

Glasgow and the Clyde Valley Housing Market Partnership

Housing Need and Demand Assessment

Technical Appendix 05

House Price Analysis

Final

June 2011

HNDA



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1. Introduction

- 1.1 This Background Paper focuses on the annual monitoring of house prices in Glasgow and the Clyde Valley over the period 2007 to 2010, in support of affordability analysis work in the HNDA (TA04). This document has two main parts:
- Consideration of historic trends in house prices from 2004 to 2009/2010 and from 2007 to 2009/2010; and
 - Consideration of comparative house prices and affordability in Glasgow and the Clyde Valley for the most recent year of 2009/2010.
- 1.2 Data is from the Sasines records from 2004 to 2009/10 and from CACI's *Paycheck* data for 2009, at the housing market and sub market area (figure 1.1) levels and also mapped at local authority sub-area level (figure 1.2).

Figure 1.1 Housing Market Areas



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Figure 1.2 Local Authority Sub-areas

Audit Areas & Housing Sub Market Areas, 2009



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2. House Price Change: 2004 to 2009

2.1 The first stage of this analysis is to consider the change in house prices over time, from 2004 to 2009. Because of the availability of data by geography and the nature of the operation of the private sector market, this is by housing market area and not by local authority sub-area. The overall change in average and lower quartile prices over the period is shown below in figures 2.1 and 2.2, by housing sub market area. All areas have displayed price growth at similar rates, albeit with a range of prices, followed by near-to-zero growth or decline in most areas from 2008 onwards.

Figure 2.1 Change in average price 2004-09 (£)

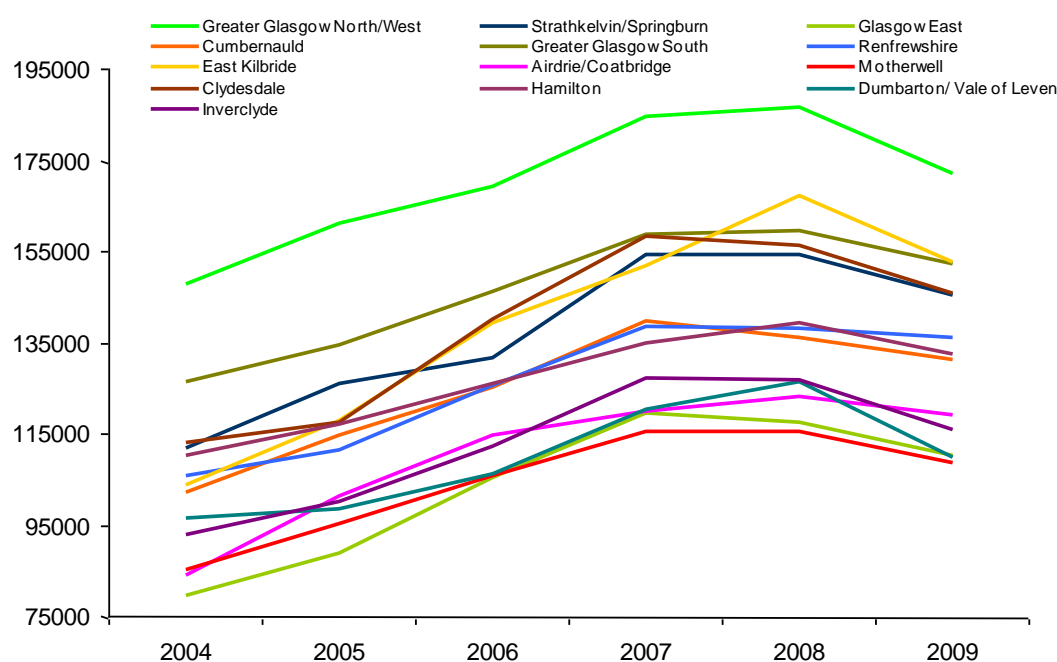
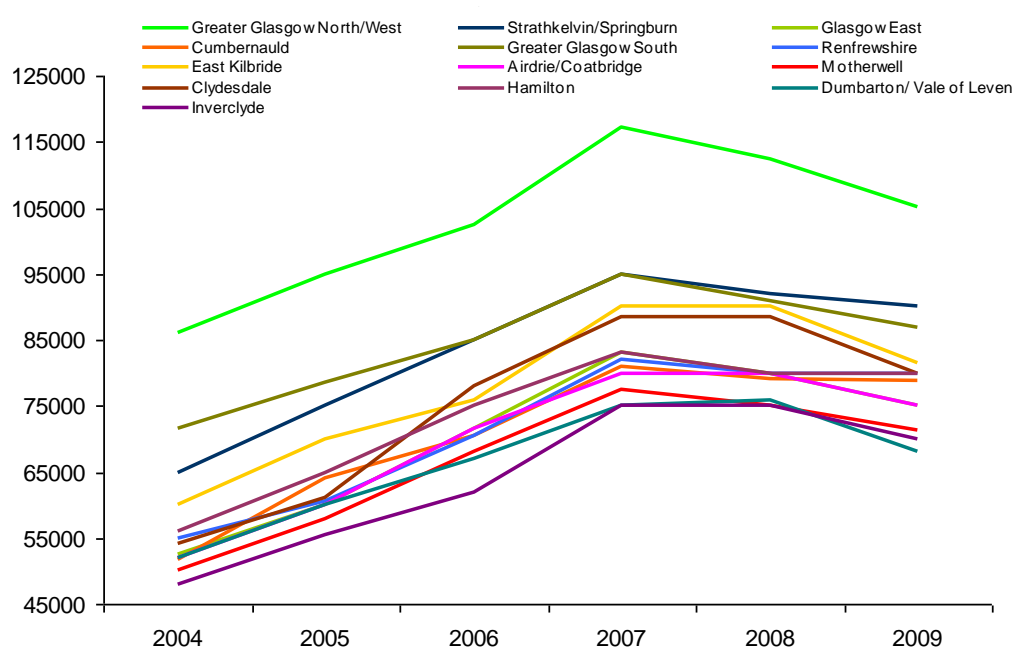


Figure 2.2 Change in lowest quartile price 2004-09 (£)



2.2 This can be scrutinised for new build average and lowest quartile prices (figures 2.3 and 2.4), and also for resale average and lower quartile prices (figures 2.5 and 2.6) over recent years.

Figure 2.3 Change in new build average price 2004-09 (£)

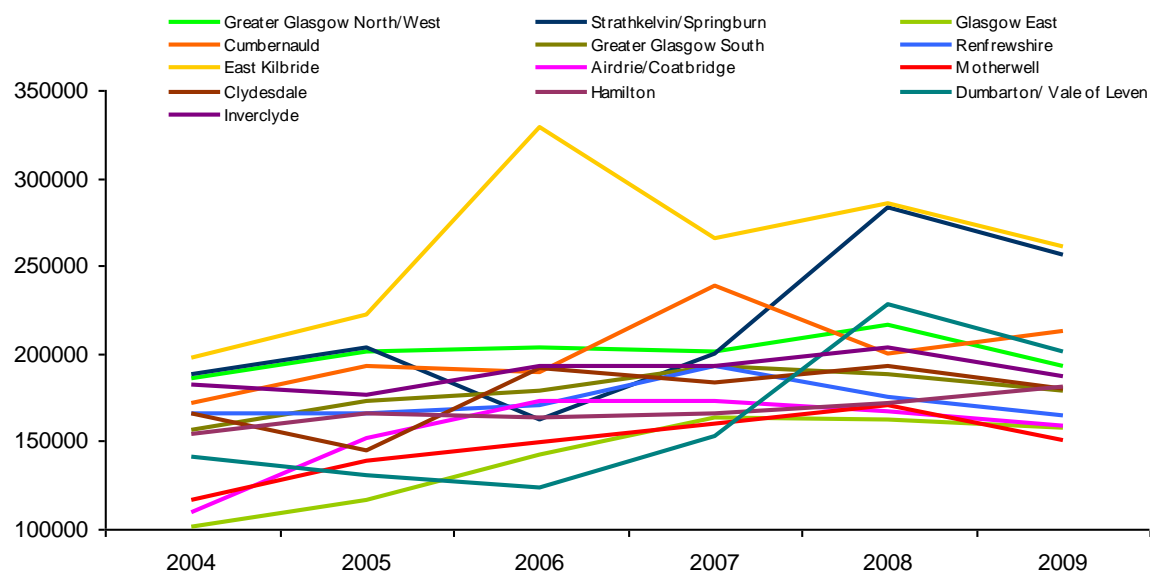


Figure 2.4 Change in new build lowest quartile price 2004-09 (£)

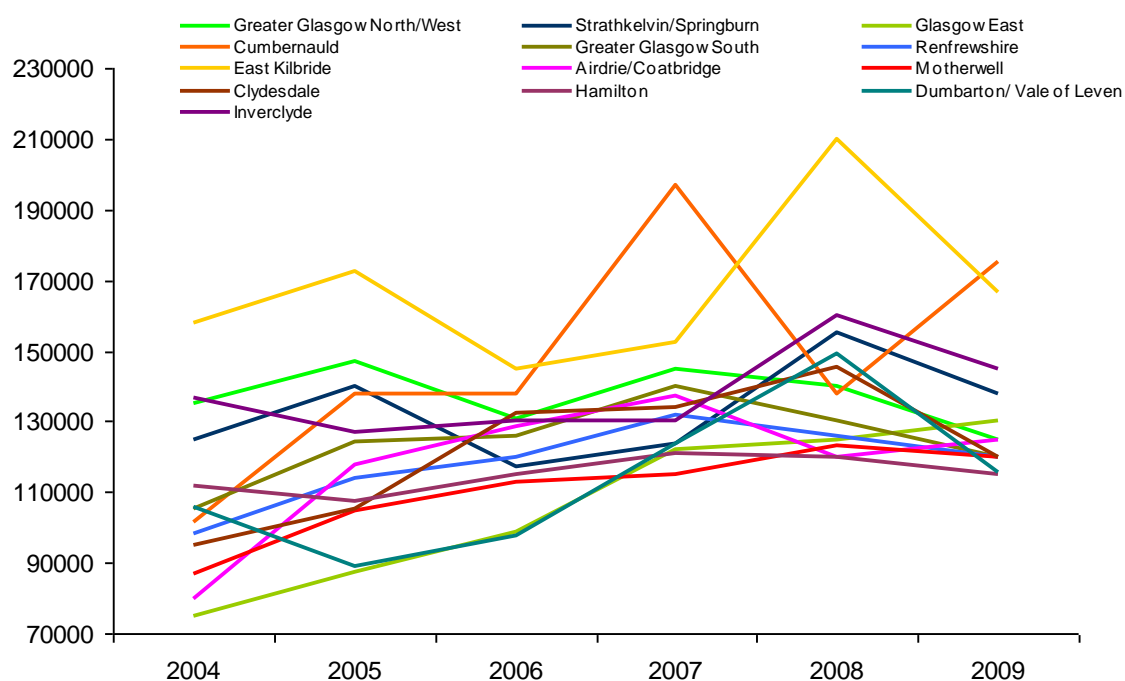


Figure 2.5 Change in resale average price 2004-09 (£)

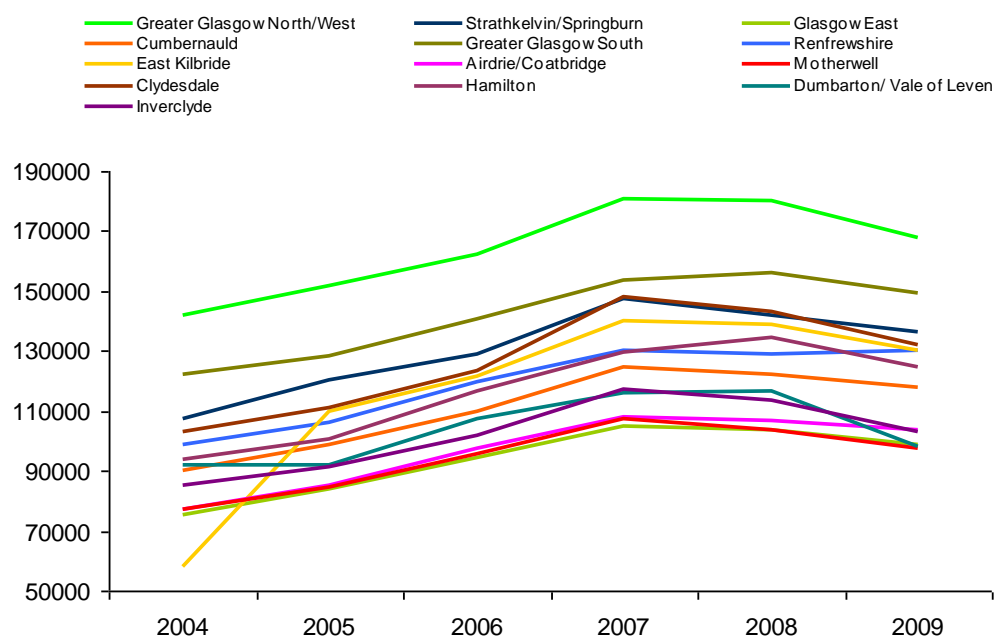
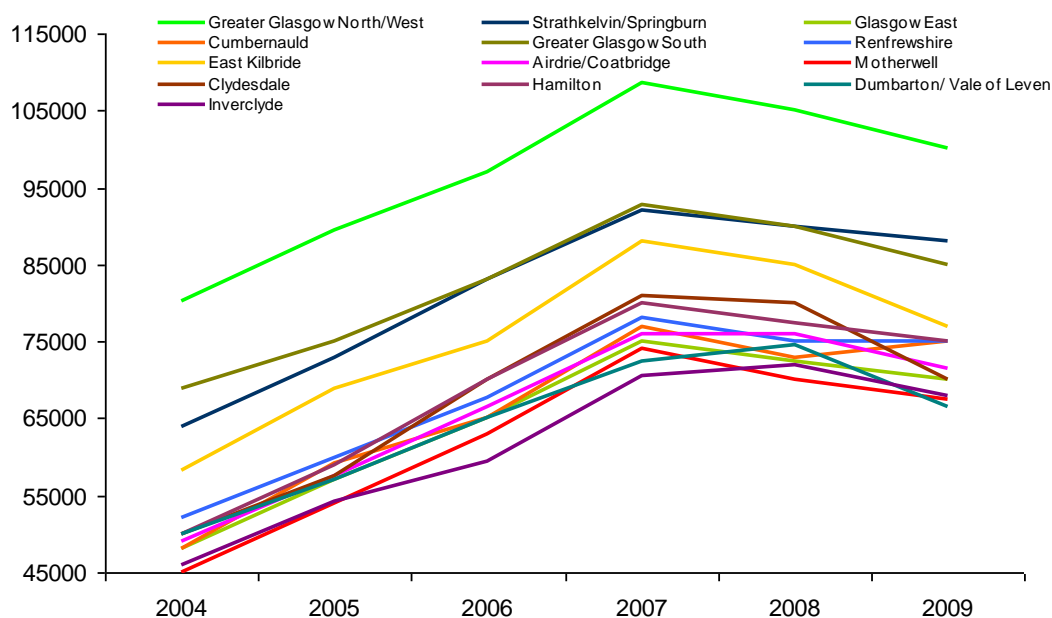


Figure 2.6 Change in resale lowest quartile price 2004-09 (£)

