

# Economic Factsheet: House Prices July 2014



- Median is the preferred measure for average house prices rather than the 'mean', which is skewed by extremes at either end of the price scale. Lower quartile price provides an indication of the entry level house price in a local market, typically those purchased by first-time buyers.
- Affordability ratios show the relationship of house prices to earnings and can be useful on either a median or lower quartile basis to indicate the accessibility of the local housing market.

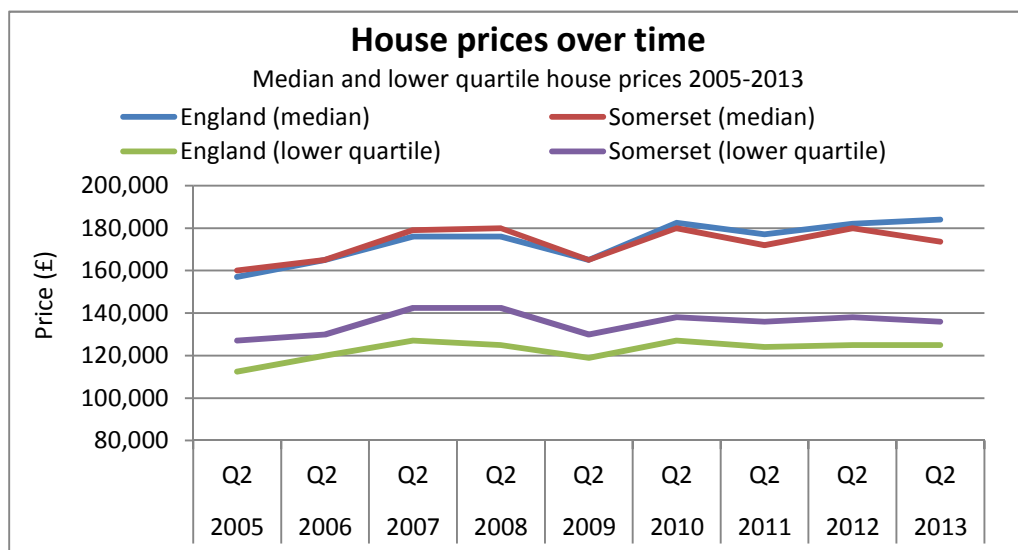
## House prices (Q2 2013)

Area	Total sales (Q2 2013)	Median price (Q2 2013)	Quarterly change	Annual change	Lower quartile price (Q2 2013)	Quarterly change	Annual change
Somerset	1,860	£173,570	0.9%	-3.6%	£136,000	1.5%	-1.4%
Mendip	411	£182,500	2.8%	1.7%	£148,000	2.1%	0.0%
Sedgemoor	437	£165,000	3.1%	-2.9%	£125,000	0.0%	0.0%
South Somerset	521	£172,000	1.2%	-8.0%	£135,000	6.3%	0.0%
Taunton Deane	384	£174,500	-3.0%	-7.2%	£139,975	1.4%	-4.1%
West Somerset	107	£175,000	-7.7%	-5.4%	£135,000	-1.8%	1.5%
England	164,326	£184,000	2.2%	1.1%	£125,000	0.0%	0.0%

Source: Sales – Land Registry, prices – Department for Communities and Local Government, Tables 582 & 583

In the second quarter of 2013, the median house price in Somerset was £173,570, an increase of 0.9% on the previous quarter but a decrease of 3.6% on the previous year. Mendip had the highest median price of all the districts at £182,500.

Somerset's lower quartile price for the same period was £136,000, 8.8% higher than the England figure.



