

Appendix V
Property Values Report

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Supplementary Property Prices Report for Salisbury District Council

Viability Study 2008 - Background

Introduction

Adams Integra was asked by Salisbury District Council to prepare an affordable housing viability study to (1) verify the valuation undertaken by applicants relating to a site in Salisbury; (2) to provide interim guidance notes on Commuted Sums (financial contributions in lieu of on-site affordable housing); and (3) to undertake an assessment of economic viability – to inform policy development for planning-led affordable housing. The former two areas of work were progressed first, but all three overlap and shared the same thinking and methodologies in their development.

Within the Council's wider evidence base, the separate Housing Market Assessment work will contain house price information. However, more typically that relates to overall market price levels, rather than focussing on values relating to new build housing (which schemes will be the supply source of the planning-led affordable housing being considered). To inform the viability overview which the study aims to provide, at the outset of the project we researched the local property market, and how this compared with the regional and national pictures. As context for the study, we needed to understand the level and range of values encountered across the area covered by the Council, to help us make judgements as to the range of figures most appropriate to use in our appraisal modelling, and to provide context for the review of our results.

It is the new build values that are of key relevance to the viability study, given that such schemes are the supply source of the planning-led affordable housing being considered.

For wider context, in addition to new build pricing, through desktop research we also reviewed the overall housing market in the District, to enable us to consider the value levels and patterns existing in the area (overall market, predominated by resales).

The initial desktop research involved looking at an overview of values in different locations across the local authority area using internet property websites (for example RightMove). Adams Integra's interpretation of the data is shown below, indicating the variation in values across the District. This process enabled us to develop a wider understanding of the local market, and to verify and supplement the new build property values research. The well reported severe market downturn further increased the need for us to seek to understand overall market conditions.

Wider market overview information has also been included, as drawn from market reports provided by the Royal Institution of Chartered Surveyors (RICS), Land Registry and Government's Department for Communities and Local Government (CLG).

The study process meant fixing assumptions in June 2008, so those were necessarily supported by such information as was available up to that date. However, Adams Integra has been aware of market conditions throughout the study period and on closing the study we have provided updated general market information and comment. The study acknowledges the nature of current property market conditions.

Housing Market Overview (at June 2008)

Royal Institution of Chartered Surveyors (RICS)

The Royal Institution of Chartered Surveyors (RICS) published a Housing Market Survey for May 2008, its monthly update. The headline they ran with read 'Still no sign of distressed selling in the housing market'.

The report stated that 'Sentiment in the housing market improved marginally in May, though it still remains close to the historic low reached last month. The net balance of surveyors reporting falling rather than rising prices edged up to -92.9 from -94.7 in April. This is, crucially, a measure of breadth rather than depth and thus says little about the extent of the actual decline in house prices.'

'Significantly, this weakness is not being driven by new supply coming onto the market. Indeed, new instructions to sell property declined for the fifth consecutive month and at the fastest pace since last June, which reflects the continued absence of distressed sales. This is consistent with both the low level of mortgage arrears and the high level of employment at the present time.'

Continuing weaknesses in sales per surveyor, the ratio of completed sales (over the past three months) compared to the stock of unsold property on the market fell to 19.3. This indicator has returned to levels seen in 2005, but remains comfortably ahead of the lows experienced within the housing market in the early 1990's, when it briefly dropped to 11.4.

New buyer enquiries remained deep in the negative territory, during May. Mortgage availability has been further reduced as Banks move quickly to secure their investments and further negative press reports and panic discouraged interest in the market. However, the pace of decline in new buyer enquiries slowed, with the net balance rebounding back to -51, reversing all of last months declines. Newly agreed sales largely reflected the weakening levels of buyer interest dropping at around the same pace as last month, which was the highest on record.

May does not paint a positive picture and the outlook remains fairly gloomy. However, confidence in the sales outlook improved fractionally, with the net balance of surveyors expecting a drop in sales over the next three months improving to -15 from -16 in the previous month. Added to that, confidence in prices rebounded back from last months low, although there is a still general feeling or perception that prices will continue to fall further in the present.

Looking at the data from a regional perspective, the improvement in the headline price balance was more or less evenly spread throughout England and Wales. The net balance of surveyors reporting price declines edged up slightly in seven out of the ten regions. In the South East and the West Midlands the price balance deteriorated, while in East Anglia it remained unchanged. In Northern Ireland, the price balance improved a little. However, in Scotland, the pace of declines gathered momentum although the net balance is still only around a third of the England and Wales number.

In April 2008, only 1% of surveyors (nationally) reported a rise in house prices, 17% reported the prices to have levelled off and 82% reported falls. In May 2008, 2% reported a rise in house prices, 14% stating prices were constant and 84% stating losses, the latter being the most notable change.