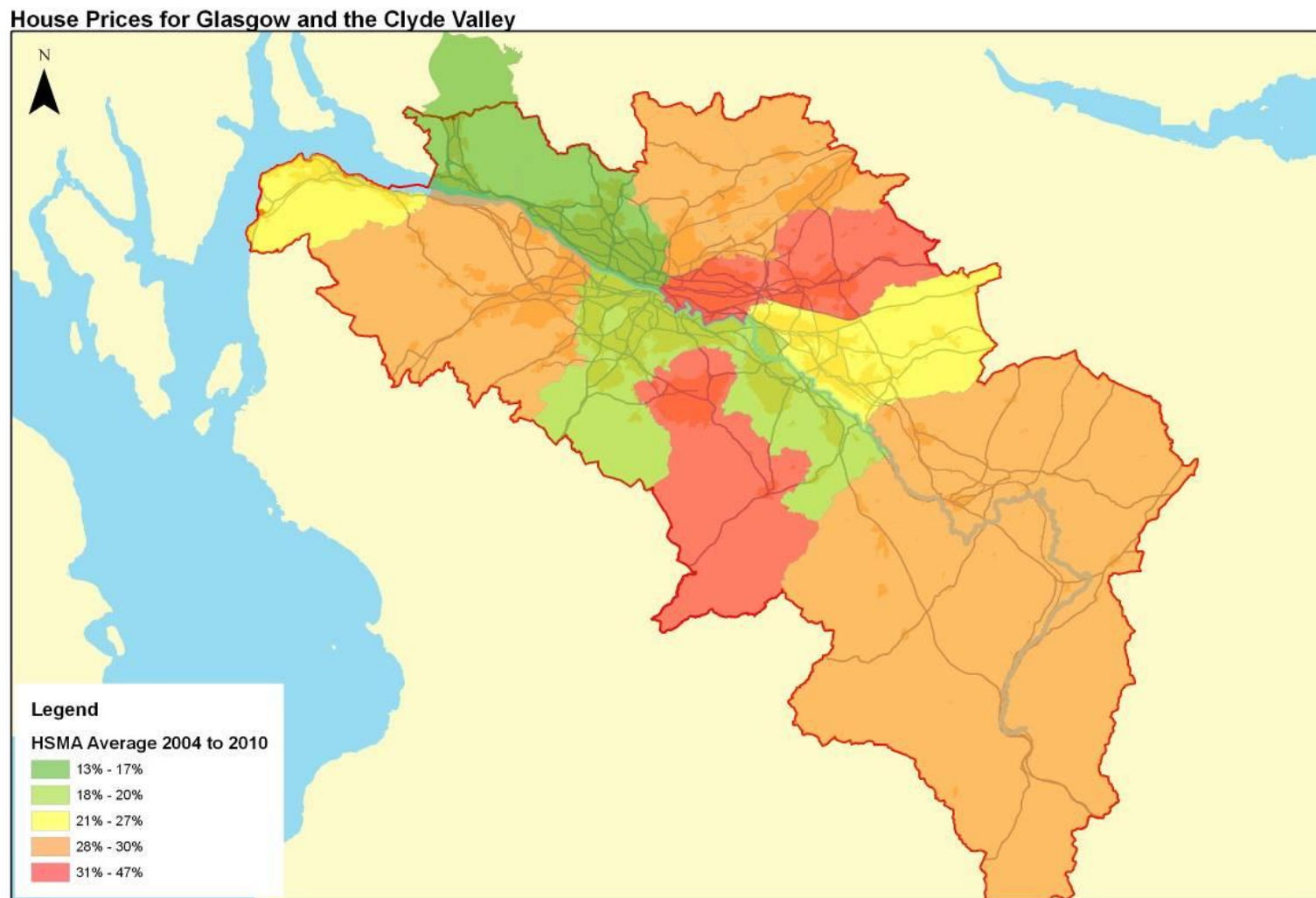


2.3 Price growth until 2007 is evident in most sectors of the market, albeit with some fluctuations in market areas. Growth is more modest in the resale market at lower prices, but with a higher growth rate in the lowest quartile of the resale market. From 2007 onwards, the general trend is slight decline albeit with some fluctuations.

3 Spatial Analysis of Prices: 2004 to 2010

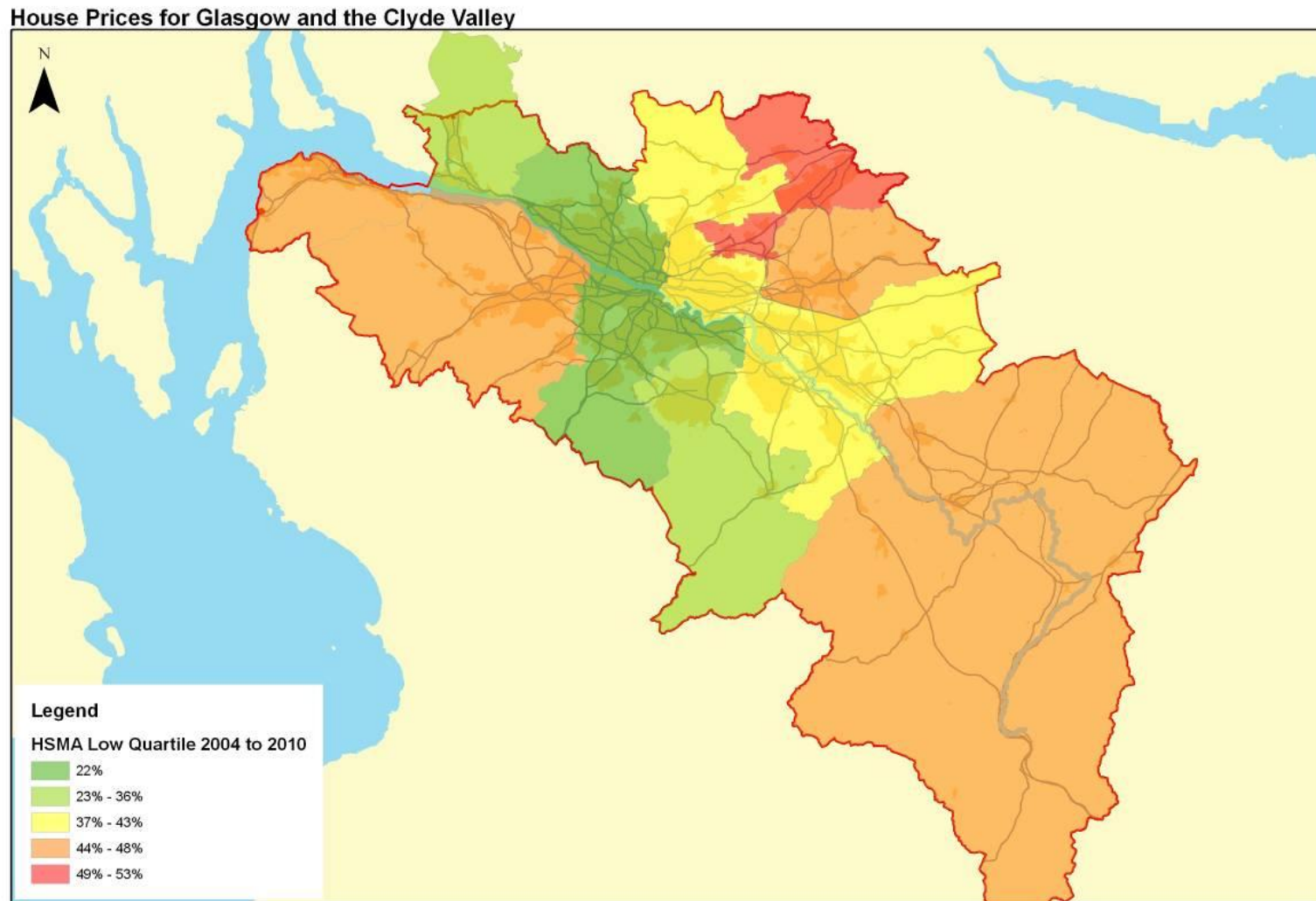
- 3.1 House prices can also be viewed spatially from 2004 to 2010 (figures 3.1 to 3.6). Most areas have demonstrated overall price growth, albeit with some decline in the new build sector in certain locations.

Figure 3.1 Change in average price 2004 to 2010



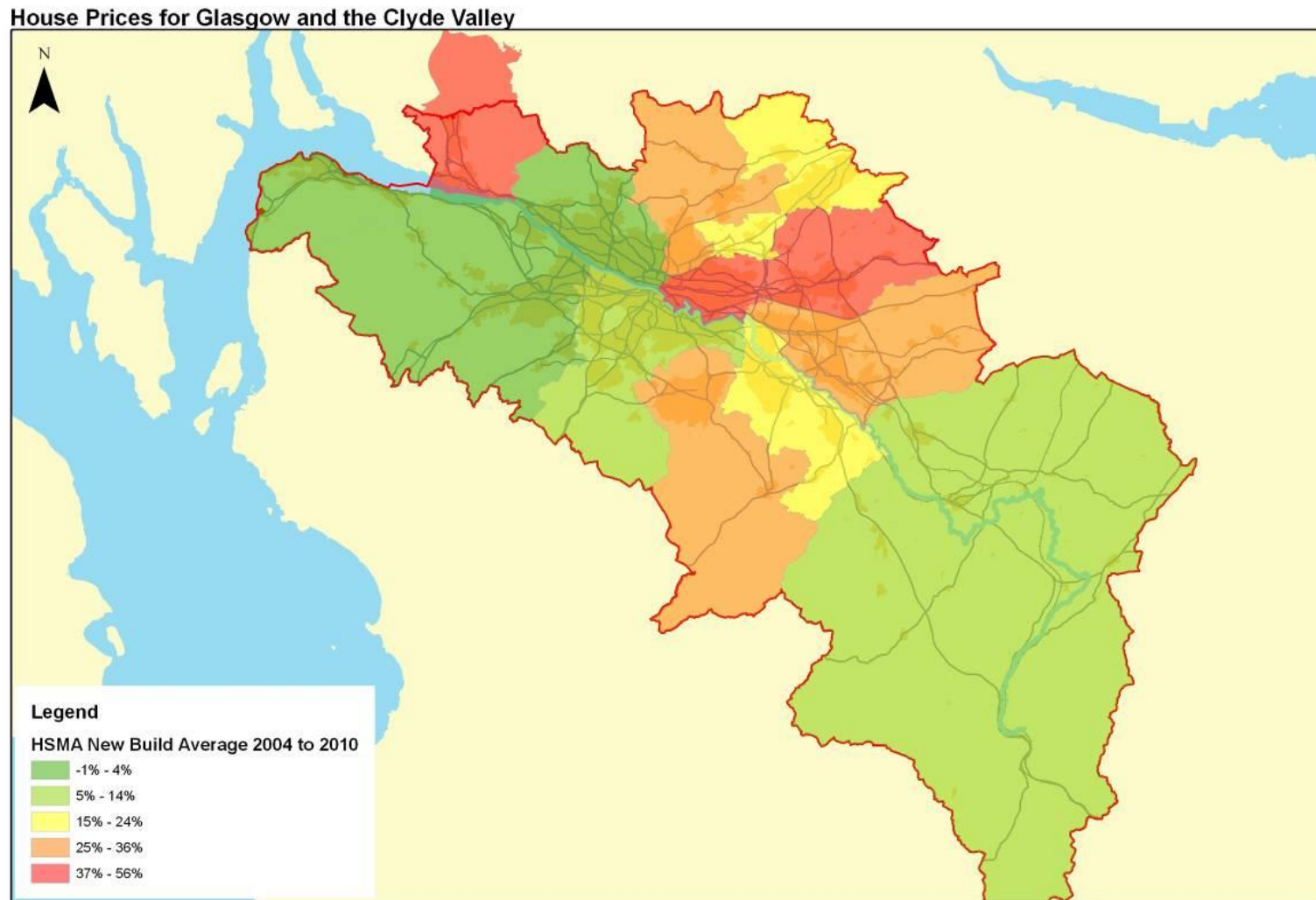
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Figure 3.2 Change in lowest quartile price 2004 to 2010



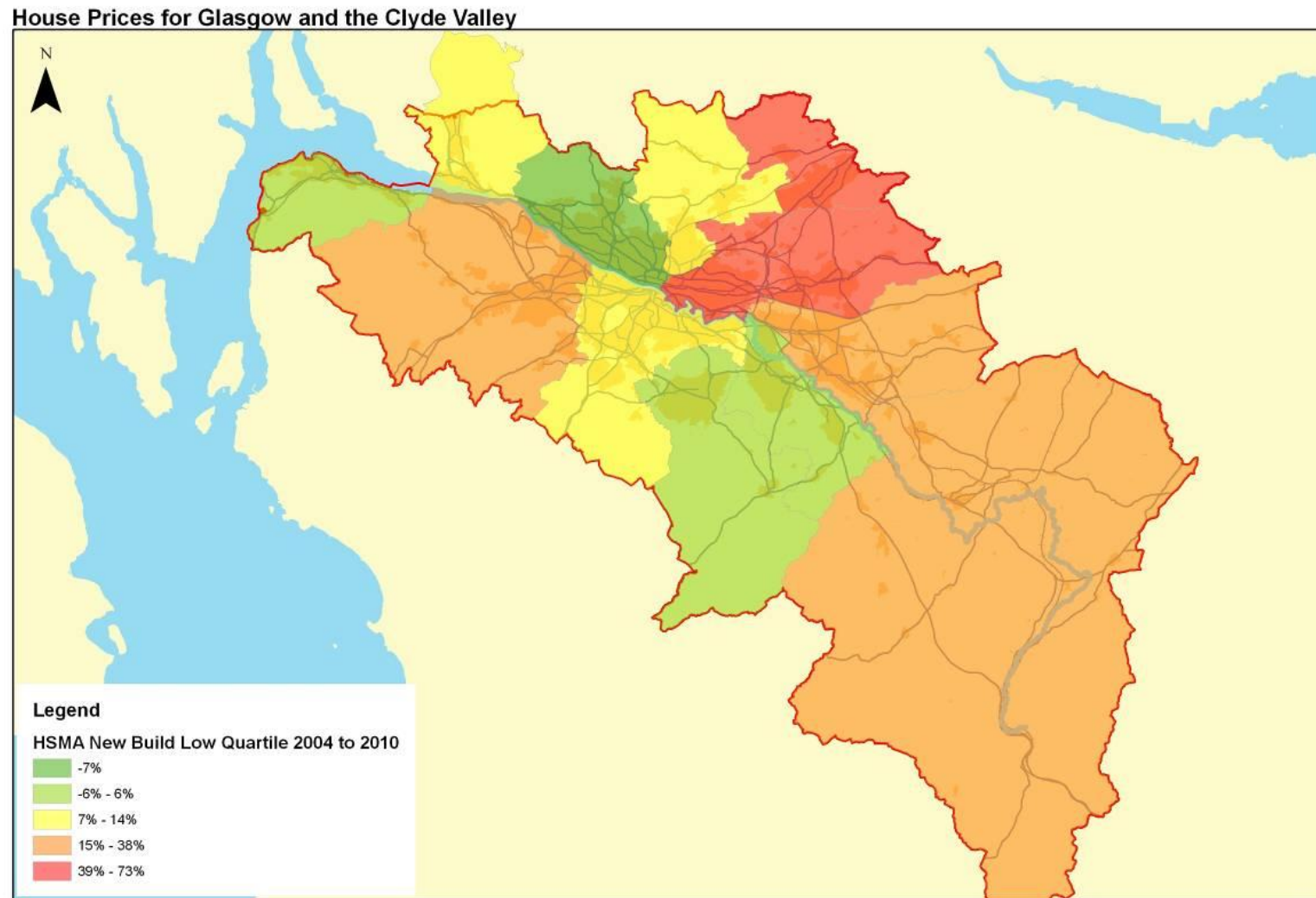
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Figure 3.3 Change in new build average price 2004 to 2010



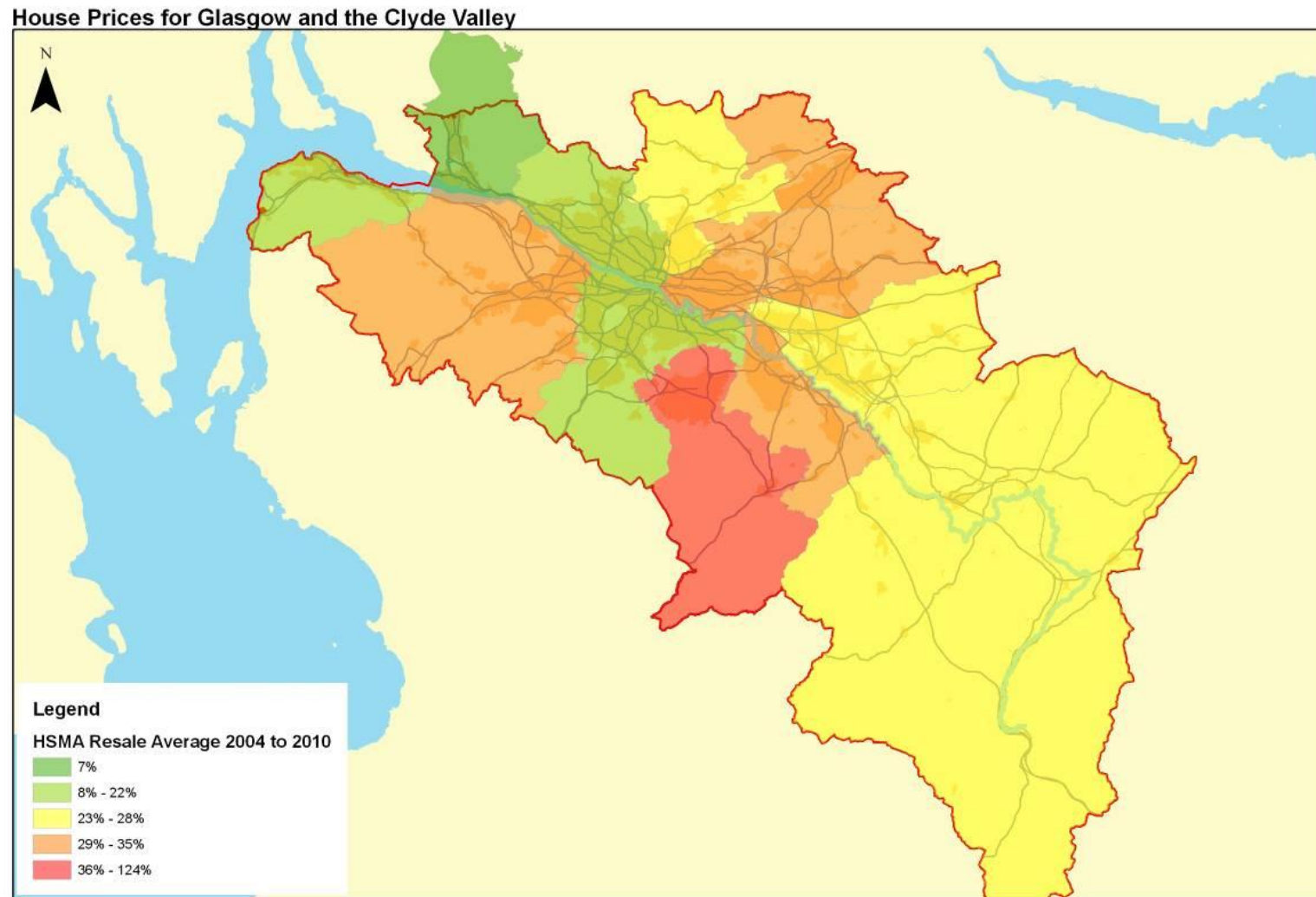
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Figure 3.4 Change in new build lowest quartile price 2004 to 2010



