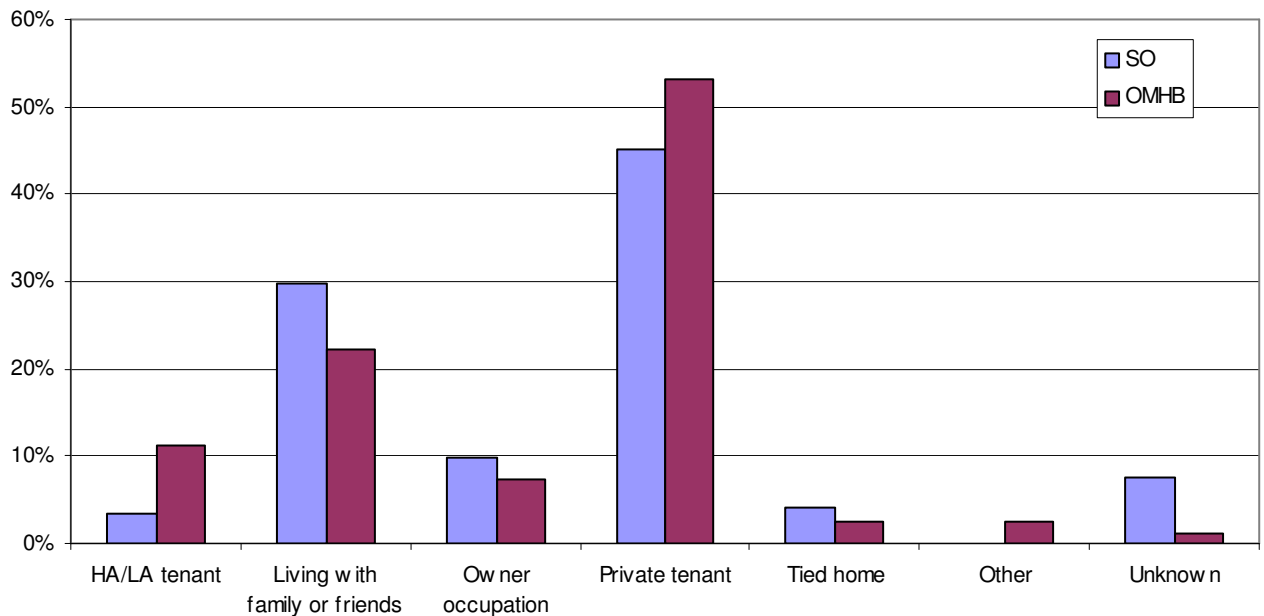
Table 2 and Fig 2 provide a breakdown of the previous tenure of households purchasing low cost homes in 2005-06. The profile is shown separately for shared ownership and OMHomeBuy purchasers. In both cases just two tenures dominate: private rental and living with friends or family. The percentage of purchasers who were previously local authority or housing association tenants was very low, at 9% for shared ownership and just 2.5% for OMHomeBuy purchasers.

Table 2: Previous Tenure of Purchasers: Shared Ownership and OMHomeBuy, 2007/08

	Cambridge City	East Cambs	Fenland	Hunts	South Cambs	Forest Heath	St Edmundsbury	Sub-Region	% of Sub-Region
Shared ownership									
HA/LA tenant	3	1					2	6	4%
Living with family or friends	10	7	1	7	10	8	8	51	30%
Owner occupation	3	2		7	2	3		17	10%
Private tenant	43	4	2	7	15	2	4	77	45%
Tied home	5				1		1	7	4%
Unknown				12			1	13	8%
Shared Ownership Total	64	14	3	33	28	13	16	171	100%
Open Market HomeBuy									
HA/LA tenant	1	1	3	2	1		1	9	11%
Living with family or friends		1	1	10	1	1	4	18	22%
Owner occupation		2			3	1		6	7%
Private tenant	6	5	6	14	4	1	7	43	52%
Tied home			1		1			2	2%
Other						1	1	2	2%
Unknown	1							1	1%
OM Total	8	9	11	26	10	4	13	81	100%
All Sales	72	23	14	59	38	17	29	252	

Source: CORE

Fig 2: Previous tenure (%) of shared ownership and OMHomeBuy completions (2007/08)



Source: CORE

Relatively more households buying a shared ownership property formerly lived with family of friends – 30% as compared with 22% of OMHomeBuy purchasers. In contrast a higher 52% of OMHomeBuy households were formerly private tenants as compared with 45% of shared ownership buyers. There were very few households previously renting from an employer, living in temporary accommodation. 10% of shared ownership purchasers had moved from

owner occupation and 11% of Open Market HomeBuy purchasers were moving from social rented tenures. Table 2 shows some differences at a district level – more private tenants in Cambridge City and South Cambridgeshire and more people living with families and friends elsewhere, but with relatively small numbers in some districts it is difficult to discern the extent to which the market differs from one area to another.