In terms of the South West, 4% of surveyor's reported a rise in prices; 24% reported a constant price, and 72% reported losses, during May 2008.

"The net balance of surveyors reported price declines for the ninth consecutive month. New buyer enquiries declined at the fastest rate in the survey's history. New vendor instructions, having increased for the five consecutive months, fell at the fastest pace since April 2004.

Confidence in the price outlook, while remaining quite negative, improved markedly. Sales expectations improved and are back in positive territory."

RICS Economics – May 2008 RICS housing market survey

Land Registry

The Land Registry House Price Index May 2008, released 27 June 2008, states:

"The May data shows a continued decline in annual house price change to 1.8 per cent. This is the ninth consecutive decrease in annual price change in England and Wales. The average house price this month is £183,266. Accounting for seasonal adjustments, there was no monthly house price change in May. Sales volumes in England and Wales during March 2008 decreased by 50 per cent to 53,080, from 106,047 in March 2007."

"London experienced annual house price growth of 6.9 per cent in May, which is over 3 times the rate experienced by England and Wales overall. The monthly house price growth in London currently stands at 0.8 per cent. This is a higher rate of growth than that experienced by England and Wales as a whole. The average property value in London currently stands at £354,714, in comparison to the average for England and Wales, which is £183,266."

In neighbouring areas, there were varying changes seen. Gloucestershire saw a fall of 0.5% for the month, an increase of 0.7% over the last year to take average prices to £194,302. Prices in Hampshire decreased by 0.2% during May, but saw an overall increase of 3.8% over the last year to average £226,848, and Dorset saw a decrease of 0.7% for the month, a rise of 3.5% over the year to take the average price to £240,472. The price of properties in the South West fell by 2.0% for the month, representing an annual decrease of 0.8% and an average price of £191,074.

In the Salisbury District context, the Index shows Wiltshire prices increased by 0.5% during the month, resulting in an increase of 3.4% over the preceding year. The average house price in Wiltshire according the Land Registry currently stands at £205,945.

Land Registry House Price Index May 2008

The Wider Economy and Interest Rates

Details of Bank of England base interest rates have been included here as part of our wider overview of the property market.

The timing of the study and variety of messages we have received through our research needs to be considered in the light of the bigger economic picture – nationally and even globally.

In terms of background, in early April 2008, the Bank of England cut the Base Rate from 5.25% to 5.0% in response to signs of a slowing economy. Previous to the Spring cut, the Bank had brought the Base Rate down from a peak of 5.75% that had been set in July 2007. Prior to July 2007, the Base Rate had risen five times since the middle of 2006.

Expectations following the April 2008 adjustment were of a short-term slight downward trend of the Base Rate, however, due to inflationary pressures placing opposing pressures on setting of the rate, the Bank kept it at the same level until 9 October 2008. At that point, and as part of a wider economic response by international central banks, the Base Rate was moved down by 0.5% to 4.5%. During the closing period for this study, further interest rate cuts were seen lowering the Bank of England Base Rate to 3% in November 2008 and then 2% in December 2008. In January 2009 this was lowered further to 1.5%. On fixing our assumptions in the early study stages we decided to leave our finance rate assumptions unchanged in response to the then recent base rate reductions. In light of the daily “credit crunch” reporting (on the reduced availability and associated likely terms of finance) as the study progressed, we considered this approach to be further validated and therefore to remain appropriate. On closing the study, it is really too early to say, as the impacts of these rate reductions have not been seen in any notable way, but with further time our interest rate assumption will, we suspect, begin to look high. Nevertheless, this again fits with looking at viability cautiously rather than stripping out too many cost allowances from appraisals. On closing the study, our understanding is that house-buying and development finance remains relatively difficult to access – at least on favourable terms, related to the risks perceived by the markets and to the fact that lending between institutions is still not working on terms or to the extent that had underpinned the active market in preceding years. We have had a climate recently whereby rate reductions have tended not to be passed on, certainly not to a significant degree, to borrowers; and where other charges (arrangement fees, etc) have weighed against any cuts. So far as we can see, similar applies in a commercial sense. In summary, at the time of writing, we have no reason to believe that the commercial lending climate has eased significantly.

In the period running up to the study, mortgage lending for house purchase by the main banks had fallen to its lowest level on record. The British Bankers Association (BBA) said that in May, the number of new mortgage approvals to home buyers fell to just 28,000. That was a 20% fall in just one month and 56% down from May last year. At that point, the Bank of England said 42,000 mortgages were approved in May, a 28% fall compared with the previous month and 64% down on the year before. The number of UK property sales had fallen by 32% to that point, according to HM Revenue and Customs (HMRC). There were 504,000 sales in the first five months of 2008 that were worth more than the new stamp duty notification limit of £40,000. That compared with 743,000 such sales in the same period of 2007.