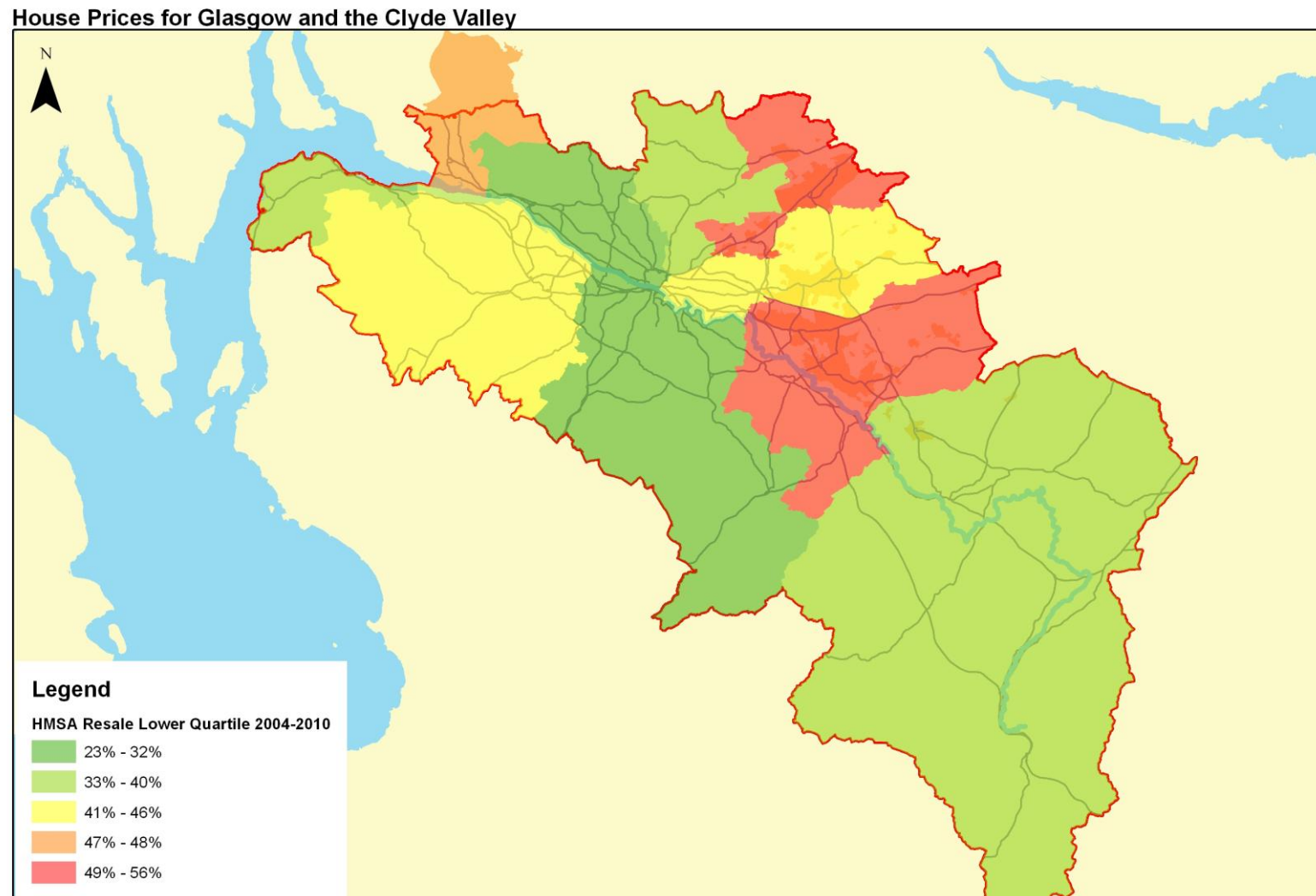
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Figure 3.5 Change in resale average price 2004 to 2010



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Figure 3.6 Change in resale lowest quartile price 2004 to 2010

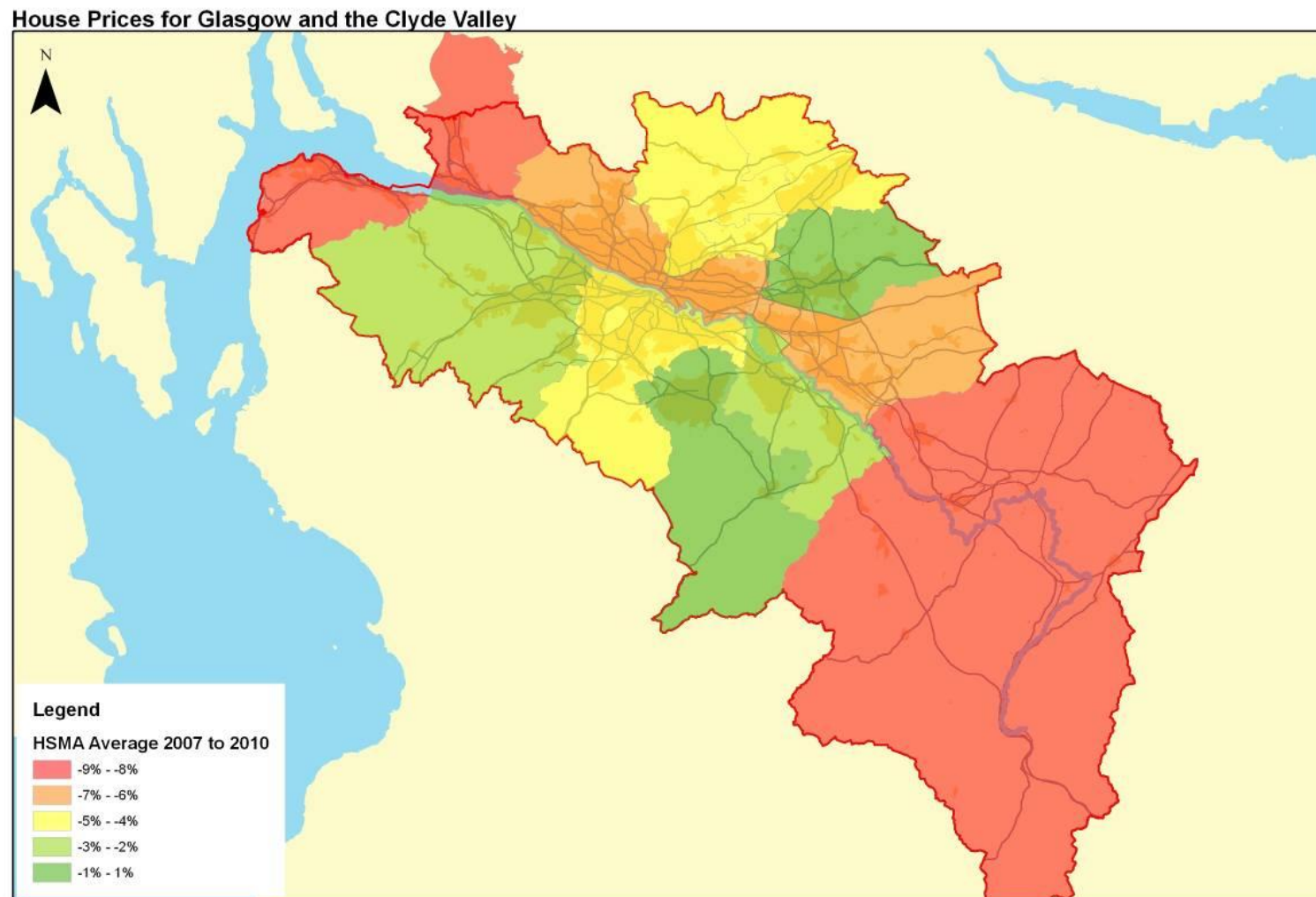


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4 Spatial Analysis of Prices: 2007 to 2010

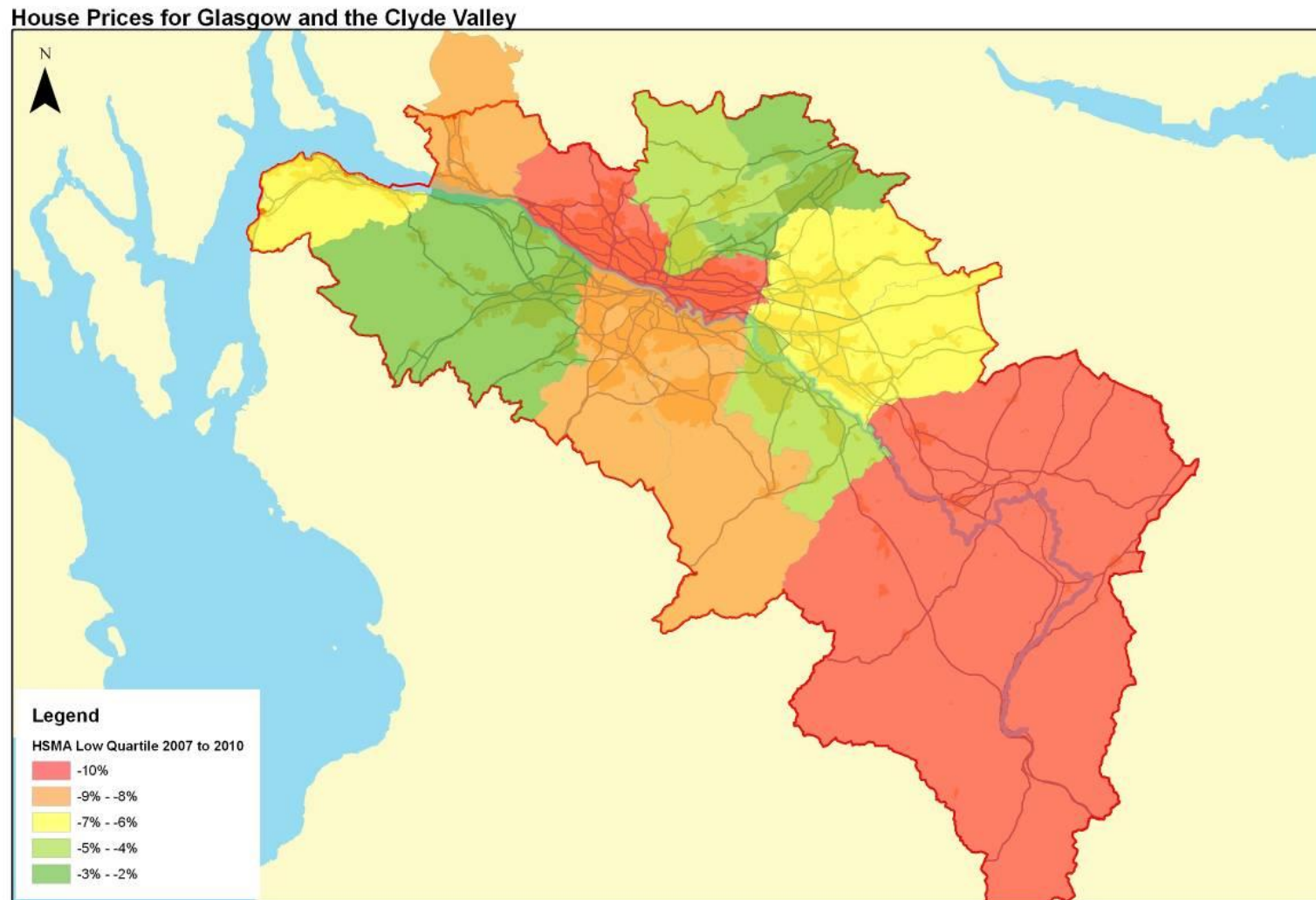
- 4.1 The more recent period 2007 to 2010 can be focused upon as well, to consider house prices in light of the economic downturn (figures 4.1 to 4.6). In these maps, note that the colour scheme is reversed from previous maps. In general, the trend is a decline in house prices, albeit with some growth in prices in some areas for new build.

Figure 4.1 Change in average price 2007 to 2010



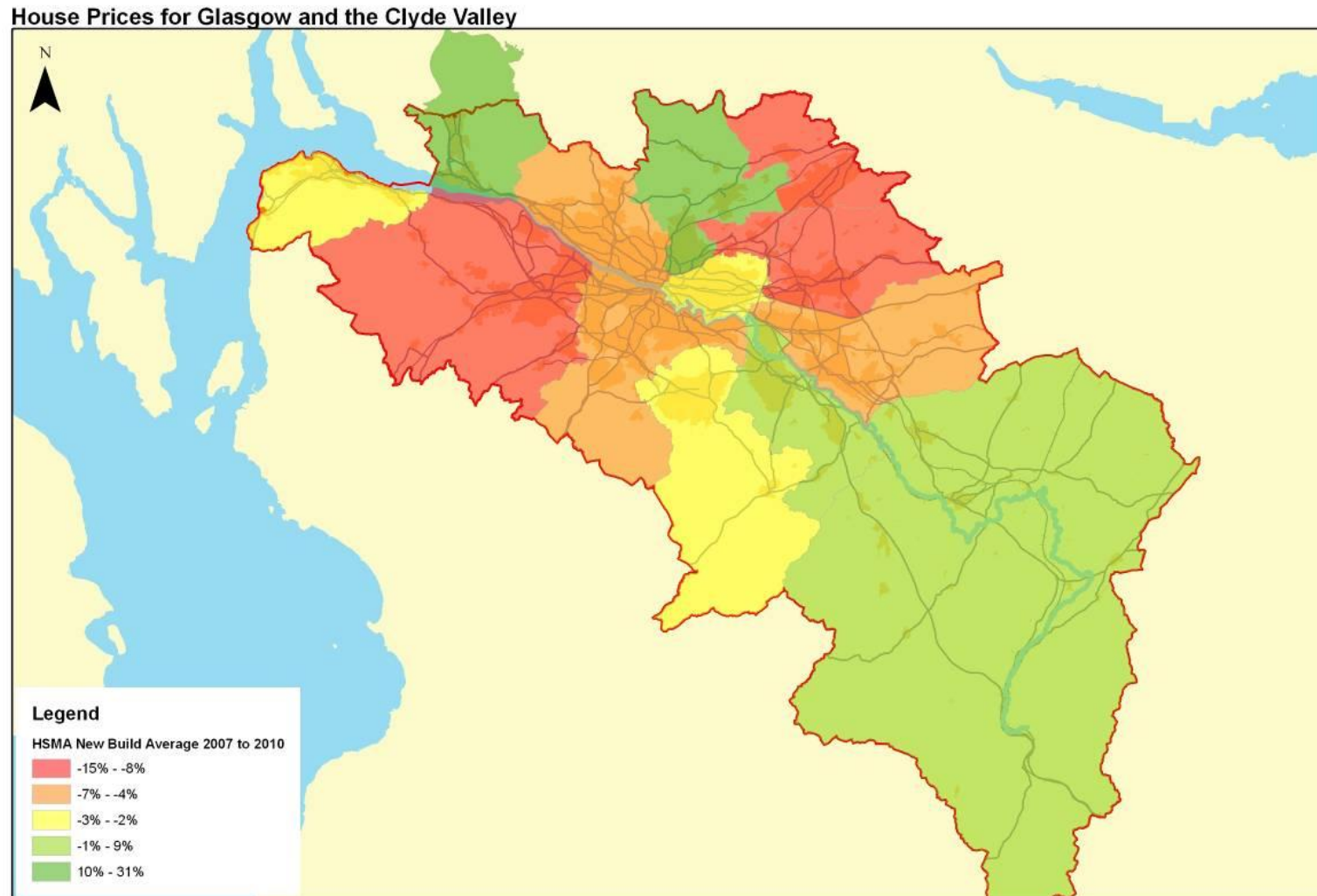
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Figure 4.2 Change in lowest quartile price 2007 to 2010