20.4 Family Type

Table 3 and Fig 3 compare the family types buying low cost homes in the year 2007-08. The Table provides a detailed breakdown by family size, whereas the Figure shows a summary by broad type. Again, the 'Open Market HomeBuy' market is considered alongside shared ownership sales.

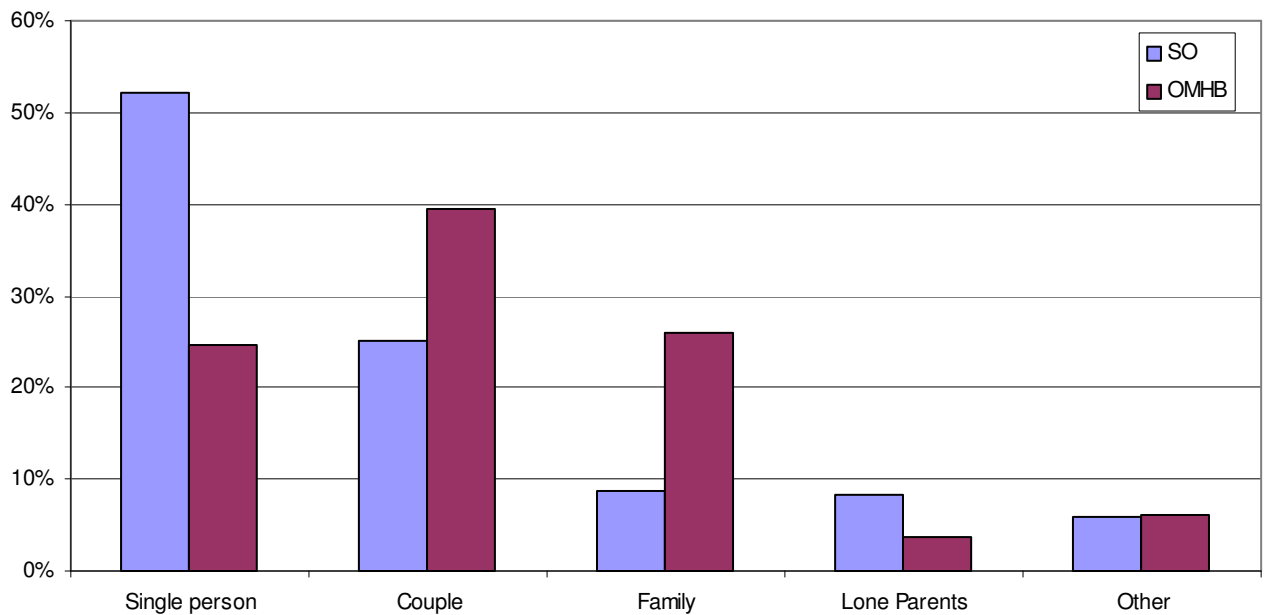
Table 3: Family Types of Purchasers of Shared Ownership & OMHomeBuy Housing, 2007/08

	Cambri dge City	East Cambs	Fenland	Hunts	South Cambs	Forest Heath	St Edmunds- bury	Sub- Region	% of Sub- Region
Shared Ownership									
Single person	33	6	1	22	11	7	9	89	52%
Couple	15	4	2	5	12	2	3	43	25%
Family 1 child	4			1		1	1	7	4%
Family 2 children	3				1		1	5	3%
Family 3 children	2							2	1%
Family 4 children							1	1	1%
Lone parent 1 child	2	3		1	1	1	1	9	5%
Lone parent 2 children	1			2	1	1		5	3%
Other	4	1		2	2	1		10	6%
	64	14	3	33	28	13	16	171	100%
Open Market HomeBuy									
Single person	1	2	2	7	1	3	4	20	25%
Couple	6	4	3	11	3	1	4	32	40%
Family 1 child		2	2	3	2		1	10	12%
Family 2 children	1	1	4	2	2			10	12%
Family 4 children							1	1	1%
Lone parent 2 children							2	2	2%
Lone parent 4 children							1	1	1%
Other				3	2			5	6%
	8	9	11	26	10	4	13	81	100%

Source: CORE

Table 3 and Fig 3 show that single people constitute just over half of the shared ownership purchasers and around a quarter of Open Market HomeBuy purchasers. Couples account for a quarter of shared ownership buyers and 40% of Open Market HomeBuy purchasers. There are relatively more family purchasers of Open Market HomeBuy homes – together accounting for 25% of the total. Only 9% of shared ownership purchasers were families. There are more lone parent shared ownership purchasers – 8% compared to 3% of Open Market HomeBuy.