Source: www.bbc.co.uk/news

In terms of the new build residential market generally, as the study got underway we were picking up increased signs and reporting of other market features characteristic of a very significant downturn. Whilst general observations regarding the context of the study, similar points were reflected in some of the local discussions we had.

Whilst not an exhaustive list of particular issues, examples of these features included:

- A very marked fall off in the level of buyer activity – the most worrying market feature for most people we have spoken to in recent months – more so than the type of price adjustments we have seen so far.
- Some estate agents operating reduced opening hours, mothballing or even closing offices – reducing their presence; the same applying to house builders' sales operations.
- Some house builders reporting reduced margins and, in limited instances so far, ceasing to trade.
- House-building, construction and development companies reducing staff numbers – closures and redundancies have spread into many other sectors too.
- A slow-down in the rate of construction of new homes, in some cases to the extent of construction being halted or dramatically slowed on sites.
- Incentives being offered more often and openly (as part of marketing strategies) - such as stamp duty; 5% deposit paid; monthly mortgage subsidy; part buy/part rent; part purchase deferred; rent to buy; fixtures and fittings; white goods; specification improvements, and perhaps others.
- Some use of guide pricing alone, or even no advertised pricing. While some schemes are seeing openly advertised pricing reductions and the pricing of schemes is thought to be generally under review, we have not seen openly stated pricing reductions on a very widespread basis. A lot depends on a prospective buyer's position as to what could be available to them.
- Very variable (depending on location and scheme specifics) but generally widening gaps between asking and sales prices.
- Some schemes still selling relatively well in the circumstances. Slower sales/most difficulties perhaps typically being experienced with flatted schemes and particular locations. This linked to a commonly expressed feeling, more widely, that too many flats have been built in many places in recent years.
- Some developers considering offers from RSLs for expanded affordable housing quotas on sites, or even entire schemes for affordable.
- Reports of developers pulling out of schemes/seeking to sell land on.

Resale Property in Salisbury District – June 2008

The tables below show the marketing (or, where available, subject to contract sale) price various types of property advertised as available within Salisbury District. The information was collected from www.rightmove.co.uk. It is likely that actual sales values were lower than the figures set out below (and sometimes significantly so – on a variable but generally increasing basis given the overall market trends – a widening gap to sale price). However, this exercise served to add to our understanding of local value levels and patterns. Actual sale price information takes a while to filter through, and in order to drive further analysis would, in any event, need to be tied up with detailed knowledge of what accommodation, etc, properties provided – a time-consuming exercise. Looking, as we have, at a range of values ('Value Points') is an appropriate way of looking at the sensitivity of results to values changes.

For each settlement there are two tables. The first table shows the average price of each dwelling type. The second table shows the information in terms of average, minimum, 1st quartile, median (2nd quartile), 3rd quartile and maximum price. This is so that the range of values, as well as typical value levels, can be better understood.

Salisbury

	1 Bed	2 Bed	3 Bed	4 Bed
Detached		£218,475	£307,225	£381,896
Semi-Detached		£188,020	£234,577	£328,262
Terraced		£177,741	£231,872	£311,417
Flats	£132,007	£184,483		

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	£132,007	£102,000	£125,000	£134,950	£139,950	£156,950
2-Bed Flats	£184,483	£129,950	£155,238	£169,950	£179,988	£495,000
2-Bed Houses	£180,700	£125,000	£169,950	£179,950	£189,950	£278,000
3-Bed Houses	£246,680	£140,000	£206,375	£229,950	£274,950	£650,000
4-Bed Houses	£357,862	£210,000	£299,500	£317,500	£385,000	£795,000

June 2008, www.rightmove.co.uk

Alderbury

	1 Bed	2 Bed	3 Bed	4 Bed
Detached		-	-	£407,121
Semi-Detached		-	£280,000	£425,000
Terraced		£166,650	£182,475	-
Flats	£115,970	-		

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	£115,970	£89,950	£104,950	£125,000	£129,950	£130,000
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	£166,650	£165,000	£165,000	£165,000	£167,475	£169,950
3-Bed Houses	£201,980	£179,950	£179,950	£185,000	£185,000	£280,000
4-Bed Houses	£409,356	£279,950	£304,988	£369,975	£440,000	£745,000

June 2008, www.rightmove.co.uk

Amesbury

	1 Bed	2 Bed	3 Bed	4 Bed
Detached		£209,950	£237,829	£296,715
Semi-Detached		£167,470	£207,084	£252,870
Terraced		£164,580	£196,700	£248,333
Flats	£101,450	£167,500		