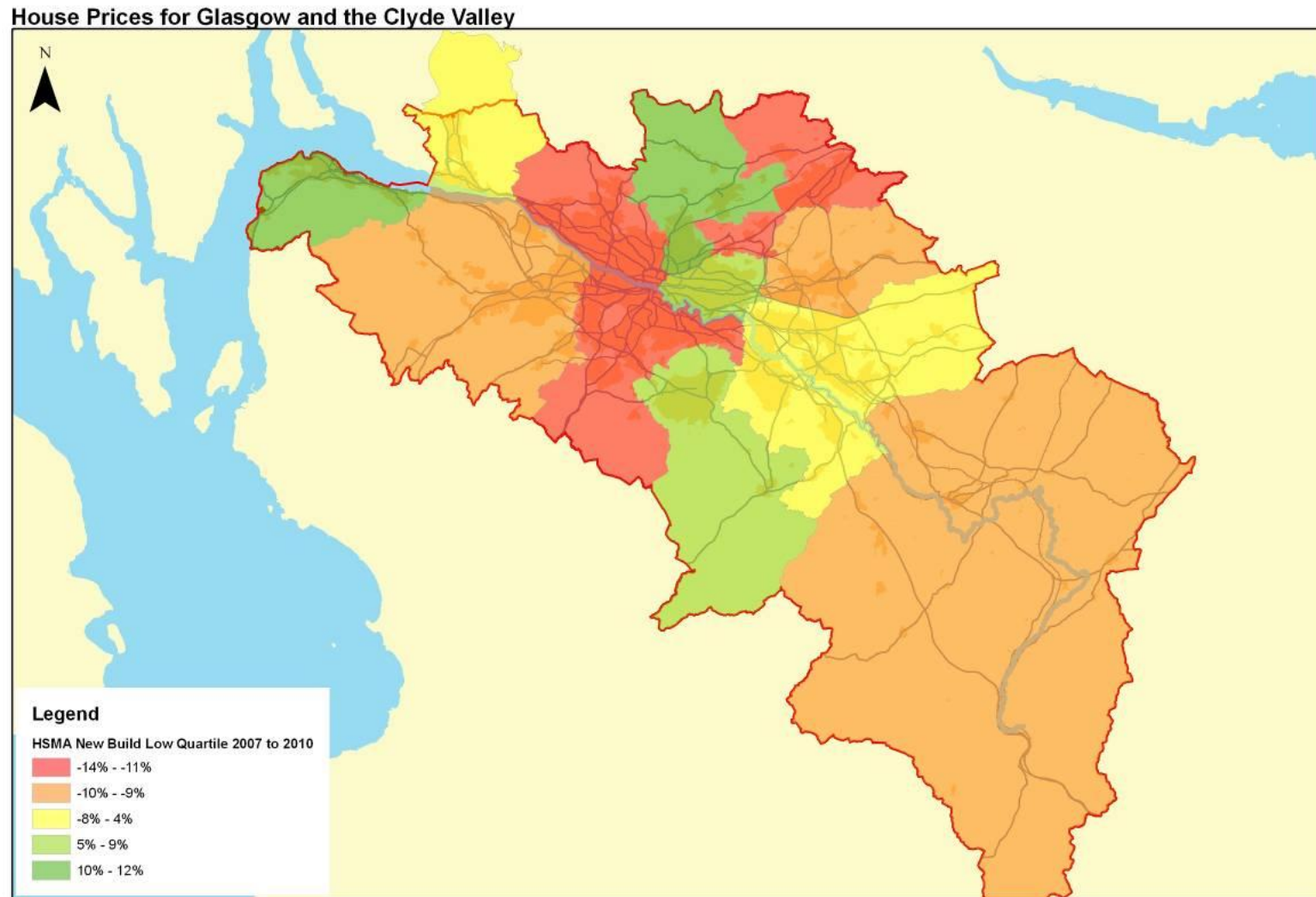
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Figure 4.3 Change in new build average price 2007 to 2010



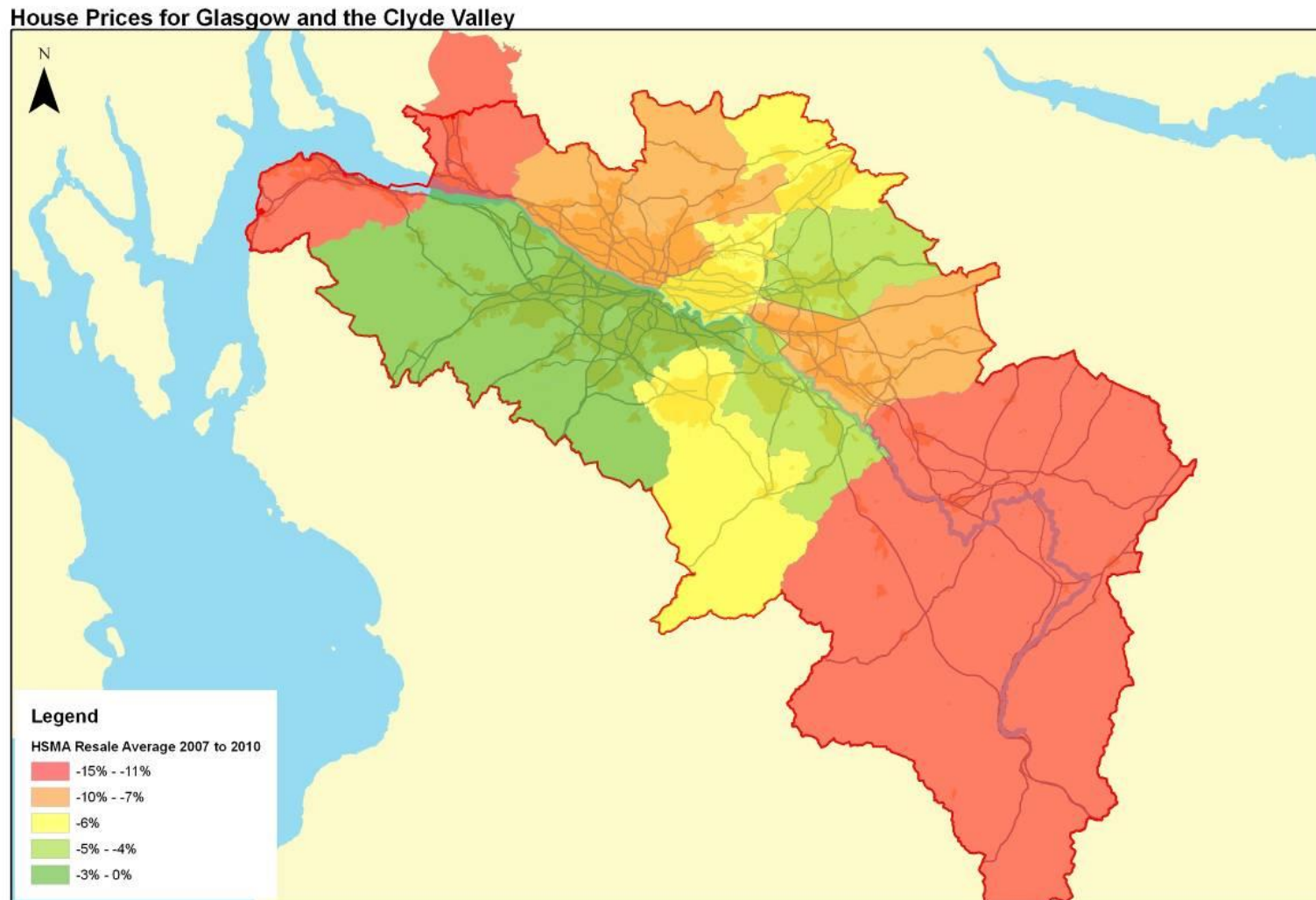
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Figure 4.4 Change in new build lowest quartile price 2007 to 2010



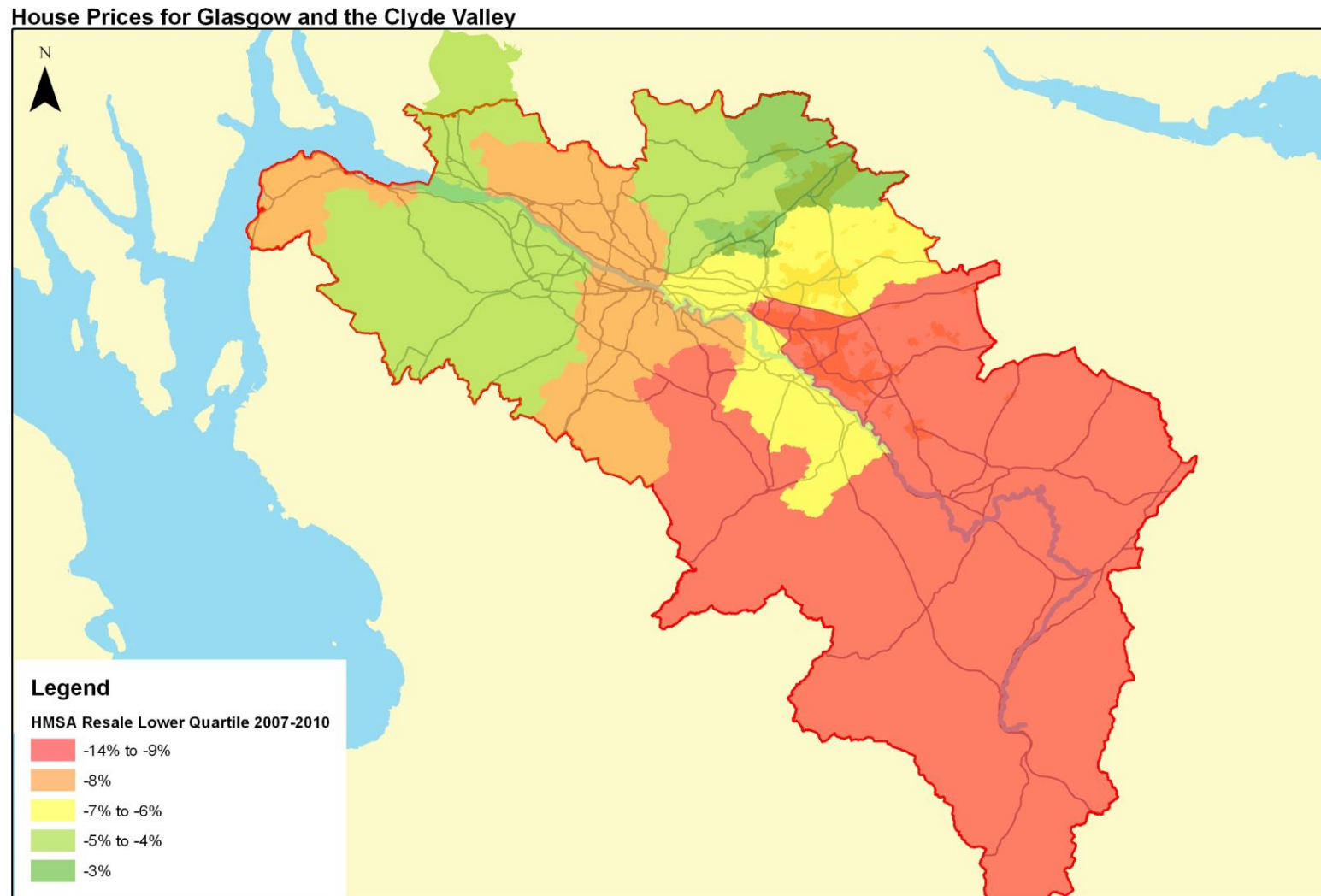
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Figure 4.5 Change in resale average price 2007 to 2010



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Figure 4.6 Change in resale lowest quartile price 2007 to 2010

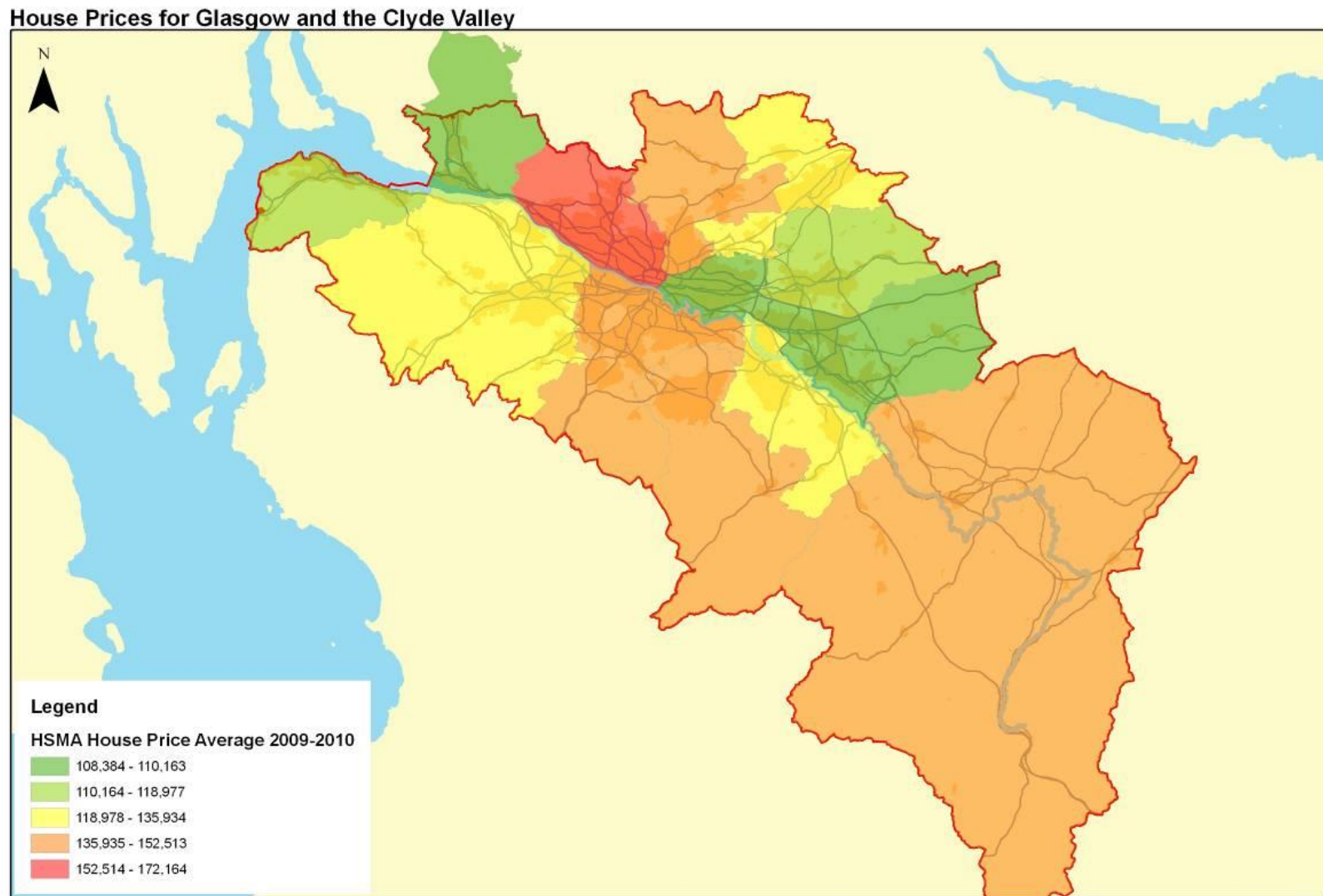


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5. Spatial Analysis of Prices related to Income: 2009/2010