Fig 3: Family types of shared ownership and OMHomeBuy completions (2007/08), %



Source: CORE

20.5 Ages of Applicants

This section compares the ages of the first adult recorded as purchasing each property. Table 4 shows that the age profile of buyers differs very little when shared ownership is compared with Open Market HomeBuy. In both cases the age group with most purchasers was 20-29, accounting for around 46% of the total. People aged 30-39 accounted for 31% of shared ownership buyers and a slightly higher 32% share of Open Market HomeBuy purchasers. Around 12% of purchasers were aged 40 to 49. The share of buyers aged over 50 was 6%. The oldest purchaser was 82.

Table 4: Age of First Named Buyer, Shared Ownership & OMHomeBuy Homes, 2007/08.

	Cambridge City	East Cambs	Fenland	Hunts	South Cambs	Forest Heath	St Edmundsbury	Sub-Region	% of Sub-Region
Shared Ownership									
20-29	28	4	2	10	17	6	7	74	43%
30-39	26	6		6	5	2	6	51	30%
40-49	5	3	1	4	4	2	2	21	12%
50+	5	1		1	2	3		12	7%
Unknown				12			1	13	8%
	64	14	3	33	28	13	16	171	100%
Open Market HomeBuy									
20-29	4	3	5	18	4	2	6	42	52%
30-39	3	4	5	5	2	1	6	26	32%
40-49	1	1	1	2	4	1		10	12%
50+		1		1			1	3	4%
Unknown								0	0%
	8	9	11	26	10	4	13	81	100%
Total	72	23	14	59	38	17	29	252	

Source: CORE

20.6 Key workers

The data shows that of the 171 shared ownership purchasers, 44 were recorded either under the Key Worker Living Programme or a similar scheme, (26%). Of the 81 Open Market HomeBuy purchasers, 35 were recorded as part of the Key Worker Living Programme, (43%). Table 5 provides a breakdown by district.

Table 5: Key Worker & Other Purchasers, 2007/08

	Non Keyworker	Keyworker	All
Shared Ownership			
Cambridge	29	35	64
East Cambridgeshire	12	2	14
Fenland	3		3
Forest Heath	9	4	13
Huntingdonshire	33		33
South Cambridgeshire	25	3	28
St Edmundsbury	16		16
	127	44	171
Open Market HomeBuy			
Cambridge	2	6	8
East Cambridgeshire	4	5	9
Fenland	7	4	11
Forest Heath	3	1	4
Huntingdonshire	21	5	26
South Cambridgeshire	5	5	10
St Edmundsbury	4	9	13
	46	35	81
Sub-Region	173	79	252

Source: CORE

20.7 Type of Property Bought

Number of Bedrooms

Table 6 shows the profile of homes purchased in each district by the number of bedrooms. Households are allowed to purchase one bedroom more than they “require”. Table 6 shows that 56% of shared ownership sales were properties with two bedrooms. Nearly half of the Open Market HomeBuy properties purchased had 3 bedrooms, much higher than the 23% of shared ownership homes. There were only three homes purchased with four bedrooms and none purchased with more than four bedrooms. To some extent this reflects what is being built.

Table 6: Number of Bedrooms Purchased, 2007/08

	Cambridge City	East Cambs	Fenland	Hunts	South Cambs	Forest Heath	St Edmundsbury	Sub-Region	% of Sub-Region
Shared Ownership									
1	23	2		2		5	2	34	20%
2	25	8	2	23	21	5	11	95	56%
3	16	4	1	8	7	3	1	40	23%
4							2	2	1%
	64	14	3	33	28	13	16	171	100%

Open Market HomeBuy									
1	1			2				3	4%
2	4	3	4	13	4	4	5	37	46%
3	3	6	7	10	6		8	40	49%
4				1				1	1%
	8	9	11	26	10	4	13	81	100%
	72	23	14	59	38	17	29	252	

Source: CORE

This analysis raises the question of whether sufficient 3 bedroom properties are being provided in new build shared ownership schemes – as more households with children buy through Open Market HomeBuy than through shared ownership. It will be interesting to compare this profile with those purchasing the new My Choice product when data becomes available and see if a similar profile is presented.

Type of Home

Table 7 looks at the types of home purchased under shared ownership and OMHomeBuy arrangements.

Around 56% of sales were of houses and 44% were of flats or maisonettes under the shared ownership scheme. Under Open Market HomeBuy, around 90% of people purchased houses and only 9% bought flats. The comparatively small proportion of flats sold under shared ownership includes a large number of sales in Cambridge City. Cambridge City has a different stock profile to the rest of the sub-region – there is a larger proportion of flats because it is a major urban area. If the City is excluded, then in the rest of the sub-region, 70% of purchases were houses while 30% were flats. This is still not as high as the percentage of houses purchased under the HomeBuy scheme.