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	£101,450	£99,950	£100,700	£101,450	£102,200	£102,950
2-Bed Flats	£167,500	£167,500	£167,500	£167,500	£167,500	£167,500
2-Bed Houses	£170,018	£150,000	£162,475	£166,950	£173,225	£209,950
3-Bed Houses	£206,411	£162,500	£187,500	£204,725	£215,000	£289,950
4-Bed Houses	£283,702	£220,000	£253,750	£269,950	£276,238	£465,000

June 2008, www.rightmove.co.uk

Bulford

	1 Bed	2 Bed	3 Bed	4 Bed
Detached		-	£515,000	-
Semi-Detached		£170,000	£195,475	£365,000
Terraced		-	£184,250	£214,950
Flats	-	-		

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	£170,000	£170,000	£170,000	£170,000	£170,000	£170,000
3-Bed Houses	£237,914	£173,500	£180,975	£185,000	£214,975	£515,000
4-Bed Houses	£314,983	£214,950	£279,975	£345,000	£365,000	£385,000

June 2008, www.rightmove.co.uk

Downton

	1 Bed	2 Bed	3 Bed	4 Bed
Detached		£208,500	£298,469	£476,279
Semi-Detached		£275,000	£315,090	£334,750
Terraced		£272,475	£228,475	£374,975
Flats	£148,000	£161,467		

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	£148,000	£148,000	£148,000	£148,000	£148,000	£148,000
2-Bed Flats	£161,467	£145,950	£152,950	£159,950	£169,225	£178,500
2-Bed Houses	£257,113	£208,500	£217,088	£247,475	£287,500	£325,000
3-Bed Houses	£294,677	£187,500	£229,950	£234,950	£325,000	£565,000
4-Bed Houses	£432,127	£199,950	£304,750	£435,000	£562,500	£695,000

June 2008, www.rightmove.co.uk

Durrington

	1 Bed	2 Bed	3 Bed	4 Bed
Detached		-	£248,780	£305,090
Semi-Detached		£209,250	£192,473	£277,475
Terraced		£164,107	£175,406	-
Flats	£118,283	£164,950		

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	£118,283	£109,950	£114,950	£119,950	£122,450	£124,950
2-Bed Flats	£164,950	£164,950	£164,950	£164,950	£164,950	£164,950
2-Bed Houses	£174,139	£154,000	£159,950	£160,000	£169,950	£250,000
3-Bed Houses	£199,378	£164,950	£178,000	£187,000	£199,995	£375,000
4-Bed Houses	£300,488	£234,950	£273,713	£299,500	£325,000	£395,000

June 2008, www.rightmove.co.uk

Mere

	1 Bed	2 Bed	3 Bed	4 Bed
Detached		-	£322,470	£330,707
Semi-Detached		£177,475	£198,917	-
Terraced		£173,500	£217,950	-
Flats	£135,000	£151,000		

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	£135,000	£135,000	£135,000	£135,000	£135,000	£135,000
2-Bed Flats	£151,000	£125,000	£125,000	£155,000	£175,000	£175,000
2-Bed Houses	£175,488	£167,000	£173,000	£177,475	£179,963	£180,000
3-Bed Houses	£236,439	£149,950	£189,950	£209,950	£269,950	£399,950
4-Bed Houses	£330,707	£275,000	£287,500	£315,000	£364,975	£420,000

June 2008, www.rightmove.co.uk

Tisbury

	1 Bed	2 Bed	3 Bed	4 Bed
Detached		£205,000	£384,500	£572,333
Semi-Detached		£195,000	£291,238	£639,500
Terraced		£258,470	£383,000	£473,850
Flats	£133,713	-		

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	£133,713	£125,000	£128,713	£134,950	£139,950	£139,950
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	£237,169	£169,950	£178,713	£197,475	£221,875	£525,000
3-Bed Houses	£357,318	£205,000	£250,000	£347,500	£448,750	£550,000
4-Bed Houses	£526,079	£149,950	£384,375	£632,250	£638,625	£750,000

June 2008, www.rightmove.co.uk

Wilton

	1 Bed	2 Bed	3 Bed	4 Bed
Detached		-	£375,000	£453,750
Semi-Detached		-	£229,950	-
Terraced		£175,625	£217,330	£281,650
Flats	£130,000	£149,074		

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	£130,000	£130,000	£130,000	£130,000	£130,000	£130,000
2-Bed Flats	£149,074	£125,000	£137,496	£147,475	£155,613	£182,000
2-Bed Houses	£175,625	£144,950	£165,588	£175,000	£184,963	£220,000
3-Bed Houses	£231,521	£144,950	£187,738	£199,950	£261,250	£375,000
4-Bed Houses	£379,993	£199,950	£270,000	£425,000	£450,000	£595,000