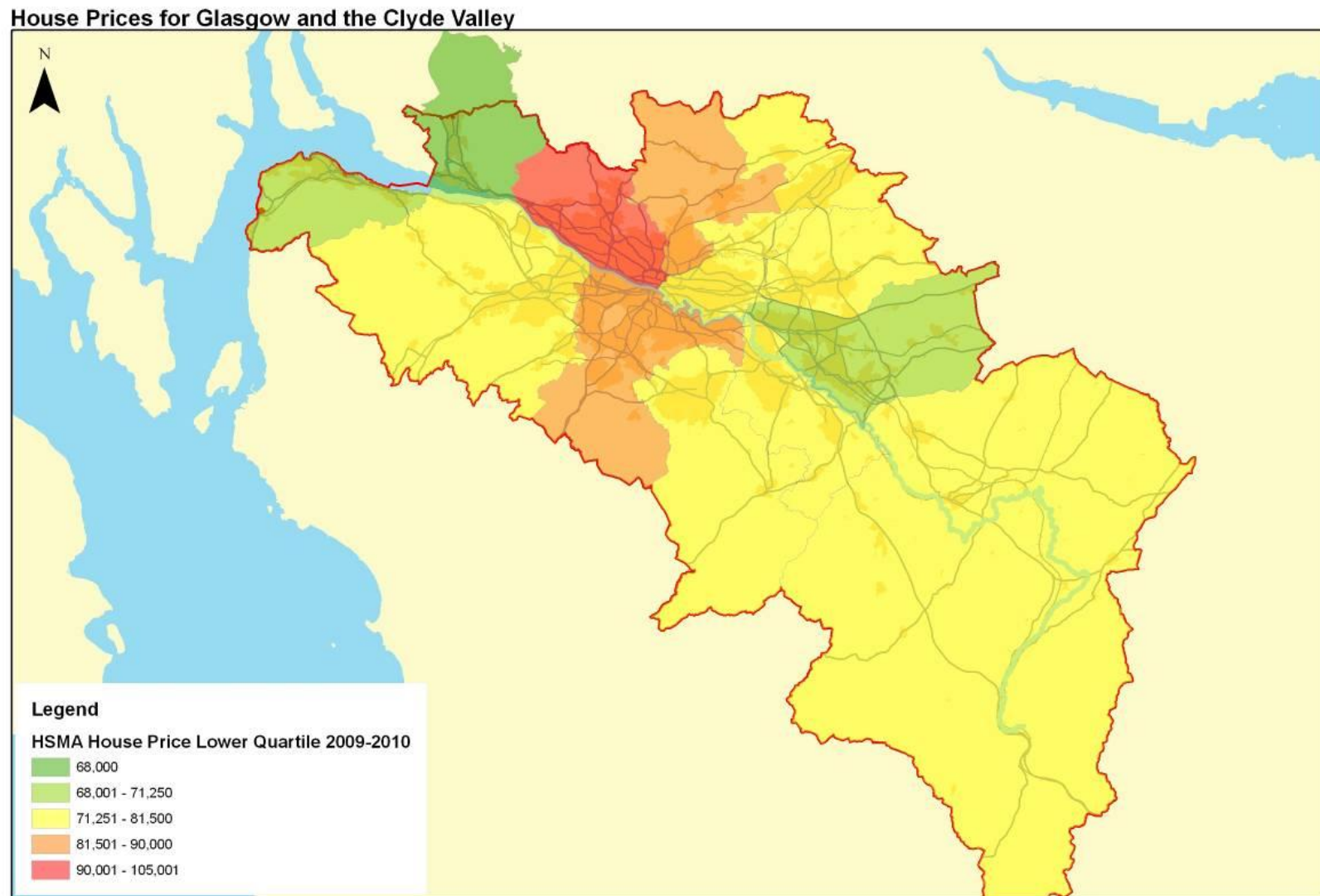
- 5.1 The most recent year of 2009/2010 can also be considered, in figure 5.1 and figure 5.2.
- 5.2 Income distribution (CACI Paycheck) is illustrated in figures 5.3 and 5.4 below and mapped against house prices in figures 5.5 and 5.6, for the lowest quintile of mean income by intermediate geography area overlaid on HMSA house prices. In general, there are locations where high house prices intersect with lower incomes, but this is not at the strategic level.

Figure 5.1 Average House Price 2009/2010



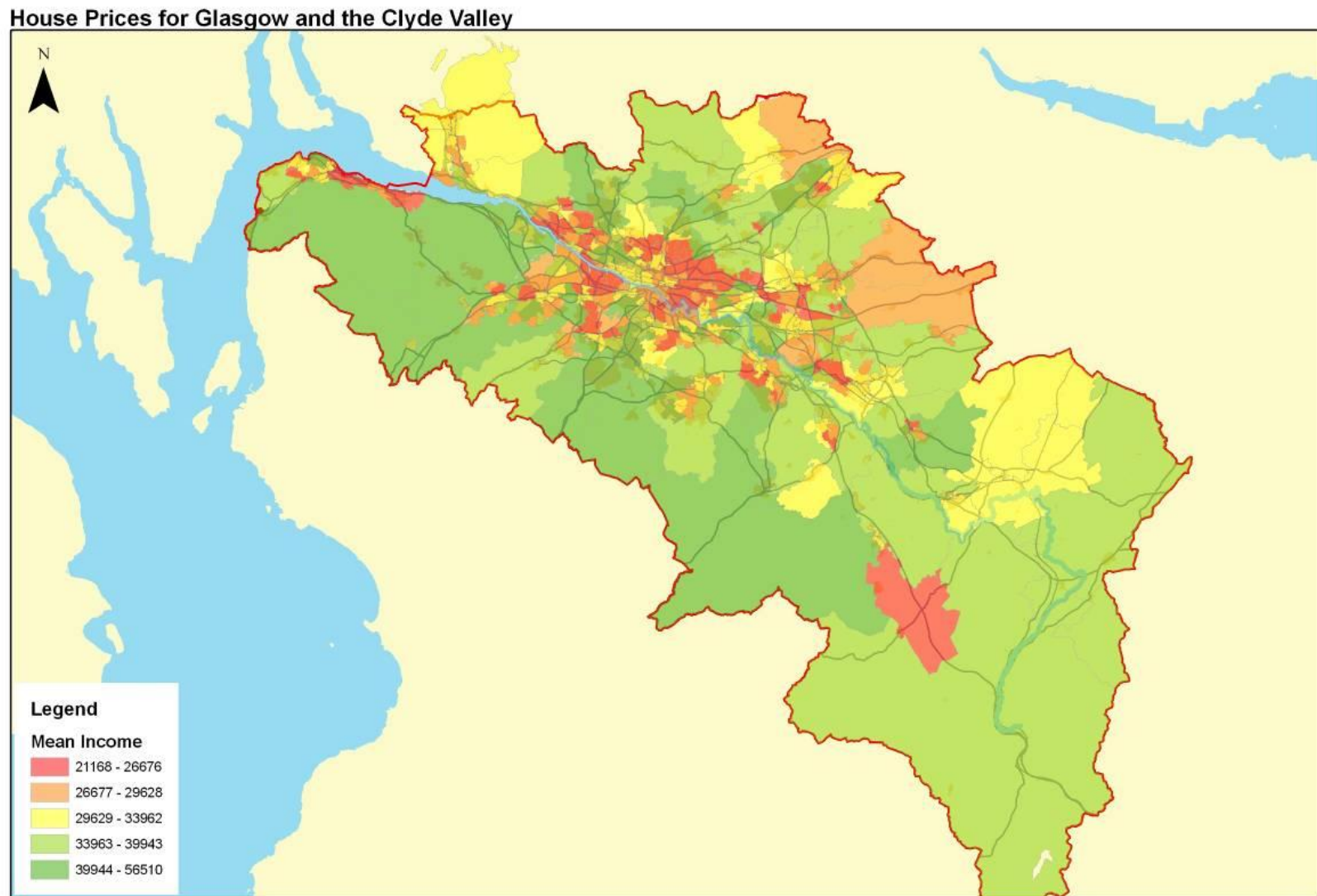
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Figure 5.2 Lowest Quartile House Price 2009/2010



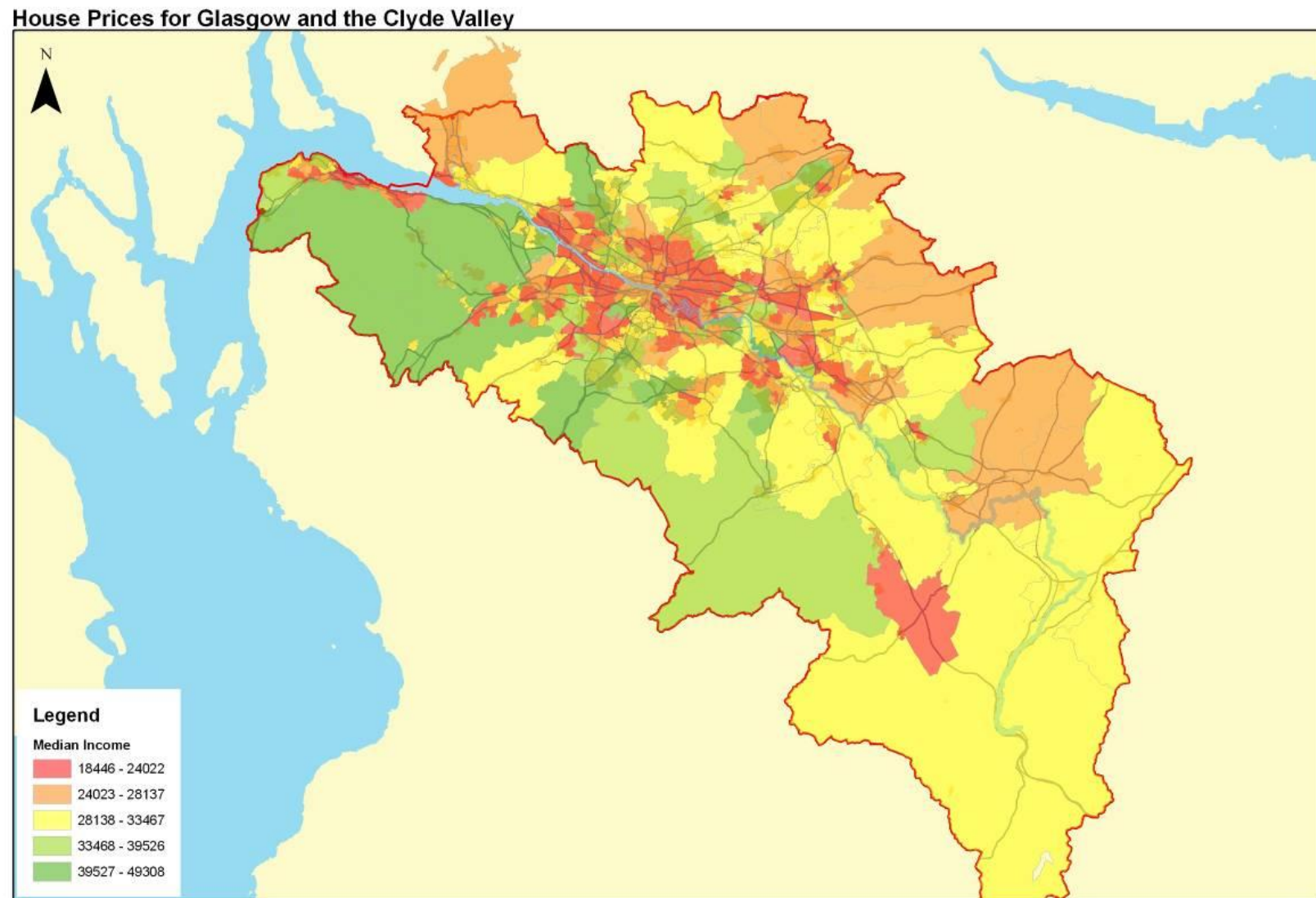
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Figure 5.3 Mean Income Distribution 2009/2010



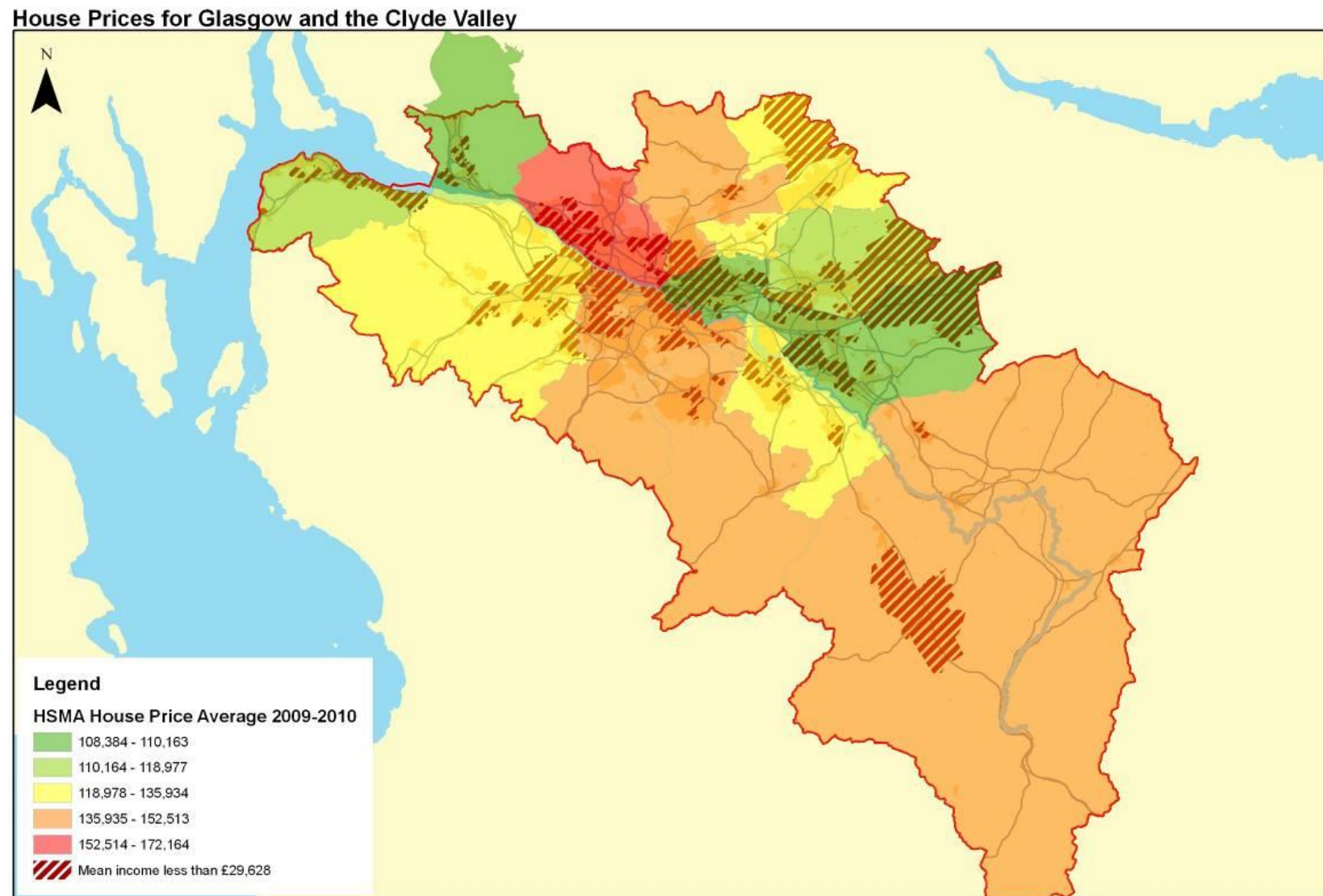
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Figure 5.4 Median Income Distribution 2009/2010