Table 7: Type of Property Purchased, 2007/08

	Cambridge City	East Cambs	Fenland	Hunts	South Cambs	Forest Heath	St Edmundsbury	Sub-Region	% of Sub-Region
Shared Ownership									
Flat/ Maisonette	43	3		13	7	7	2	75	44%
House	21	11	3	20	21	6	14	96	56%
	64	14	3	33	28	13	16	171	100%
Open Market HomeBuy									
Bungalow							1	1	1%
Flat/ Maisonette	2			2	2		1	7	9%
House	6	9	11	24	8	4	11	73	90%
	8	9	11	26	10	4	13	81	100%
Total	72	23	14	59	38	17	29	252	

Source: CORE

20.8 Financial issues

This section analyses a range of financial information, including purchase price of property, mortgages taken out and household income. Table 8 provides an overview of the mean property prices, mortgages and gross household income for each district, again broken down to shared ownership and Open Market HomeBuy purchasers.

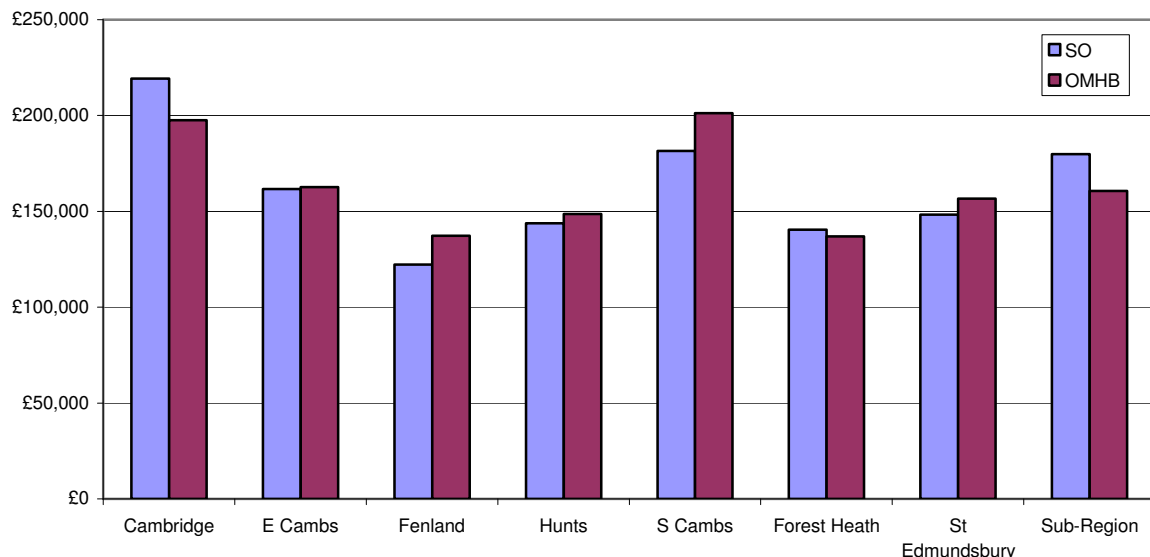
Table 8: Key Financial Data Relating to Shared Ownership & OMHomeBuy Sales, 2007/08

	Cambridge City	East Cambs	Fenland	Hunts	South Cambs	Forest Heath	St Edmundsbury	Sub-Region
Shared Ownership								
Average Purchase Price	£219,227	£161,643	£122,167	£143,712	£181,607	£140,462	£148,214	£179,814
Average Mortgage	£84,252	£58,887	£70,625	£38,689	£73,203	£62,187	£62,143	£64,905
Average Household Income	£32,247	£25,059	£24,053	£21,822	£27,940	£26,761	£20,541	£27,789
Open Market HomeBuy								
Average Purchase Price	£197,537	£162,722	£137,356	£148,668	£201,300	£136,875	£156,573	£160,704
Average Mortgage	£163,179	£128,454	£110,339	£119,187	£141,219	£84,266	£108,181	£122,589
Average Household Income	£43,829	£34,682	£35,051	£34,347	£36,680	£24,308	£30,474	£34,587