June 2008, www.rightmove.co.uk

Rural

	1 Bed	2 Bed	3 Bed	4 Bed
Detached		£367,475	£367,467	£476,776
Semi-Detached		£219,600	£244,714	£395,990
Terraced		£196,631	£226,529	£340,000
Flats	-	-		

	Overall Average	Minimum	1st Quartile	Median	3rd Quartile	Maximum
1-Bed Flat	-	-	-	-	-	-
2-Bed Flats	-	-	-	-	-	-
2-Bed Houses	£219,458	£159,950	£170,000	£184,975	£250,000	£550,000
3-Bed Houses	£293,243	£139,950	£222,500	£265,000	£325,000	£660,000
4-Bed Houses	£465,271	£120,000	£352,500	£450,000	£585,000	£950,000

June 2008, www.rightmove.co.uk

Rural Settlements within Salisbury District			
Alvediston	East Knoyle	Lower Woodford	Shrewton
Berwick St James	Fonthill Bishop	Ludwell	South Newton
Bishopstone	Fonthill Gifford	Middle Winterslow	Steele Langford
Burcombe	Fovant	Middle Woodford	Stourton
Chilmark	Harnham	Netherhampton	Swallowcliffe
Chitterne	Heytesbury	Nomansland	Upper Woodford
Donhead	Hindon	Nunton	Whaddon
East Grimstead	Homington	Pitton	Winterbourne Stoke

Average Asking Prices Analysis - Salisbury							
Rank	Settlement	1 Bed Flats	2 Bed Flats	2 Bed House	3 Bed House	4 Bed House	All Properties
1	Tisbury	£133,713	-	£237,169	£357,318	£526,079	£361,779
2	Rural	-	-	£219,458	£293,243	£465,271	£335,613
3	Downton	£148,000	£161,467	£257,113	£294,677	£432,127	£318,659
4	Alderbury	£115,970	-	£166,650	£201,980	£409,356	£255,455
5	Bulford	-	-	£170,000	£237,914	£314,983	£252,759
6	Salisbury	£132,007	£184,483	£180,700	£246,680	£357,862	£233,422
7	Mere	£135,000	£151,000	£175,488	£236,439	£330,707	£233,313
8	Wilton	£130,000	£149,074	£175,625	£231,521	£379,993	£220,777
9	Amesbury	£101,450	£167,500	£170,018	£206,411	£283,702	£220,439
10	Durrington	£118,283	£164,950	£174,139	£199,378	£300,488	£214,779
n/a	All Settlements	£128,558	£178,563	£187,643	£251,754	£383,665	£256,822

The table above collates the average prices of the different property types for each of the settlements involved in the study.

While there will always be local variations that do fit with overviews, it can be seen that values in the areas of Durrington, Amesbury and Wilton are typically the lowest seen in the District in terms of the overall resale market. While there are variations throughout the Borough, Tisbury, Downton and rural settlement values generally can really only be described as consistently high.

Salisbury City values vary – the City includes a range of values from lower to higher end, when viewed in the context of the District overall.

It should be noted that the values levels seen on this basis are related to the typical type of property stock in any given area – so that particularly in rural areas a predominance of higher end property can affect this type of overview.

The table below shows the averages within Salisbury District, by property type, based on the above information.

Average Asking Price Analysis – Overall market Salisbury District		
1 Bed Flat	-	£128,558
2 Bed Flat	-	£178,563
2 Bed House	Terraced	£182,443
	Semi-Detached	£192,141
	Detached	£250,044
3 Bed House	Terraced	£223,539
	Semi-Detached	£230,165
	Detached	£329,018
4 Bed House	Terraced	£340,095
	Semi-Detached	£349,067
	Detached	£401,035

New Build property being marketed in Salisbury District – June 2008

The information shown below relating to new build schemes was collated through on the ground (site) and desktop research. It was not intended to be exhaustive, but to inform our judgements alongside the wider information we have reviewed. The site research involved travelling throughout the area to view new developments and, where on-site selling was occurring, speaking to those sales agents wherever possible. Where this was not possible and we felt further information was needed, we contacted housebuilders' sales staff by telephone or email, or reviewed their websites further, to supplement the information gathered where necessary.

In addition to speaking to on-site sales agents, Adams Integra also requested opinions from estate agents within Salisbury District with regard to the local market, new build trends and sales values more generally.

Information on new developments was also collected through desktop research using websites such as www.rightmove.co.uk, www.primelocation.com and www.smartnewhomes.com.

This review of new build pricing - of all advertised available properties at the time of the study research phase - enabled us to further underpin our judgements on the various value levels (range of 'value points') to be assumed for the variety of dwelling types applied within our appraisal modelling.