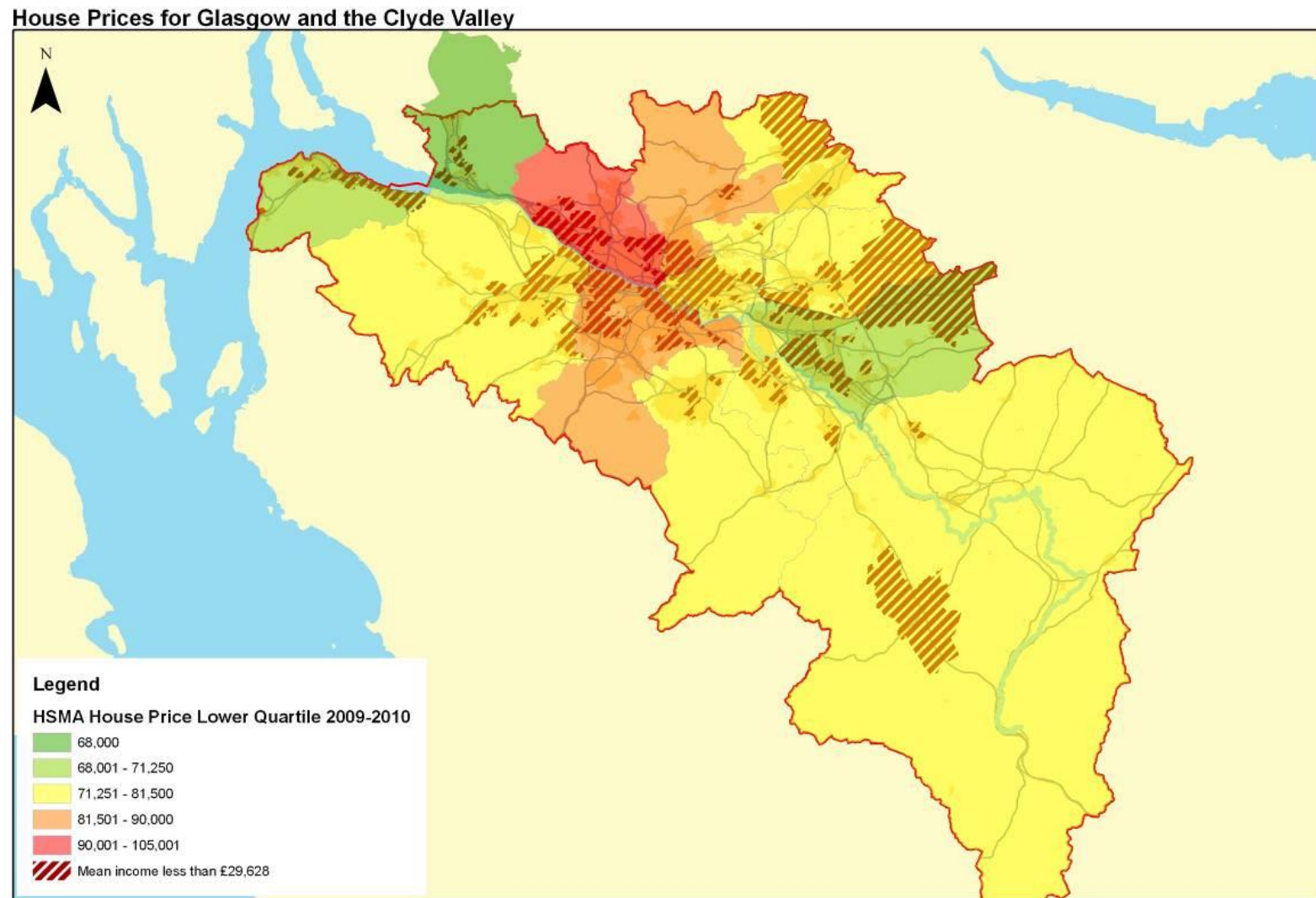
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Figure 5.5 Average House Price vs Lowest Quintile Mean Income



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Figure 5.6 Lowest Quartile House Price vs Lowest Quintile Mean Income

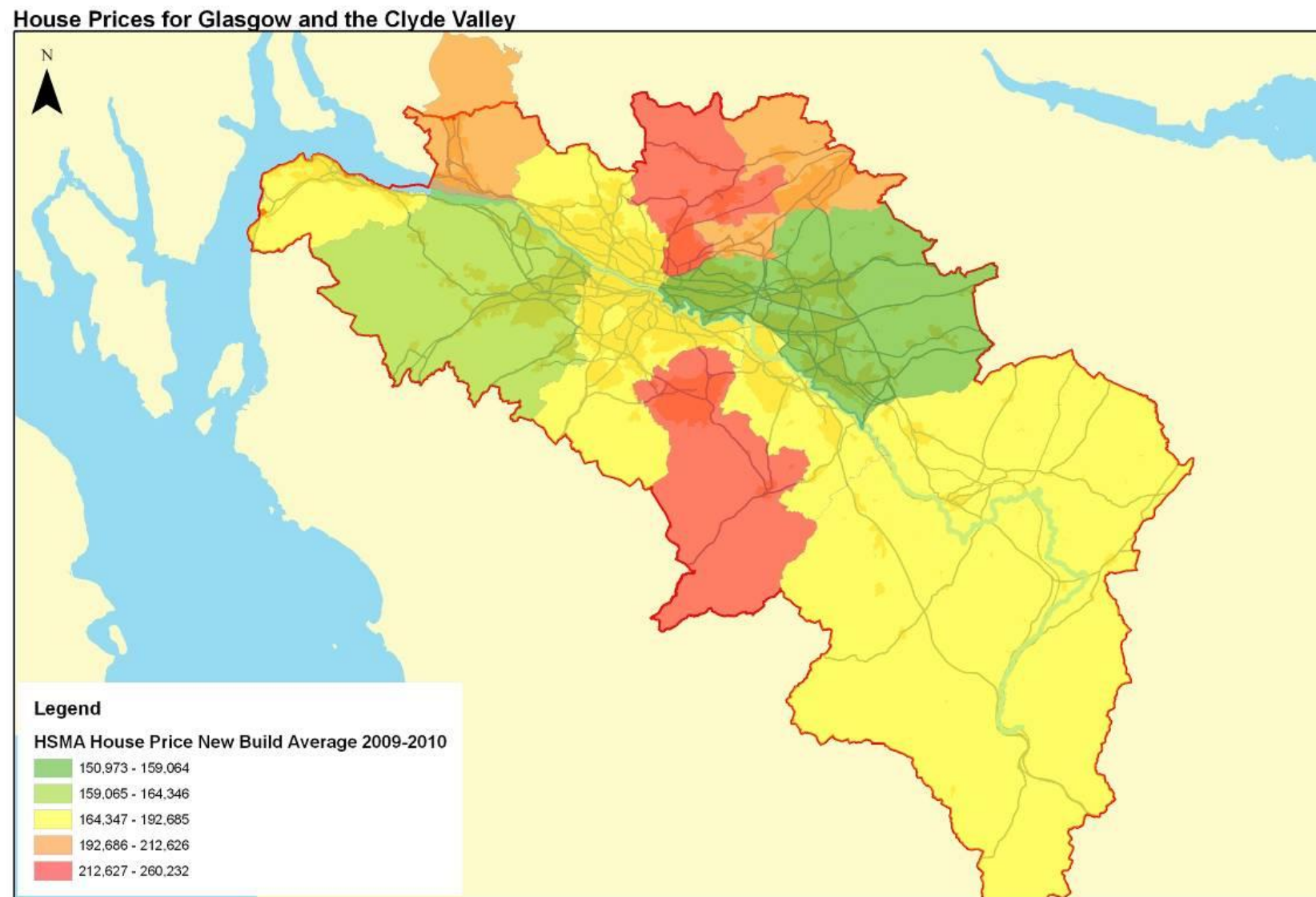


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6. New Builds and Resales: 2009/2010

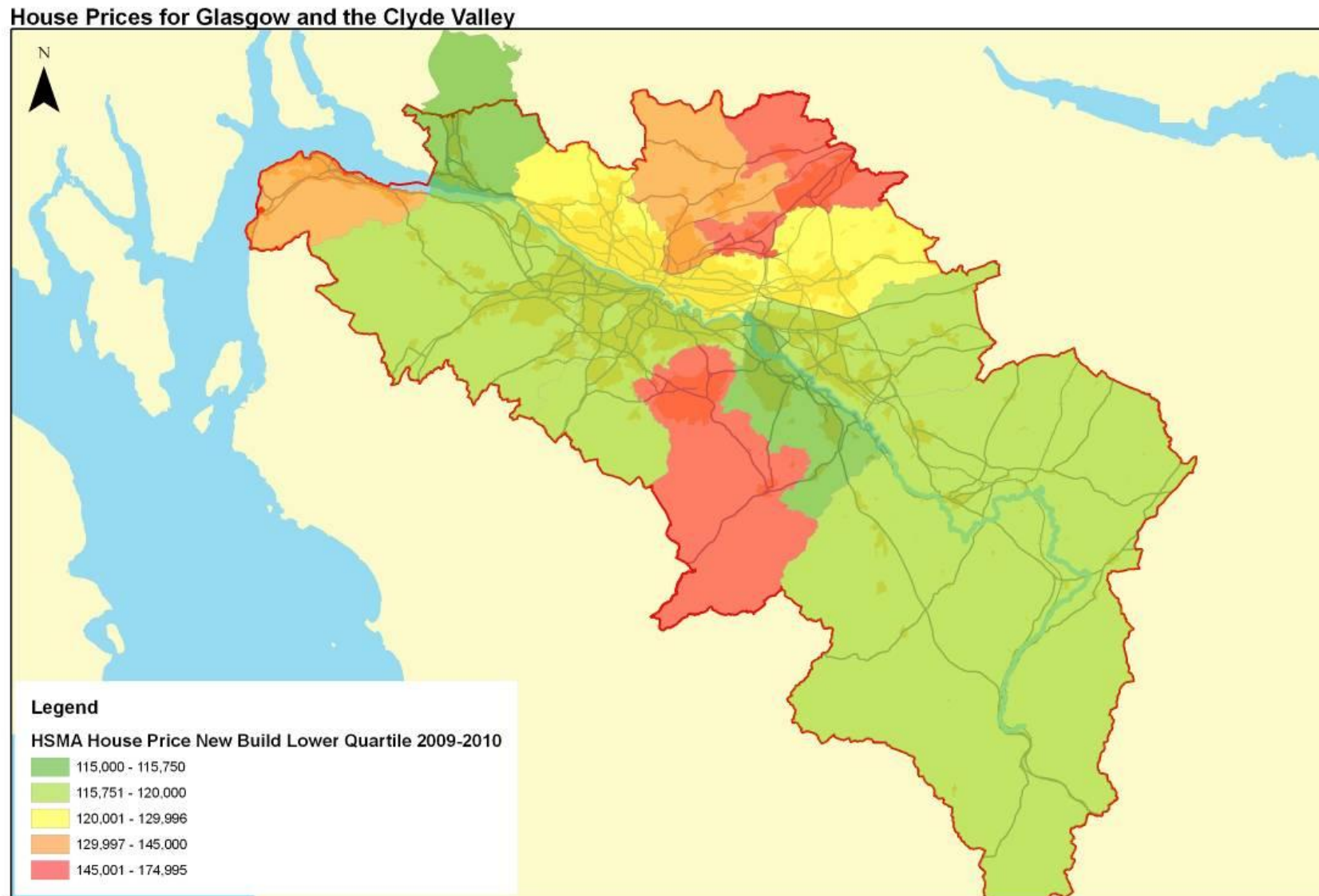
- 6.1 Prices for new builds and resales, for average and for lowest quartile, are shown in figures 6.1 to 6.4. In both sectors of the market, there is a wide price range following the general pattern of prices across Glasgow and the Clyde Valley.

Figure 6.1 New Build Average 2009-2010



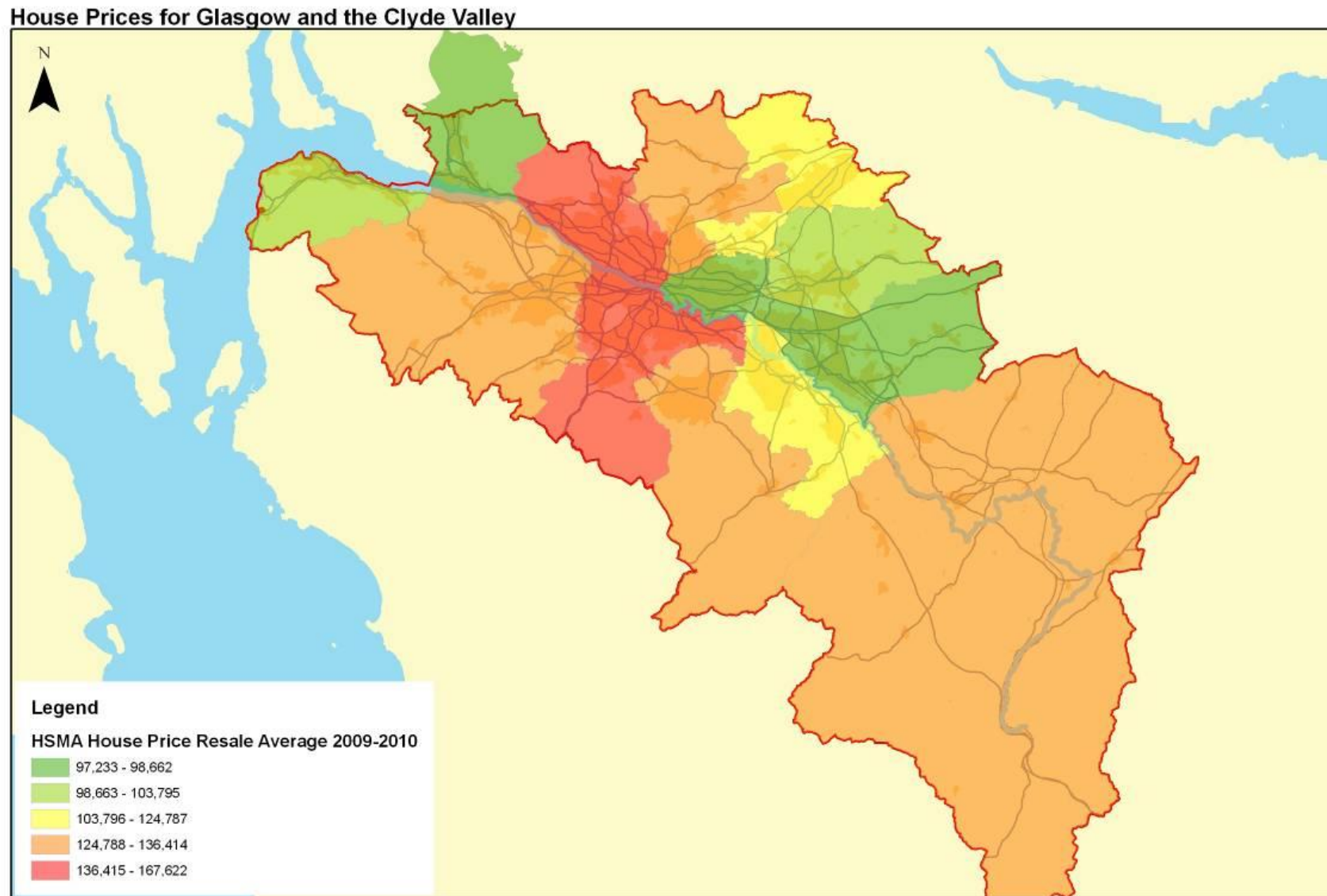
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Figure 6.2 New Build Lowest Quartile 2009-2010



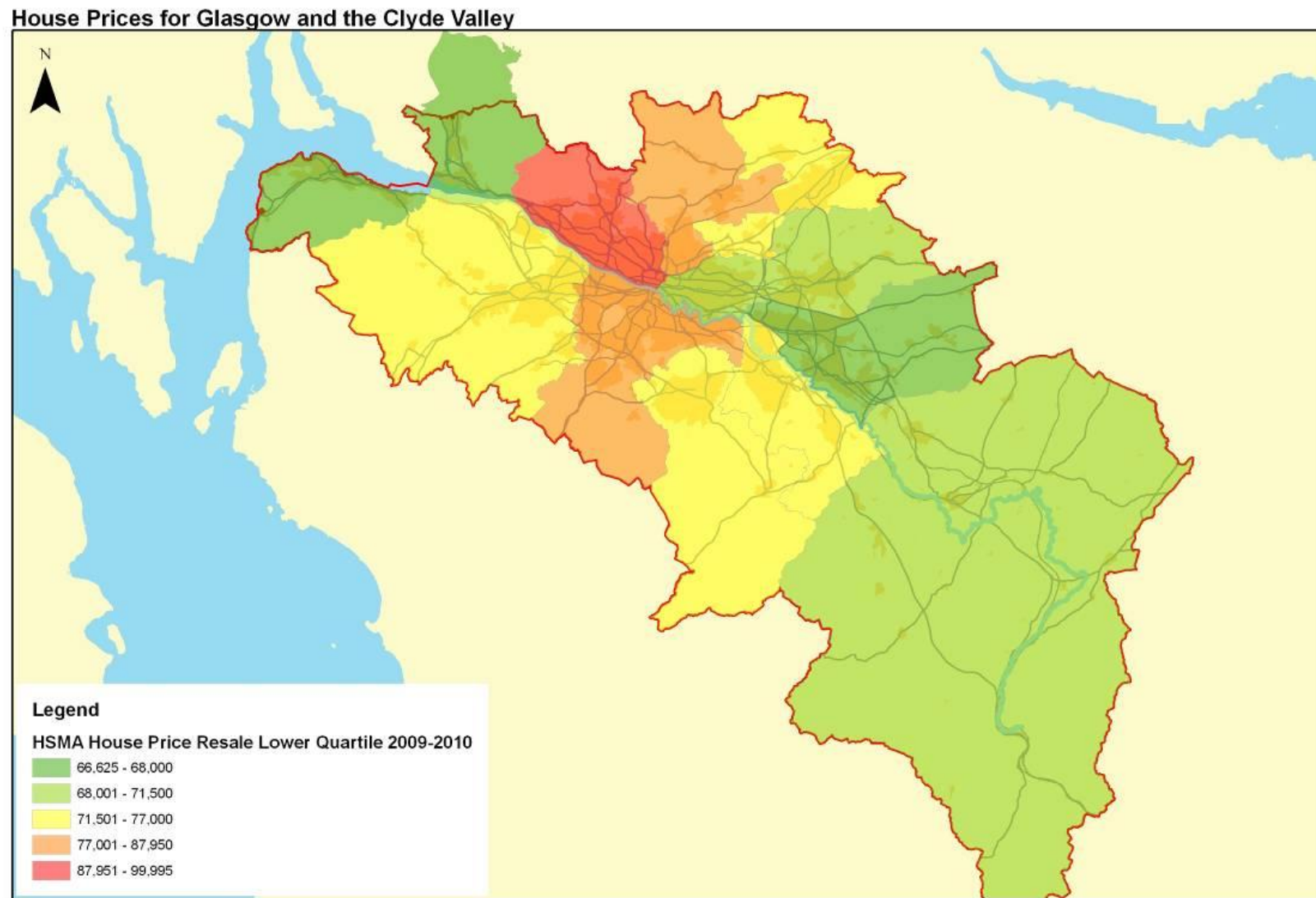
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Figure 6.3 Resale Average 2009-2010