Source: CORE

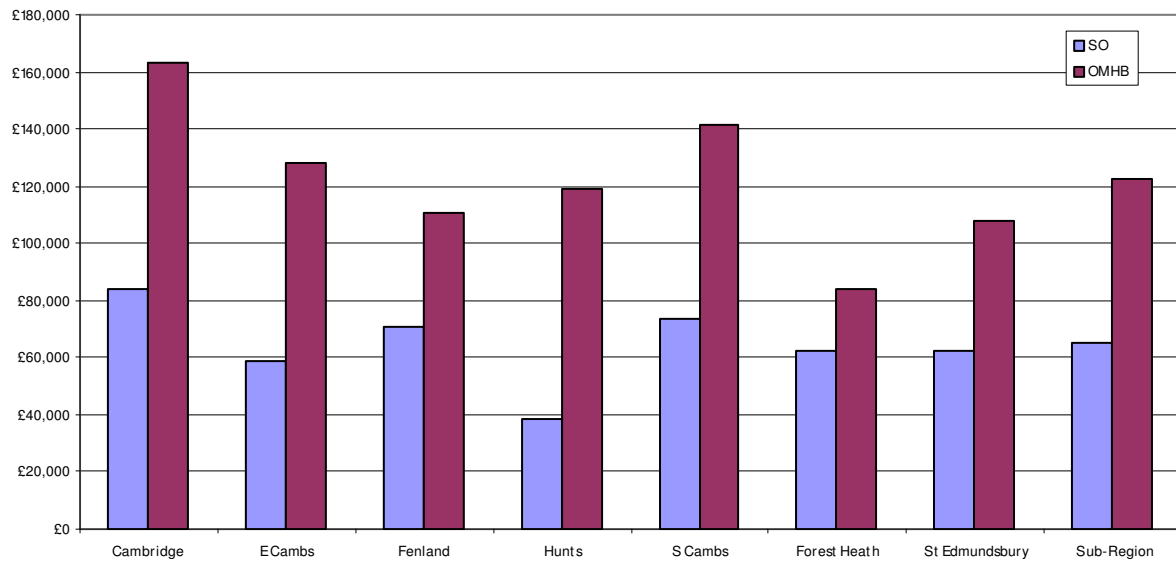
Figs 4, 5 and 6 compare purchase prices, mortgages and gross household incomes for districts. Looking first at purchase prices, it can be seen that shared ownership properties were considerably more expensive than Open Market HomeBuy in Cambridge City, on average, at £219,227 (although there was only a small number of purchases under Open Market HomeBuy, which may have distorted these prices). Shared Ownership in Forest Heath was also slight more expensive than Open Market HomeBuy. Cambridge City was the most expensive area, followed by South Cambridgeshire, and Fenland was still the cheapest area, but compared to all open market purchase the range of prices across the region is a lot narrower.

Fig 4: Mean purchase price of shared ownership and OMHomeBuy (2007/8)



Source: CORE

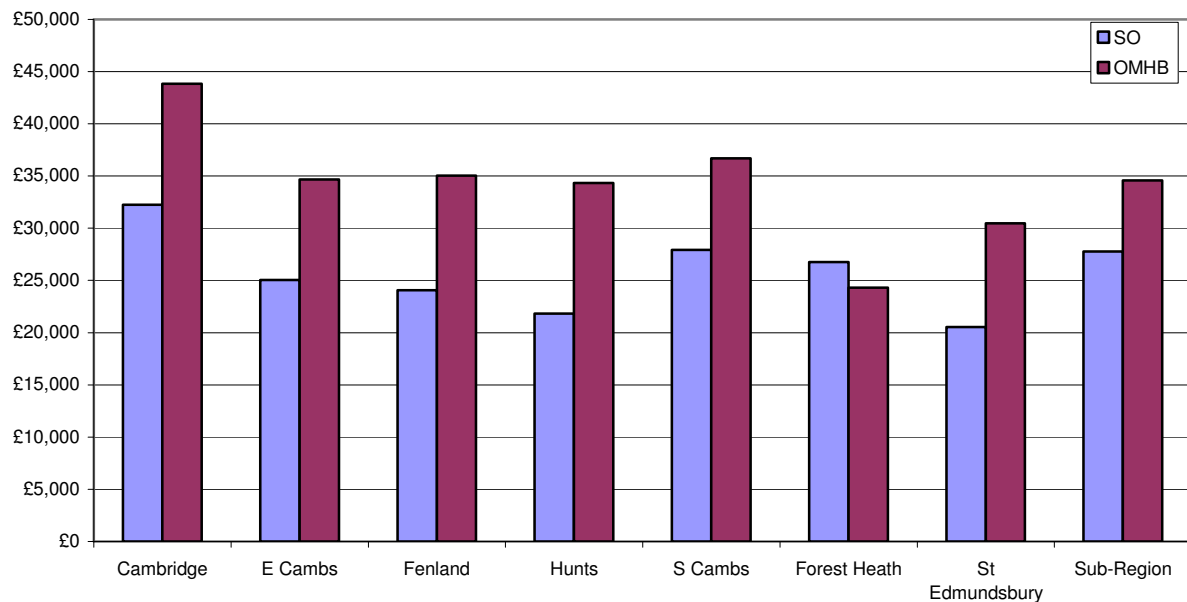
Fig 5: Comparison of mean mortgages for purchasers (2007/08)



Source: CORE

Fig 5 shows that there are very marked differences in the size of mortgage taken out by shared ownership as opposed to OMHomeBuy purchasers. The mean mortgage of OMHomeBuy purchasers is in all districts much higher than that of shared owners. Shared owners, however, will normally be paying a rent for the portion of their home that they do not own. This is typically between 2.5% to 4% on the remaining equity share. The mortgage required for shared ownership mortgages in Huntingdonshire is significantly smaller than elsewhere in the region because of a few sales of this type where no mortgage was required (the purchaser had a large deposit, possibly due to a family splitting up), which pulled the overall average down.