The following tables include the key information collected on local new build schemes.

Address	Property Type	Description	Price	Approx Size (m ²)	Approx £ / m2	Developer / Agent	Incentives where known / advertised
Salisbury							
Coldharbour Mews, Coldharbour Lane	House	2 x 3 Bed Semi-Detached	£215,000	-	-	John Jeffery	-
		2 Bed Terrace	£189,950				
	Flat	1 Bed Flat	£145,000	-	-		
3 Burroughs Close	House	4 Bed Detached	£477,000	-	-	Clifford & Drew	-
Stonemasons Yard, Tollgate Road	House	4 Bed Semi-Detached	£324,950	119	£2,730	Woolley & Wallis	Potential price reduction
		3 Bed Terrace	£264,950	98	£2,703		
Avon Place, Waterloo Road	House	3 Bed Terrace	£234,950	-	-	Persimmon	Part Exchange; Move in for £99; 5% deposit paid; Stamp Duty Paid; Key Workers & Armed Forces £1,000 discount. Also a "helping hand" (buy only 75% now).
	Flat	2 Bed Flats	£159,950 to £185,950				
Bishopsgait @ QA	House	5 Bed Detached	£484,995	-	-	Barratt Homes	100% Part Exchange; £500 mortgage subsidy per month for 1 year
			£472,500				
		4 Bed Detached	£445,995				
			£425,995				
		3 Bed Terrace	£420,995				
			£325,995				
£329,995							
St Ann Street	House	4 Bed Terrace	£525,000	-	-	Woolley & Wallis	-
Exeter Street	House (Grade II Conversion)	2 Bed Terrace	£350,000	-	-	Woolley & Wallis	-
Victoria Gate	House	2 x 3 Bed Semi-detached	£335,000	-	-	Woolley & Wallis	-
		4 x 4 Bed Semi-Detached	£395,000				
Wilton							
51 Victoria Road	House	4 Bed Detached	£365,000	-	-	Giles Vye & Sons	-
Florence Court, West Street	House	3 Bed Retirement Cottage	£390,000	93	£3,924	Archstone Lifestyle Homes	-
		2 Bed Retirement Cottage (typically about 1,000 ft ²)	£365,000				
		2 Bed Retirement Apartments (typically about 700 ft ²)	Various at £240,000 - £295,000 and a duplex at £305,000				
Laverstock							
Pilgrims Way, Duck Lane	House	4 Bed Townhouse	£299,950	-	-	Bloor Homes	Part Exchange
			£294,950				
		3 Bed Terrace	£249,950				
		2 Bed Terrace	£215,000				

Address	Property Type	Description	Price	Approx Size (m ²)	Approx £ / m2	Developer / Agent	Incentives			
Alderbury										
Old Road	House	3 Bed Semi-Detached	£295,000	-	Indicates £3,500+	Chalkehouse Developments (McKillop & Gregory)	-			
"Collingwood" Grimstead Road, Whaddon SP5 3EE	TBC	TBC	TBC	-	-	Barratt Homes	-			
Southampton Road	House	4 Bed Detached	£374,950	-	-	-	-			
Amesbury										
Archers Gate	House	5 Bed Detached	£419,950 - £399,950	-	-	Persimmon	Part Exchange; Move in for £99; 5% deposit paid; Stamp Duty paid			
		4 Bed Detached	£334,950- £339,950							
		4 Bed Terrace	£299,950							
		3 Bed Terrace	£249,950							
		5 Bed end terrace	£340,950							
		4 Bed detached townhouse	£349,950			Charles Church		Last 2 remaining – "Incentives available"		
		5 Bed Detached	£457,500			-		-	Bloor Homes	Pay 75% with remaining 25% in 10 years or when sold
			£449,950							
			£386,000							
			£374,250							
		4 Bed Detached	£369,250							
			£339,950							
			£335,000							
			£329,000							
		3 Bed Terrace	£295,000							
5 Bed Detached	£399,950									
	£359,950	-	-	Connells	Part Exchange; 3% Stamp Duty Paid					
4 Bed Detached	£349,950									
	£334,950									
4 Bed Terrace	£299,950									
3 Bed Terrace	£249,950									
Shears Drive	House	4 Bed Detached	£249,950	-	-	Giles Vye & Sons	-			
Downton										
The Glades, Wick Lane	House	5 Bed Detached	TBC	-	-	Redrow Homes	-			
		4 Bed Detached	TBC							