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Figure 6.4 Resale Lowest Quartile 2009-2010

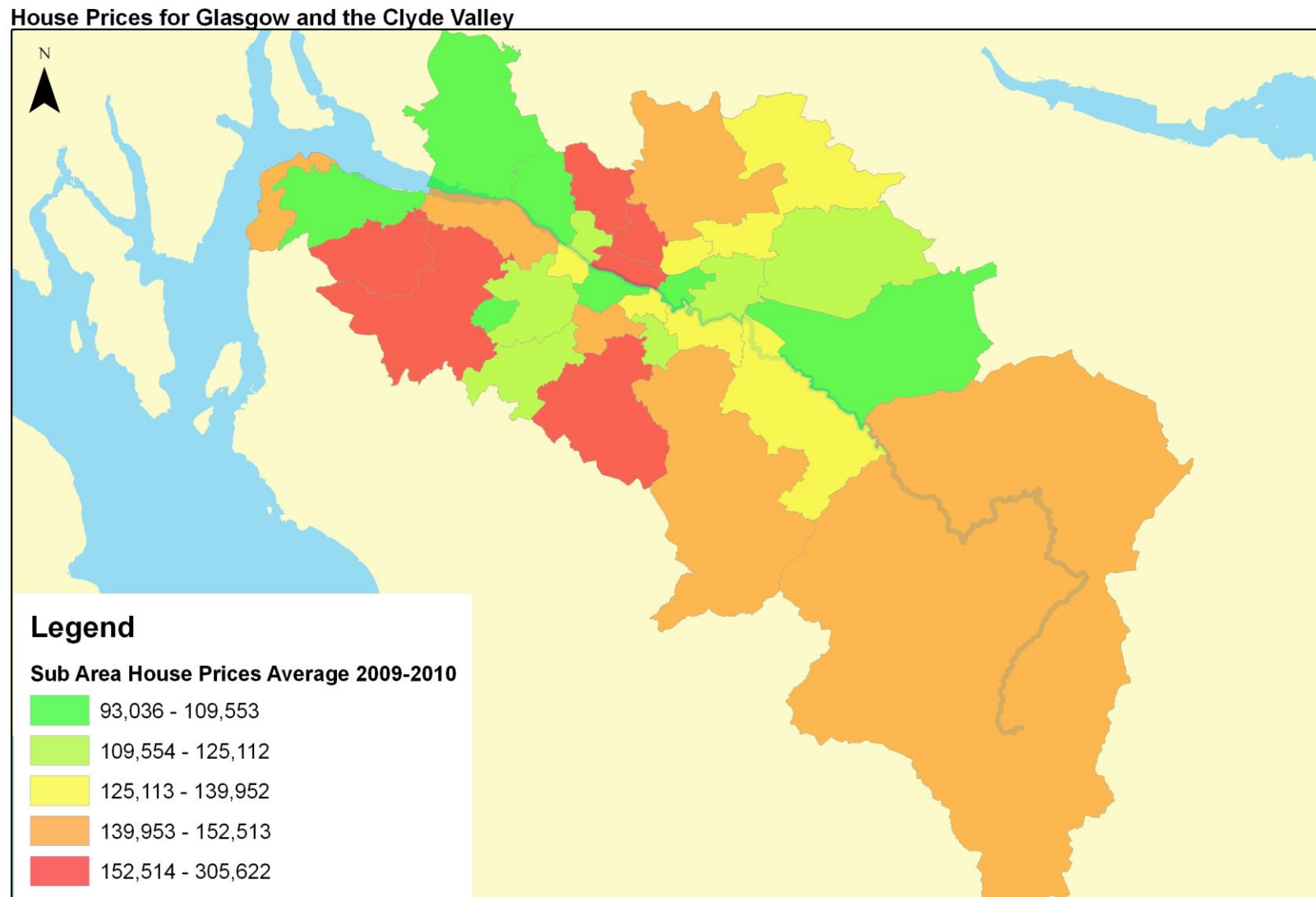


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7. Mapping by Local Authority Sub-area

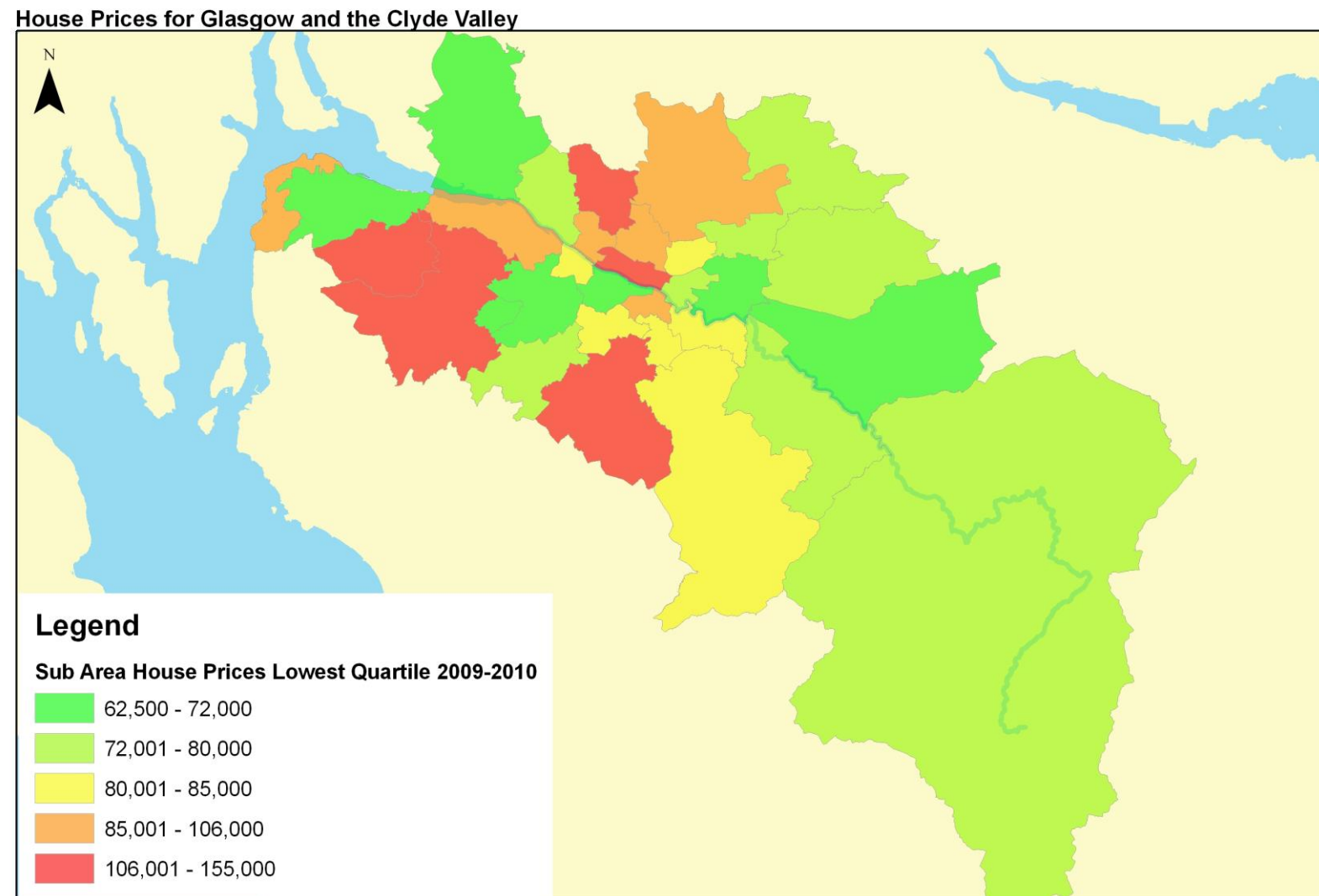
- 7.1 This section considers the comparative house prices and affordability in Glasgow and the Clyde Valley for the most recent year of 2009/2010, and this is at the local authority sub-area level (see figure 1.2 earlier). Although in the private sector market we have considered house prices in the appropriate HSMA system, this section provides a local authority sub-area context. Figures 7.1 and 7.2 show average and lowest quartile house prices, figures 7.3 and 7.4 show prices versus bottom 20% mean salaries.

Figure 7.1 Average Price by Local Authority Sub-area



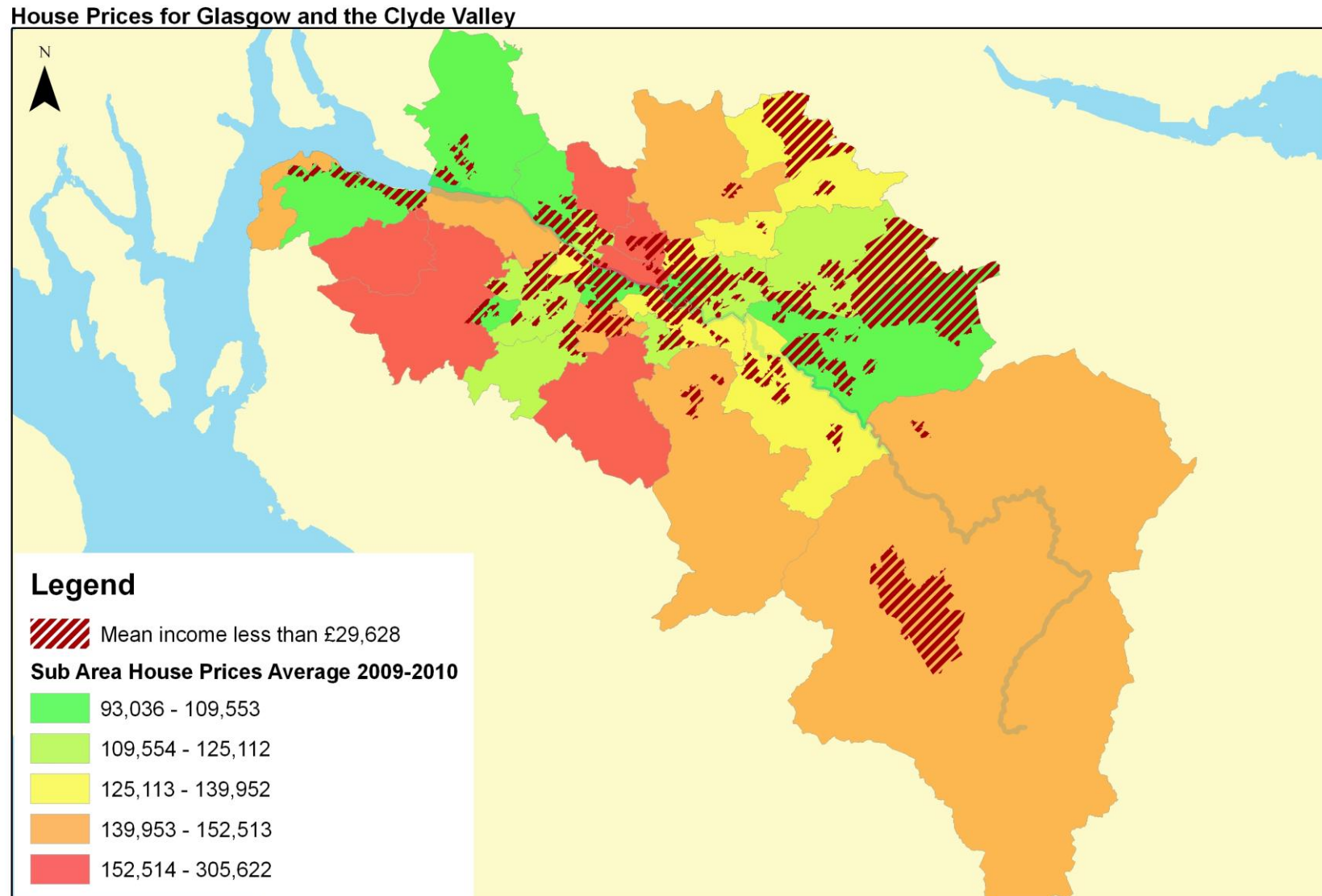
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Figure 7.2 Lowest Quartile Price by Local Authority Sub-area



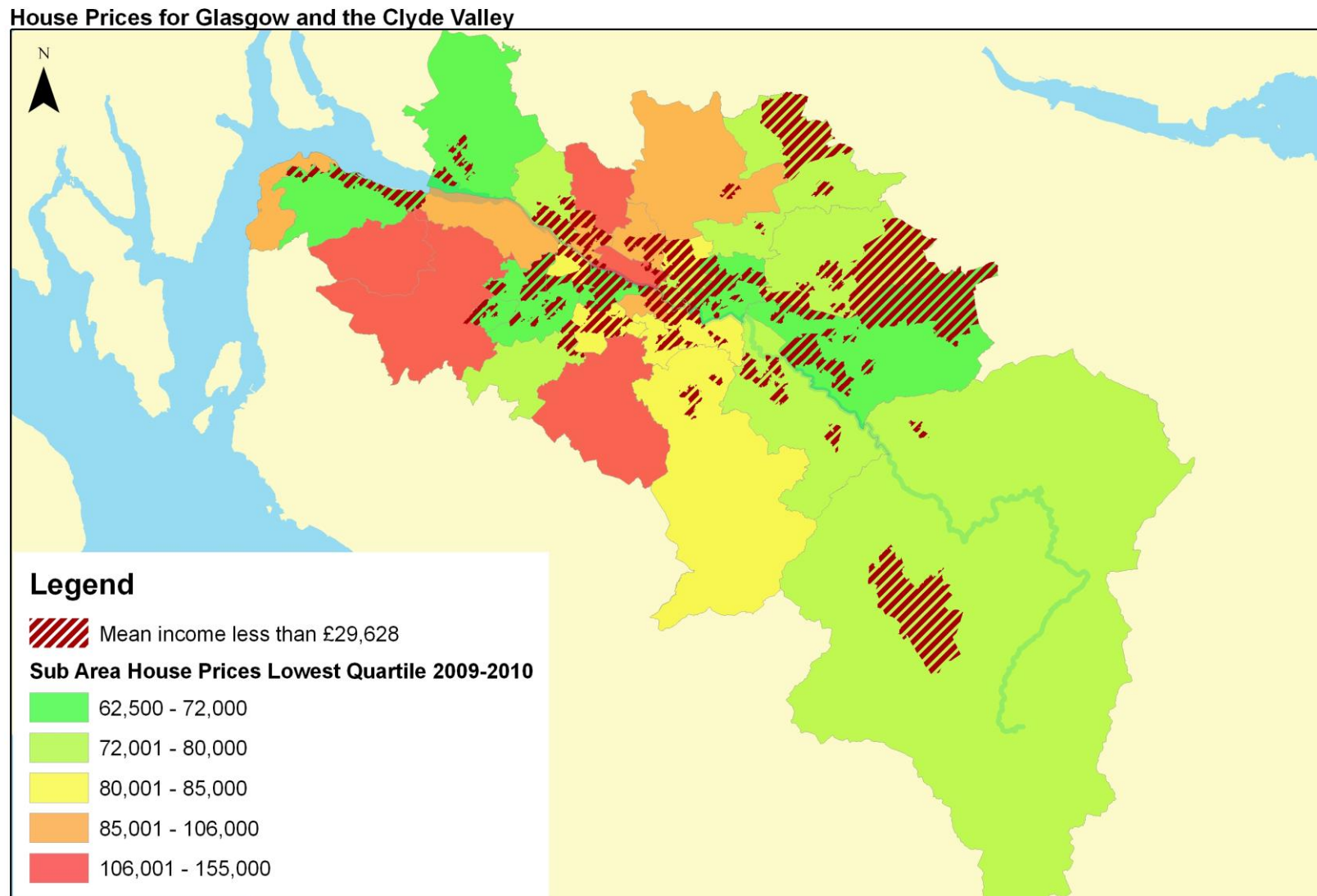
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Figure 7.3 Lowest Quintile Mean Income vs Average Price by Local Authority Sub-area