Fig 6: Comparison of gross household incomes for purchasers by district (2007/08)



Source: CORE

Fig 6 compares the mean gross household incomes of purchasers in 2007/08. Proportionately there are more Open Market HomeBuy purchasers are designated as 'key

workers', who generally have higher incomes than other intermediate housing applicants. It is to be expected, therefore, that the OMHomeBuy purchasers will have higher incomes, on average, than shared ownership purchasers. However, differences in family type, particularly the proportion of households with children, can have a major impact on what is 'affordable' for individual households.

20.9 Family types & finance

It is important to understand if there are distinct differences between family types in terms of income and hence what properties can be purchased. Table 10 provides a summary across the sub-region, showing mean purchase price, gross household income and mortgage for the main family types by shared ownership and open market HomeBuy.

Table 9: Mean Purchase Price, Mortgage & Gross Household Income for purchasers, 2007/08

	Average Purchase Price		Average Mortgage		Average Household Income	
	SO	OMHB	SO	OMHB	SO	OMHB
Single Person	£162,415	£132,313	£71,175	£89,588	£24,147	£24,866
Couple	£186,384	£165,419	£69,976	£135,088	£33,713	£38,531
Family	£244,767	£171,056	£84,679	£142,078	£39,066	£39,502
Lone Parent	£187,393	£150,000	£52,205	£119,075	£19,098	£32,077
Other	£192,900	£202,500	£61,955	£112,770	£25,512	£30,064
All	£179,594	£160,775	£69,866	£124,121	£27,806	£34,769

Source: CORE

Table 9 shows that the highest mean purchase price for shared ownership was paid by families with children – almost £245,000. However, apart from families and single buyers, with an average of purchase price of £162,415, there was not much difference cross all other family types. In terms of the mean actual mortgage taken out, families with children were the highest, with £84,679. Lone parents had the lowest mean mortgages - £52,205. It should be noted that some purchasers had access to very large deposits which means they are not totally reliant on their income. The analysis shows that families had the highest average annual incomes, at £39,066, just ahead of couples £33,713 for shared ownership. Single purchasers and lone parents had the lowest average incomes, around £24,000 and £20,000 respectively.

Table 9 also shows some distinct differences between households buying shared ownership as opposed to open market HomeBuy dwellings. The purchase price of shared ownership was higher for single people, families and "other" households. Gross household incomes were also generally higher for OMHomeBuy purchasers, apart from single people and lone parents. Lone parents purchasing through open market HomeBuy had an average household income of just over £32,000. Those purchasing through shared ownership had the lowest income of any group, just over £19,000. But the biggest and most striking difference relates to the mean mortgages taken on. Households buying an open market HomeBuy property have much larger mortgages than those buying a shared ownership home. A mortgage required for shared ownership is just under £70,000 compared to just over £124,000 for Open Market HomeBuy on average – almost twice as much.

As already outlined, open market HomeBuy purchasers do not have to pay rent in addition to their mortgage and this may well influence mortgage lenders to lend a higher sum in terms of income multiples. The average mortgage for open market HomeBuy purchasers is between