Address	Property Type	Description	Price	Approx Size (m ²)	Approx £ / m2	Developer / Agent	Incentives
Mere							
Old Hollow Rise	House	3 Bed Semi-Detached	£219,950	82	£2,682	Oval Homes	Includes Low Cost Market Dwellings (LCHO = low cost home ownership) and can be purchased by persons who meet a salary and local connection criteria.
		3 Bed Semi-Detached + Garage	£209,950 - £239,950	82	£2,560 - £2,926		
		3 Bed Mid-Terrace	£201,950	70	£2,885		
		2 Bed Semi-Detached	£169,500	65	£2,608		
		1 Bed Flat + Garage	£85,949 LCHO				
Walnut Road	House	3 Bed Terrace	£315,000	-	-	Hambledown Estate Agents	-
		3 Bed Semi-Detached	£290,000				
		3 Bed Detached	£270,000				
White Road	House	4 Bed Detached	£249,950	-	-	Colbert Smith	-
Downside Close	House	3 Bed Terrace	£201,950	-	-	Allen & Harris	-
Angel Lane	House	1 Bed Cottage	£125,000	-	-	Colbert Smith	-
Tisbury							
Beckett Walk	House	3 Bed Semi-Detached	£250,000	-	-	Antler Homes	-
		2 Bed Terrace	£235,000				
		2 Bed Semi-Detached	£235,000				
Ladydown View	House	3, 4, 5 & 6 Bed Houses	£250,000 - £1,000,000	-	-	Kingsley Jones	-
		4 Bed Semi-Detached	£659,500				
Redlynch							
Whiteshoot, Redlynch	House	4 Bed Detached	£725,000	-	-	Woolley & Wallis	-
Russett Meadow's, Morgans Vale	House	4 Bed Detached	£535,000	-	-	John Jeffery	-
			£500,000				
			£475,000				
Shrewton							
Shrewton, SP3	House	4 Bed Detached	£550,000	-	-	Woolley & Wallis	-
			£520,000				
Highfield Orchard, High Street	House	4 Bed Detached	£324,950	-	-	Woolley & Wallis / Symonds & Sampson	-
		4 Bed Terrace	£294,950				
			£279,950				
		3 Bed Terrace	£249,950				
Quidhampton							
2 houses remaining from new scheme of 9	House	3 Bed Terrace	From £275,000	-	Indicate £3,500+	Myddelton & Major	-

New Build Property Values in Salisbury District – Agent feedback

In summary, the local agents we spoke to generally echoed the wider sentiment by stating that market conditions were weak overall and that the number of sales has declined dramatically. In general they are finding things very slow, and pricing has to be realistic. Rural area values were indicated to be the strongest. Moving westwards, for example to Amesbury, the agents considered that values tend to reduce. However, many rural area and smaller settlement values moving west still tend to be high.

The agents mentioned some redeeming features of the local market however, which some felt were offering a degree of protection in many areas of the District:

- The District has not seen the same level of supply of flats as many areas have. There is believed to be a level of demand for new build flats still.
- The District provides a very attractive living environment. There remains a healthy flow of enquiries both from people looking to move in to the area and from households who wish to remain here and move locally (settled market). That settled scenario helps support the market.
- There is demand from armed services based households.
- In some locations, we picked up slightly more encouraging signs – for example an agent's relatively positive view of the demand for property in settlements such as Tisbury – and the relative strength of the market there.

By way of acknowledgement, we would like to thank those organisations, agents, developer's sales staff and others who helped us with our information requests. In particular, though not exclusively, we would like to thank Goadsby, Austin & Wyatt, Whites and Pennyfarthing in this regard.

Housing Market overview – Update on study closing

Update January 2009

As the study period closed, the latest market surveys became available from RICS, DCLG and Land Registry. A brief update is provided here. Please note that the original details provided above were correct at the time of carrying out the study; the information below is provided by way of an update but follows the study modelling.

Whilst the assumptions for all studies of this type have to be fixed early on in the process, Adams Integra has monitored the property market throughout the study period.

RICS Housing Market Survey – December 2008 (Issued January 2009)

The RICS housing market data for December suggested that the price balance was still strongly negative but less so than for November 2008. New buyer enquiries increased at their fastest rate since August 2006 but that confidence in both the price and sales outlook retreated. The report goes on to state that “The main factor that is depressing prices is the still **large stock of property on estate agents books** relative to the pool of able buyers rather than any surge in distressed selling. That said, **new vendor instructions are now edging up**, but as of yet, such increases have not been material. Significantly, the number of regions recording an increase in new instructions in England and Wales now stands at six (out of ten). However, completed sales per surveyor (over the last three months) fell slightly from 10.6 to 10.1, which is the lowest level on record (this series was first introduced in 1978). Although underlying activity remains weak, the

turnaround in the enquiries balance indicates that **some level of buyer interest is returning to the market**. This can be partly explained by recent sharp cuts in base rates and the fall in house prices seen over the past year which has boosted affordability”.