Source: Department for Communities and Local Government, Tables 576 & 577

## Help to Buy Scheme

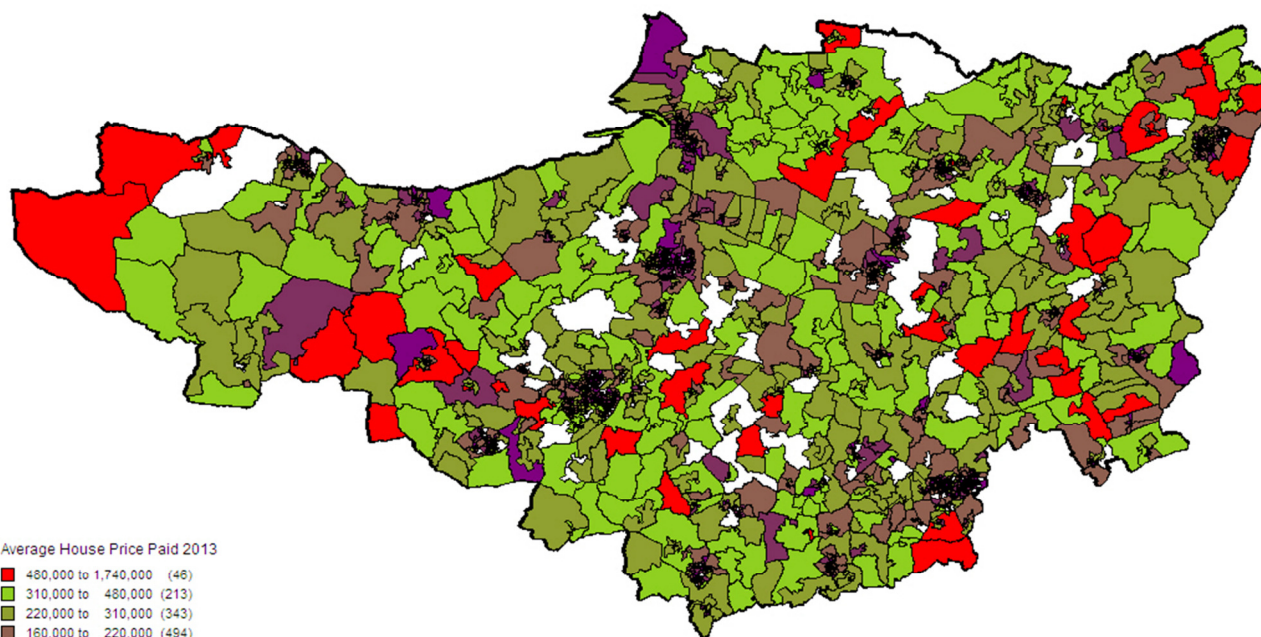
Number of completed equity loans

	May 2014	% of Somerset	% of LEP	% of England
Somerset	390		41.0%	1.7%
Mendip	53	13.6%	5.6%	0.2%
Sedgemoor	107	27.4%	11.2%	0.5%
South Somerset	87	22.3%	9.1%	0.4%
Taunton Deane	141	36.2%	14.8%	0.6%
West Somerset	2	0.5%	0.2%	0.0%
Heart of the SW LEP	952			4.2%
England	22,831			

Source: Department for Communities and Local Government, Help to Buy scheme monthly statistics

Since its launch on 1 April 2013, 390 equity loans have been completed in Somerset under the Government 'Help to Buy' scheme. The majority of these were in Taunton Deane (141) and Sedgemoor (107). Across the LEP area, there have been 952 loans so far under Help to Buy.

## Average house price by output area in Somerset (2013)

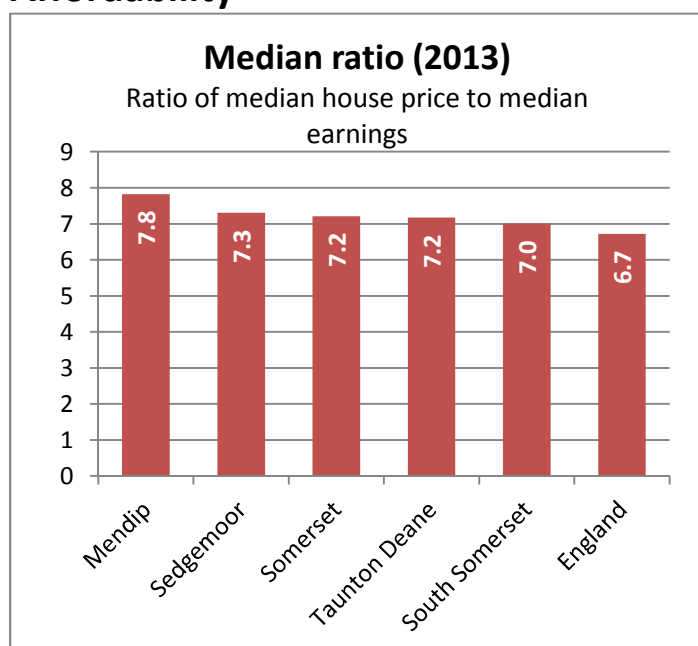


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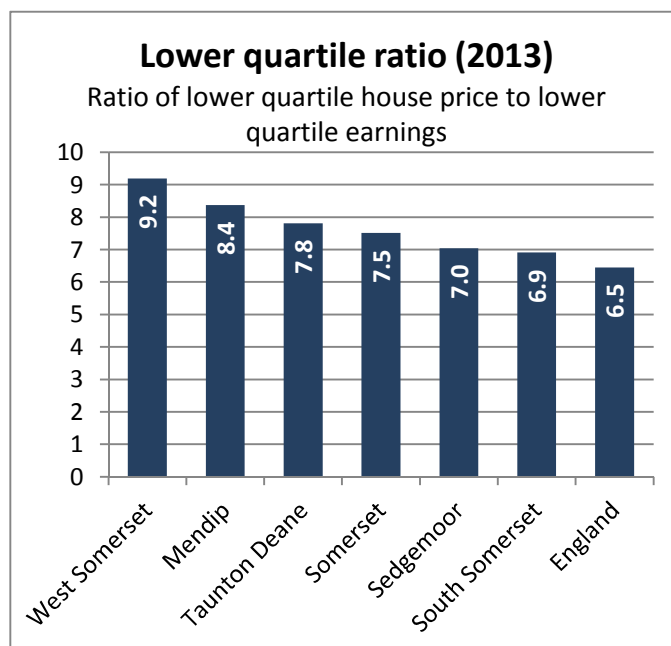
Source: Land Registry 2014

- House prices in Somerset are high in relation to earnings, creating problems for affordability. The median house price in Somerset is 7.2 times the median earnings in the County, compared to 6.7 times for England as a whole. Within Somerset, Mendip and Sedgemoor have median ratios higher than the County (7.8 to 1 and 7.3 to 1 respectively).
- Lower quartile house prices in Somerset are 7.5 times greater than lower quartile earnings. This ratio is highest in West Somerset (9.2 to 1) and Mendip (8.4 to 1), indicating significant difficulties for first-time buyers in their ability to purchase a property.

## Affordability



Source: DCLG Table 577 (No data for West Somerset)



Source: DCLG Table 576