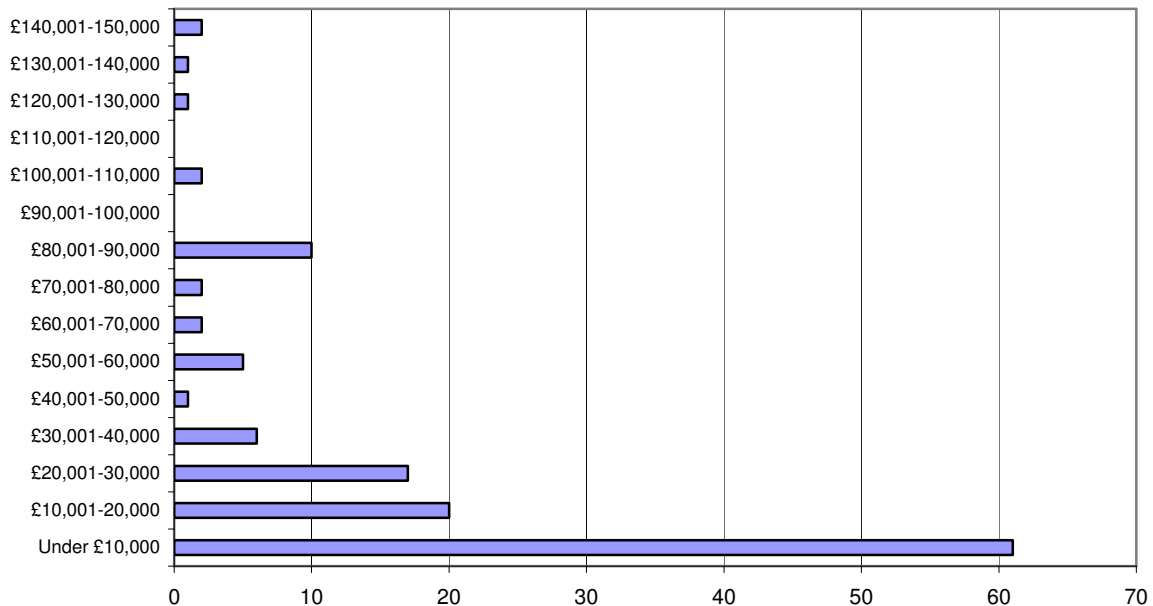
3.5-3.75 times income. The average mortgage for shared ownership is between 2 and 3 times income.

20.10 Deposits

There is also some data available on deposits. 109 intermediate purchasers (around 43%) did not have access to a deposit. During the recent robust housing market, there were some lenders offering 100%+ mortgages. In the credit crunch, these products are being withdrawn and lenders are concentrating on lower LTV loans. However, there is some feeling in the shared ownership market that these higher LTV loans maybe still available than for first time buyers purchasing on the open market without any assistance.

The level of deposit (where available) is shown in Fig 7. Of those who had a deposit, most had a deposit of £10,000 or less. Five households had a deposit greater than £100,000.

Fig 7: Size of deposits intermediate housing purchasers, 2007/08



Source: CORE

Table 10: Average Deposit by household type and previous tenure

	Single Person	Couple	Family	Lone Parent	Other	All
HA/LA tenant	£0	£2,456	£3,046			£2,576
Living with family or friends	£6,874	£11,247	£838	£125	£35,083	£8,925
Owner occupation	£42,008	£30,490	£39,901	£85,625	£114,347	£59,713
Private tenant	£8,976	£7,920	£8,033	£22,222	£15,213	£9,858
Tied home	£5,593	£0	£0			£3,729
Other	£30,000					£30,000
Unknown	£10,938					£10,938
All	£10,419	£9,534	£10,643	£31,941	£45,623	£13,949

Source: CORE

Unsurprisingly, owner occupiers had access to the largest deposits. Previous social renters had the smallest deposits. For all known tenures private renters access to the second largest

deposits after owner occupiers. This is more surprising as some people choose to live at home with relatives specifically to save for a deposit on their own home. This data suggests that this works better for couples than it does for single people. "Other" households and lone parents had the largest deposits by household types.

20.11 Size of Property & Finance

Table 11 compares the average purchase price, income of shared ownership and open market HomeBuy buyers by number of bedrooms.

Table 11: Properties by Bedrooms, mean price by district, 2007/08

	1 bedroom		2 bedroom		3 bedroom	
	Shared Ownership	Open Market HomeBuy	Shared Ownership	Open Market HomeBuy	Shared Ownership	Open Market HomeBuy
Cambridge	£176,935	£175,000	£220,120	£187,000	£278,625	£219,098
East Cambridgeshire	£122,500		£161,875	£153,998	£180,750	£167,083
Fenland			£121,250	£122,137	£124,000	£146,053
Huntingdonshire	£90,000	£123,998	£138,022	£133,606	£173,500	£165,750
South Cambridgeshire			£177,524	£179,249	£193,857	£216,000
Forest Heath	£120,000		£154,000	£136,875	£152,000	
St Edmundsbury	£100,500		£153,550	£138,738	£145,000	£165,687
Sub-Region	£155,750	£140,998	£172,856	£145,969	£216,275	£174,029

Source: CORE

The information on Open Market HomeBuy prices is quite limited in some areas due to a low number of sales under this scheme, and appears to be a cheaper option across the sub-region as a whole, probably as a result of limited data. The shared ownership data in this table is more relevant because the scheme is ongoing and this data is used in the cross tenure affordability chapter, where is augmented with data on the asking prices of properties currently being advertised.

20.12 Previous District of Residence

Table 12 provides a breakdown of the previous district of residence of shared ownership and OMHomeBuy buyers by the district of purchase. Most movement occurs within the districts, i.e most of the purchasers in the City had previously lived in the City. However there are some exceptions. The table shows that South Cambridgeshire and the City are quite closely connected with around the purchasers in South Cambridgeshire having been previously resident in the City. Forest Heath had more people moving from outside the district than moved within it. All but one of the Open Market HomeBuy purchasers had moved within the district, but 14 of the 33 shared ownership purchasers had moved from outside the district, and outside the sub-region.