The report continues that “The **average inventory of stock** on surveyor’s books remained stable at 78.1.

Stocks levels fell through the course of 2008 as vendors turned to the rental market, **opting to let their property** in the face of the weak sales market.

In December 2008, the inventory of stock stood at only 1.1% up on year ago levels. This is well below the annual increase of 50% reached in March 2008.

However, given that average completed sales per surveyor continued to fall back, the ratio of **completed sales** to the stock of unsold property in the market – a guide to market slack and a lead indicator of future price changes fell slightly from 13.6% to 12.9%. This is **the lowest reading since December 1992**.

Confidence in the sales outlook continued to slip, shifting back - albeit only just - into negative territory. However, across England and Wales, **sales expectations were still positive** in five out of ten regions.

In terms of the price outlook, confidence fell back deeper into negative territory, reaching the lowest level since April 2008.

Across England and Wales, price expectations fell further in nine out of ten regions.

More specifically from a regional perspective, the price balance improved in the South East, East Anglia, Wales, the South West, Yorkshire and Humberside and also in the East Midlands.

The price balance remained stable in the North, while in the North West and the West Midlands, it deteriorated.”

Source: RICS Economics –RICS Housing Market Survey January 2009

Land Registry

On 30 December 2008 the Land Registry released its monthly House Price Index report covering November 2008.

In relation to England and Wales, this reported a house price change of -1.9% in November, and -12.2% for the preceding year. The price changes showed a high level of consistency across all property types. This put the average house price for England Wales at £161,883.

Looking regionally, it stated a price change of -0.5% for the month for the South West; and -12.8% for the year. These adjustments placed average prices for the South West at £172,386. For wider context and comparison, given Salisbury’s location adjoining the South East Region, corresponding South East property price change figures were -3.2% (month) and -13.2% (year); leaving the average price at £197,760.

More locally, these latest Land Registry figures showed for Wiltshire a slightly less steep fall away in house prices; with an annual change of -9.9%, following a change of -2.0% for the month. This potentially indicated a trend that lagged a little behind the wider picture. The average house price for Wiltshire was stated as £186,531 (in between the South East and South West figures).

Land Registry House Price Index December 2008

CLG House Price Index

The Government's Communities and Local Government Department Housing Statistical Release was issued on 13 January 2009.

Amongst the headlines to this issue were:

- UK house prices were 8.6% lower than in November 2007 (8.7% in England)
- UK house prices fell by 4.4% in the quarter ending November 2008. This compares with a fall of 3.6% for the quarter ending August 2008.

The Index put annual house price growth at -9.4% for the South West and -9.2% in the South East.

It showed that the average price paid by first time buyers had fallen by more (at 11.8% down) than the average price paid by former owner occupiers (down 7.4%).

Source: CLG House Price Index January 2009

There is a wide range of information which presents varying pictures as to the degree of depth and house price effects of the current slow-down. All of the information points to a very slow and uncertain property market at all levels – nationally, regionally and more locally.

During the closing stages of this study, it begins to appear that - as data from the Winter of 2008 starts to filter through to their indices and reports - the Land Registry and others are now starting to report much more significant falls in prices than had been evidenced previously.

Summary and Outcomes

The results of the new build property values research led to the formation of 4 main 'Value Points'. We consider that, when viewed overall, these (numbered Value Points 2 to 4) represent the range within which most Salisbury District new build values fall.

As most areas have a variety of property values, the results of this research can be used independently of location where approximate sales values can be estimated.

So as to further consider results sensitivity, we have also modelled two further points (1 and 6) to allow a wider review of viability should the property market continue to weaken, or values increase beyond currently seen typical higher end values. As with the 4 main Value Points (2 to 4), these outer points could represent site specifics, regardless of overall market strength or location.

Given the information above, it was decided that the range of value points used to model the development appraisals for this study would be as follows:

Property Type	Value Point 1	Value Point 2	Value Point 3	Value Point 4	Value Point 5	Value Point 6
1-Bed Flat	£112,500	£130,000	£147,500	£165,000	£182,500	£200,000
2-Bed Flat	£150,750	£174,200	£197,650	£221,100	£244,450	£268,000
2-Bed House	£168,750	£195,000	£221,250	£247,500	£273,750	£300,000
3-Bed House	£191,250	£221,000	£250,750	£280,500	£310,250	£340,000
4-Bed House	£225,000	£260,000	£295,000	£330,000	£365,000	£400,000
£/m² guide	£2,250	£2,600	£2,950	£3,300	£3,650	£4,000

General acknowledgement:

Adams Integra is very grateful for the time taken by a wide range of people for conversations and assistance with information provided. We would like to thank all those people and organisations whose views, experiences and information we have interpreted here according to our own understanding of those and the research as a whole.