

# CHELTENHAM MARKET INSIGHT 2016

**Price growth in Cheltenham's prime housing market is being driven by the continued demand for properties in key town and city markets with good schools, transport links and amenities.**

A trend being seen across prime housing markets in the UK is the continued rise of prime urban locations, many of which have been outperforming their more rural counterparts since the credit crunch.

Prime towns such as Cheltenham have been no exception, with price growth of 10.4% recorded in 2015 alone, well above the wider prime country average of 3.1%. This builds on price growth of 6.8% in 2014.

In 2015, the prime market in the town has been buoyed by the fact that activity remained robust throughout the year and was less tied to seasonal patterns than it has been in the past - whereby activity traditionally peaks in the summer before tailing off during the winter months.

The General Election in May and changes to Stamp Duty in December 2014 caused some buyers to put decisions on hold until the latter half of the year. Knight Frank sales data shows that the number of deals completed between October and December was more than 50% higher year-on-year. This contributed to price growth of 2% in the fourth quarter.

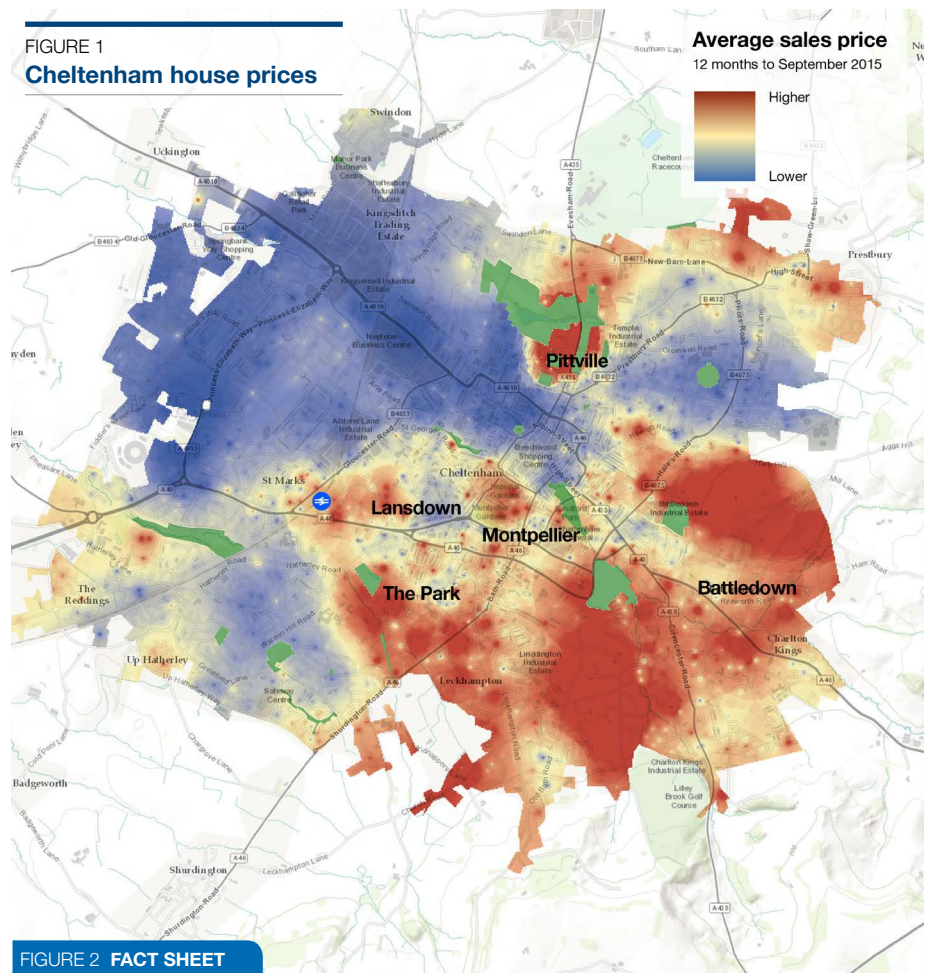
The additional momentum in terms of activity is further indicated by price per square foot data. While prime prices in Cheltenham generally range between £250 and £350 per square foot, prices in excess of £400 have been achieved.

As figure 1 shows, the highest prices have been achieved in Montpellier, Battledown and Pittville where demand for family homes has been strong.

The quality of the town's schools, including Cheltenham Ladies' College, plays a major role in attracting new buyers, while good transport links to surrounding cities including Birmingham, Bath, Oxford and Bristol also acts as a key driver of demand.

Purchasers who are already living in the South West accounted for 70% of sales in 2015

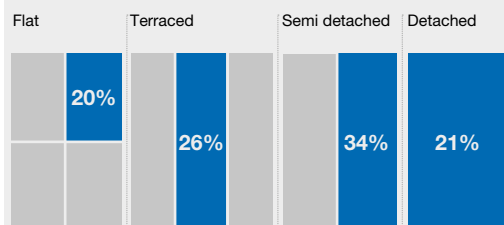
**FIGURE 1**  
**Cheltenham house prices**



**FIGURE 2 FACT SHEET**

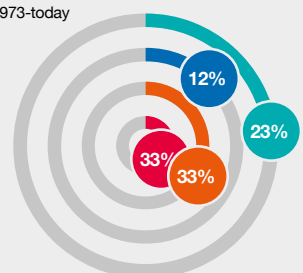
**10.4%: Annual price growth, 2015**  
**4.4%: Six monthly price growth, Q4 2015**  
**2.0%: Quarterly price growth, Q4 2015**

## PROPERTY TYPE



## AGE OF HOUSING STOCK

Pre-1900  
1900-1939  
1945-1972  
1973-today



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according to Knight Frank data, with a further 11% of buyers relocating to the region from London and the South East.