Table 12: District of Purchase by Previous District of Residence, 2005-06

Previous district	Cambridge City	East Cambs	Fenland	Hunts	South Cambs	Forest Heath	St Edmundsbury	Sub-Region
Shared Ownership								
Cambridge	53	4			12	4		73
E Cambs	4	9				4		17
Fenland			2					2
Hunts	1			19	1			21
S Cambs	4	1			12			17
Forest Heath						5		5
St Edmundsbury	1						13	13
Other	1		1	14	3		3	22
	64	14	3	33	28	13	16	171
Open Market HomeBuy								
Cambridge	7	2			4	1	1	15
E Cambs		4	1			1		6
Fenland			5	1		1		7
Hunts			1	25	1			27
S Cambs		2	1		5			8
Forest Heath						1		1
St Edmundsbury							12	11
Other	1	1	3					5
	8	9	11	26	10	4	13	81

Source: CORE

20.13 Family Type by Number of Bedrooms

Table 13: Broad Family Types by Size of Property Purchased (Bedrooms); 2007/08

	Number of Bedrooms				
	1	2	3	4	Total Number = 100%
Shared Ownership					
Single Person	33%	61%	7%	0%	89
Couple	9%	67%	23%	0%	43
Family	0%	27%	60%	13%	15
Lone Parent	0%	50%	50%	0%	14
Other	10%	10%	80%	0%	10
	20%	56%	23%	1%	171
Open Market HomeBuy					
Single Person	15%	75%	10%	0%	20
Couple	0%	63%	38%	0%	32
Family	0%	10%	86%	5%	21
Lone Parent	0%	0%	100%	0%	3
Other	0%	0%	100%	0%	5
	4%	46%	49%	1%	81

Source: CORE

Table 13 provides a summary breakdown across the whole sub-region of the sizes of property purchased by different family types. People are allowed to buy properties with one bedroom more than they require and where possible people buy the largest properties they are able to afford, as shown below

	<i>Minimum requirement</i>	<i>Maximum</i>
<i>Single Person...</i>	<i>1 bedroom</i>	<i>2 bedrooms</i>
<i>Couple...</i>	<i>1 bedroom</i>	<i>2 bedrooms</i>
<i>Family/ lone parent with one child...</i>	<i>2 bedrooms</i>	<i>3 bedrooms</i>
<i>Family/ lone parent with two children...</i>	<i>2 bedrooms</i>	<i>4 bedrooms</i>
<i>Family/ lone parent with three children...</i>	<i>3 bedrooms</i>	<i>5 bedrooms</i>
<i>Family/ lone parent with four children...</i>	<i>3 bedrooms</i>	<i>6 bedrooms</i>

Survey of English Housing, 2005/06

So while a large number of purchasers and a large number of households on the low cost home ownership register are single people and childless couples two bedroom properties are the most popular size in terms of demand from this group.

20.14 Issues arising from the analysis of low cost home purchasers

- When purchasers have had considerable flexibility as to where and what type of property they can buy, they selected houses for preference; a significant proportion selected 3 bedroomed properties.
- Intermediate housing products may help to reduce some overcrowding as some households in need through overcrowding may be able to afford an extra room under shared ownership than they would be able to under open market purchase or rent. This is examined further in the chapter on cross tenure affordability.
- The popularity of what has been bought reflects what has been built. In 2005/06, the area with the most sales was South Cambridgeshire. Now it is Cambridge City as more shared ownership has become available in the past couple of years.
- There were very few shared ownership sales in Fenland and Open Market HomeBuy seemed more popular in the district. There were more shared ownership sales in the other districts. Fenland has the lowest open market house prices and an equity loan scheme may be a more appropriate solution in this area than elsewhere in the district. It may also be that shared ownership is not marketed as strongly in the district as elsewhere.
- Single people and couples accounted for almost three quarter of intermediate purchasers. More shared ownership purchasers were single people and lone parents (i.e. single income households). More Open Market HomeBuy purchasers were families and couple (i.e. dual income households). Although purchase prices for Open Market HomeBuy appear to be lower, the mortgages required for this type of product were much higher. The income to mortgage ratio for OM HomeBuy was larger, probably because there was no rental element to pay under this scheme.

- The vast majority of purchasers had either rented privately or lived with family or friends. There were very few households who were previously local authority or housing association tenants.
- The change in regulations relating to open market HomeBuy in April 2006 have had a significant impact on the intermediate market, greatly reducing the demand for this product. Open Market HomeBuy has now finished and two new equity loan products have replaced it. Further work is required when data is available to see the effect on this portion of the market.