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Figure 7.4 Lowest Quintile Mean Income vs Lowest Quartile Price by Local Authority Sub-area

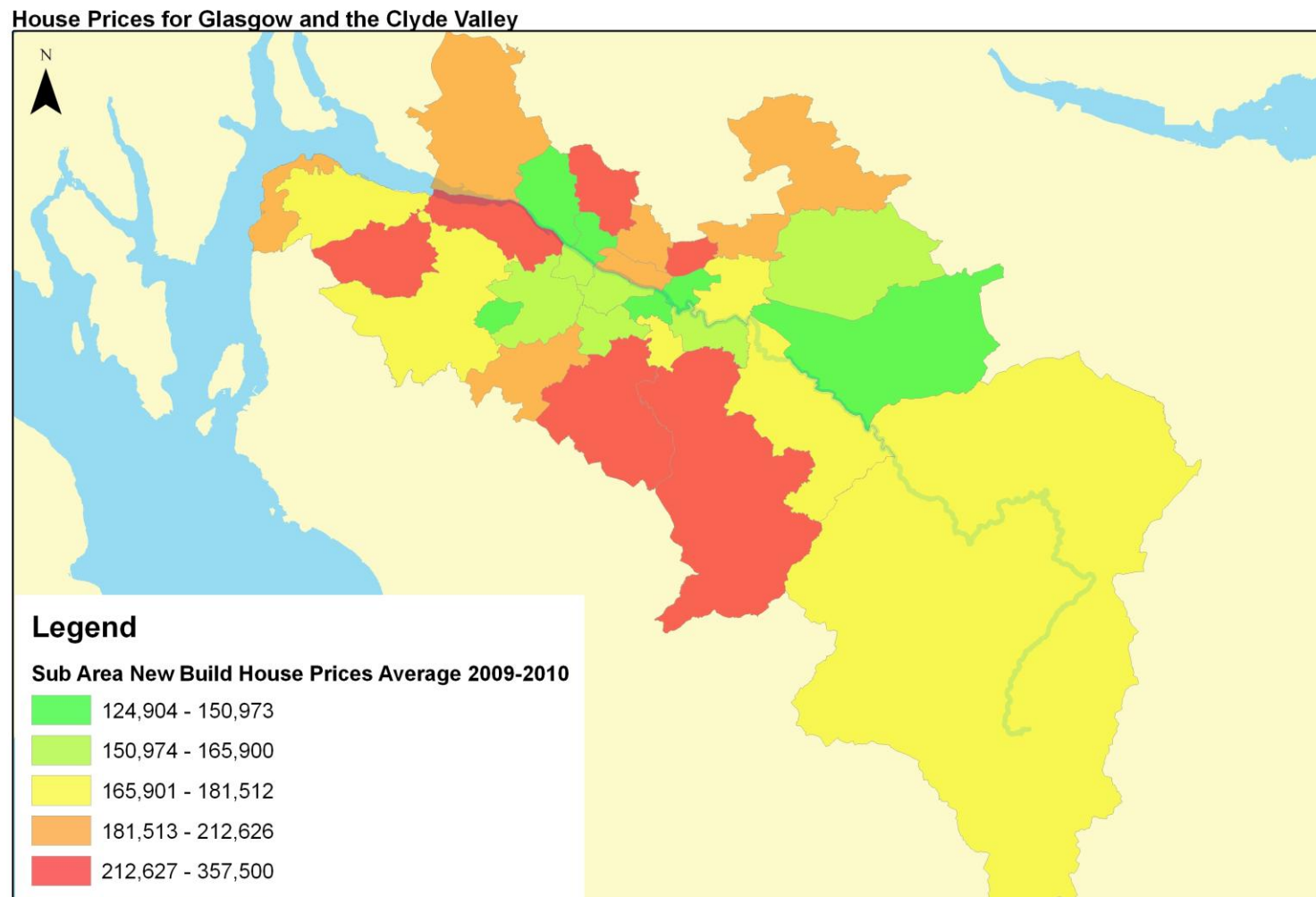


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8 Local Authority Sub-area New Builds and Resales

8.1 Finally, figures 8.1 to 8.4 show average and lowest quartile by market sector (new build and resale) for 2009 and 2010.

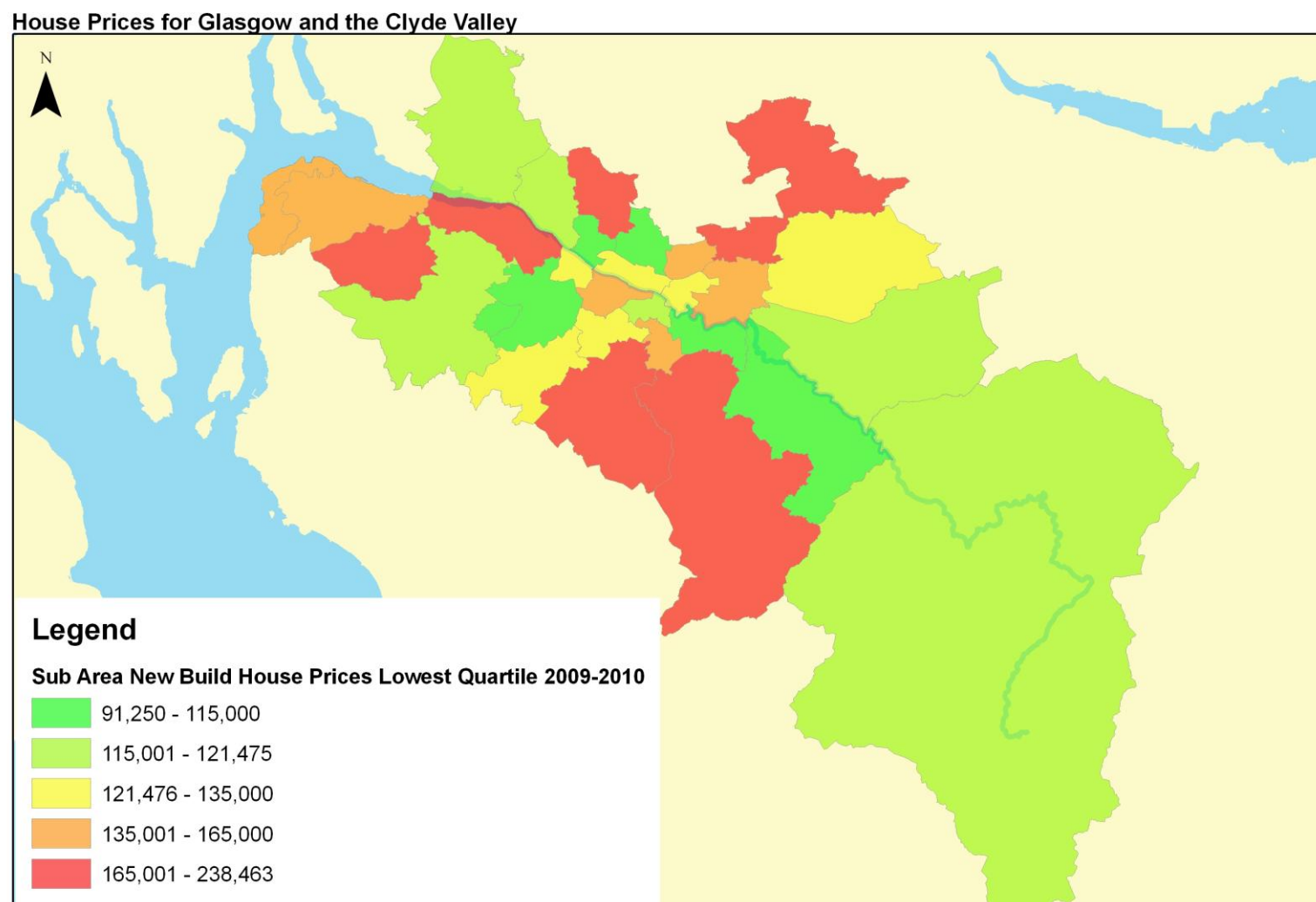
Figure 8.1 New Build Average Price by Local Authority Sub-area¹



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¹ No data exists for Strathkelvin

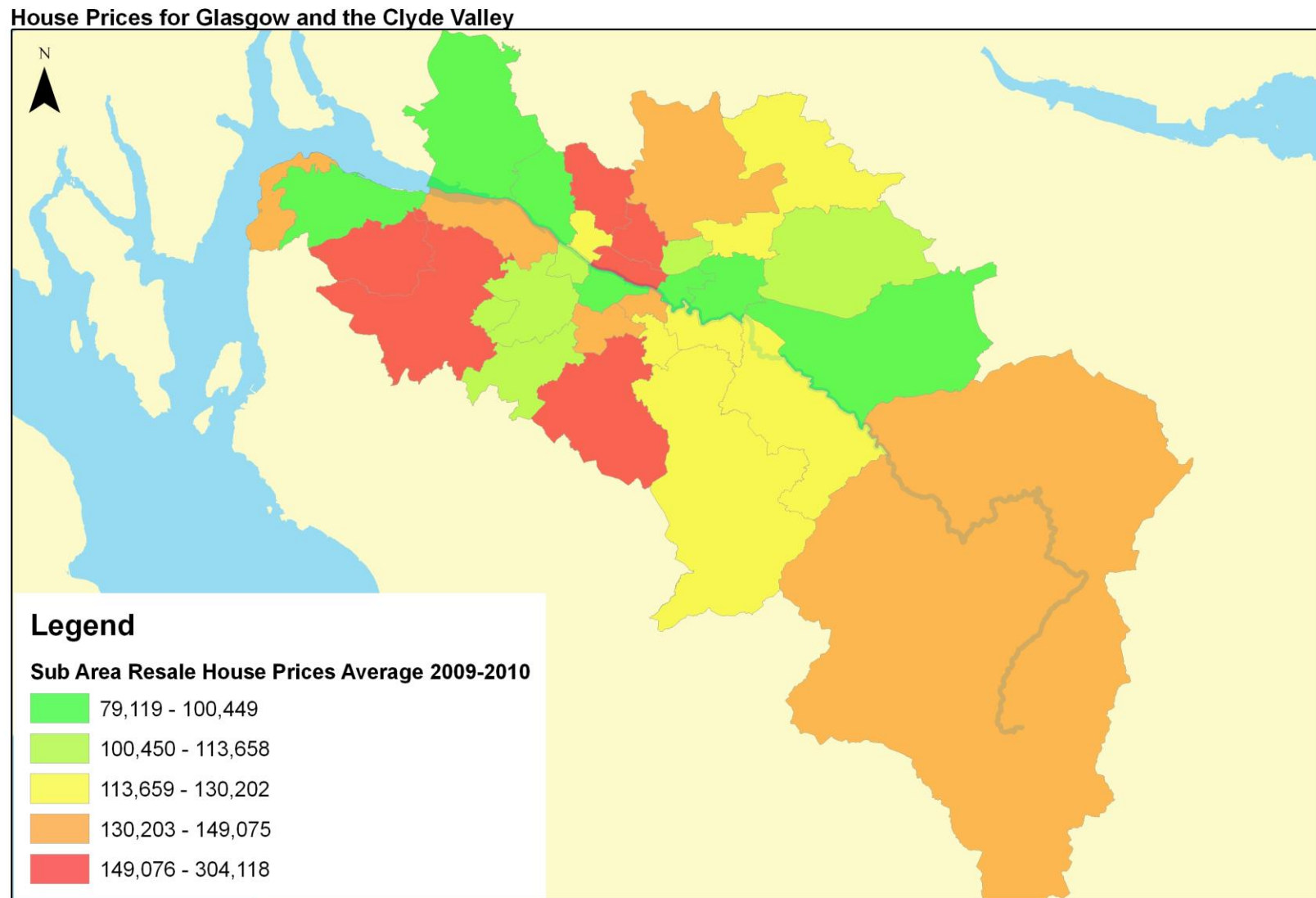
Figure 8.2 New Build Lowest Quartile Price by Local Authority Sub-area²



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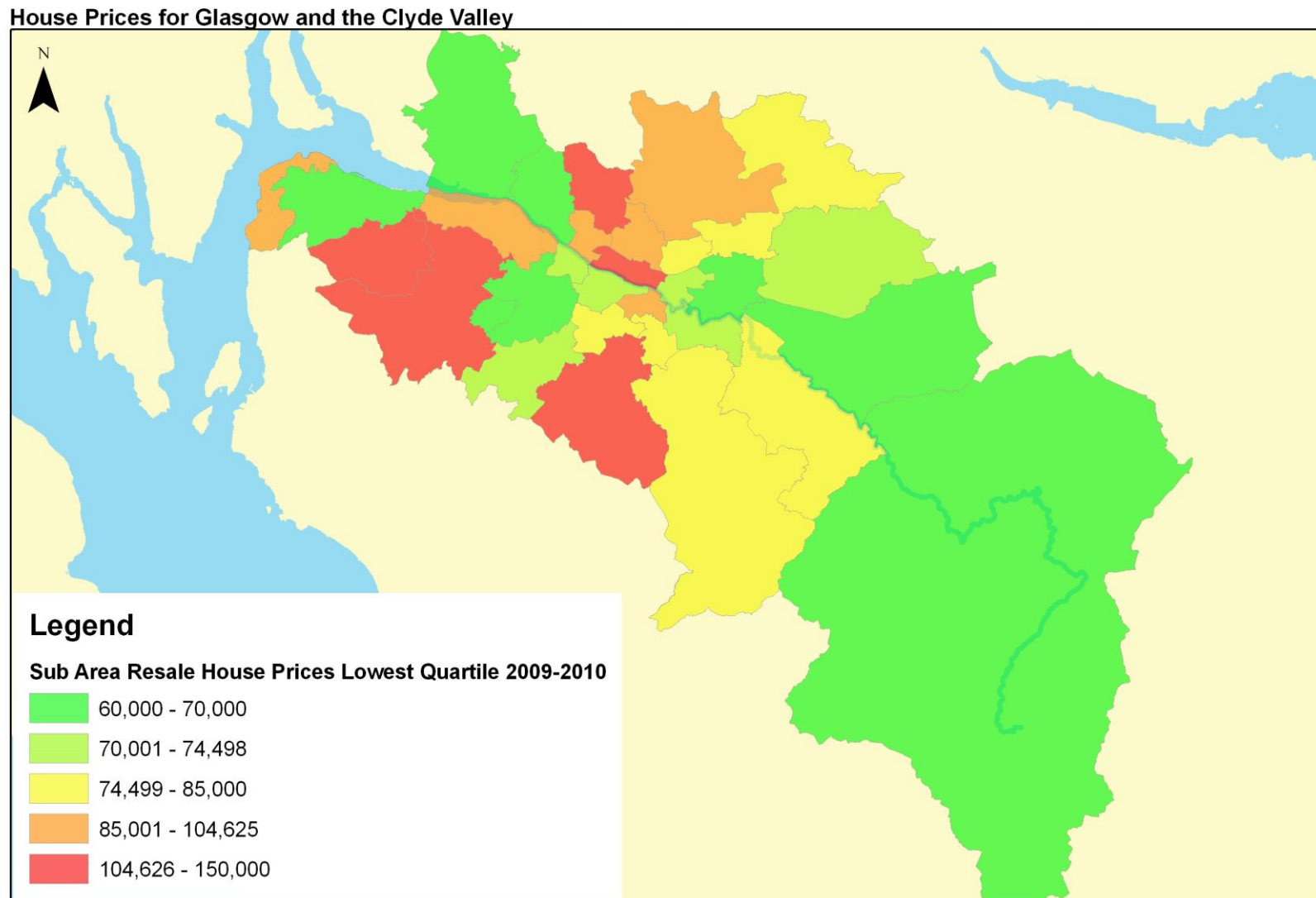
² No data exists for Strathkelvin

Figure 8.3 Resale Average Price by Local Authority Sub-area



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Figure 8.4 Resale Lowest Quartile Price by Local Authority Sub-area



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GLASGOW **and**
the CLYDE VALLEY
strategic development
planning authority

Glasgow and the Clyde Valley Strategic Development Planning Authority

Lower ground floor, 125 West Regent Street, Glasgow G2 2SA

t 0141 229 7730 | **e** info@gcvsdpa.gov.uk | **w** www.gcvsdpa.gov.uk