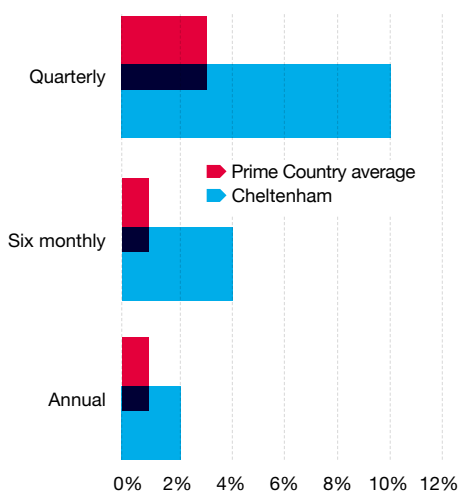
Plans are in place to increase the frequency of the train service and cut journey times between Cheltenham and London, which will make commuting an even more viable option.

Cheltenham's strong track record of house price growth and the appeal and convenience of town and city centre living make it well-positioned to benefit again this year.

Indeed, the market is expected to be especially busy during the first three months of the year as some buyers look to complete purchases ahead of the introduction of new stamp duty rules in April. The changes will add an additional 3% onto purchase taxes for some buyers such as those buying second homes and buy-to-let investors.

FIGURE 4  
**Urban outperformance**

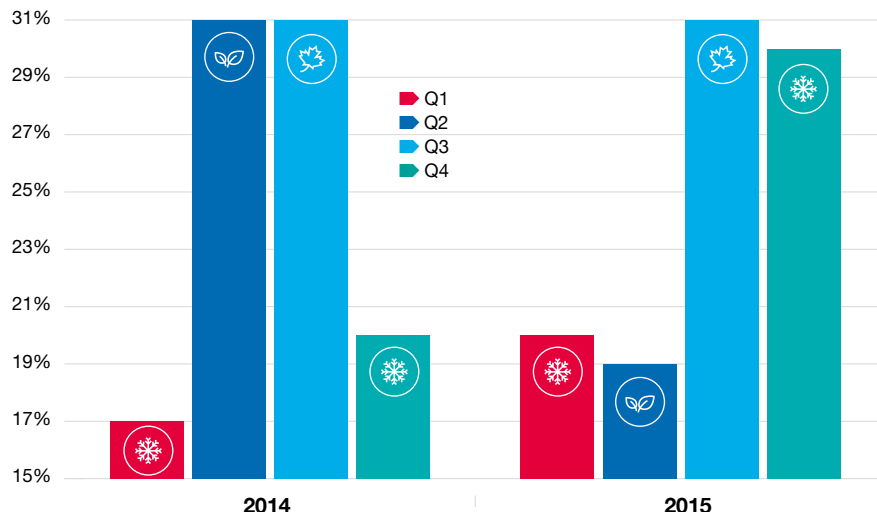
Cheltenham outperforms prime country average (to Q4 2015)



Source: Knight Frank Research

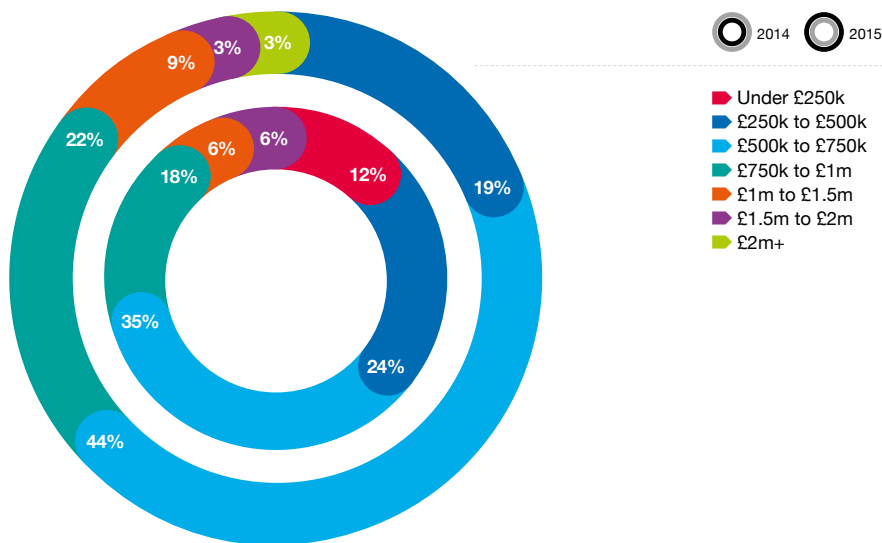
FIGURE 3  
**Activity less tied to seasonal patterns**

Quarterly sales in Cheltenham as a % of total



Source: Knight Frank Research

FIGURE 5  
**Cheltenham sales split by price band**



Source: Knight Frank Research

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