

CHELTENHAM PROPERTY PRICES CLIMB 6.8% IN 2014

Despite a slowdown in the market during the second half of 2014, property values in Cheltenham grew strongly last year. Oliver Knight examines the latest figures.

Key facts Q4 2014

Prime property prices in Cheltenham rose by 6.8% in 2014

Prices rose by 1.7% between October and December 2014

Property prices in Montpellier outperformed the wider town market, rising by 8.2% on an annual basis

Some 17% of Knight Frank buyers in Cheltenham were downsizers, compared to 10% in 2013

Property prices in Cheltenham rose by 1.7% in the final three months of the year taking the annual increase in values in the town to 6.8%.

Agents report that despite robust price growth in 2014 there was a restrained sentiment among buyers and sellers during the second half of the year, with a possible interest rate rise, new mortgage lending rules and the upcoming election, all contributing factors resulting in a slowdown in market activity.

A reduction in the number of available houses for sale has also had an impact, with stock levels in Cheltenham at the end of December 24% lower than at the end of September and 11% lower than at the end of June.

A closer look at the data shows that price performance is becoming more dependent on property value, with homes valued between £1m and £2m the strongest performers in terms of price growth in 2014.

As figure 1 shows, average values of properties in this price bracket have climbed by 12.9% over the last 12 months. In comparison, price growth for properties valued between £750,000 and £1m rose by

5.5% and for homes valued at £2m+ price growth was 3.8%.

While the majority of buyers in Cheltenham in 2014 were moving within the town or from the surrounding area, accounting for over 70% of Knight Frank sales over this time, there was a noticeable increase in the proportion of Londoners looking to purchase property in the town. Buyers from the capital accounted for 15% of purchases in Cheltenham in 2014, an increase of 7% on the previous year.

Agents reported dealing with a growing number of downsizers who appreciate the convenience of local amenities on their doorstep and transport links to surrounding cities including Birmingham, Bath, Oxford and Bristol.

Some 17% of buyers were downsizers in 2014, up from 10% the previous year and 11% in 2012.

Prices in the centre of town in Montpellier, where agents comment that demand has been strongest, increased by 8.2% in 2014. Elsewhere, average property values in the Sydenhams and Pittville area and in Battledown rose by 6.9% and by 4.1% respectively over the same period.



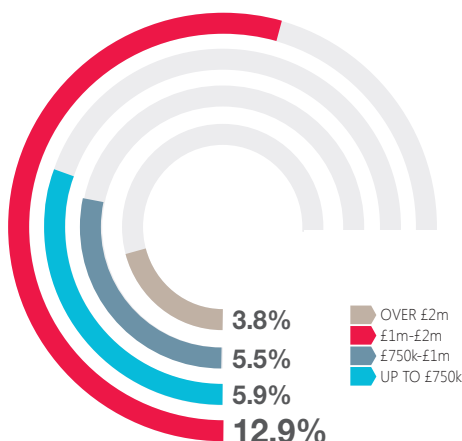
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"Prices in the centre of town in Montpellier, where agents report that demand has been strongest, increased by 8.2% in 2014."

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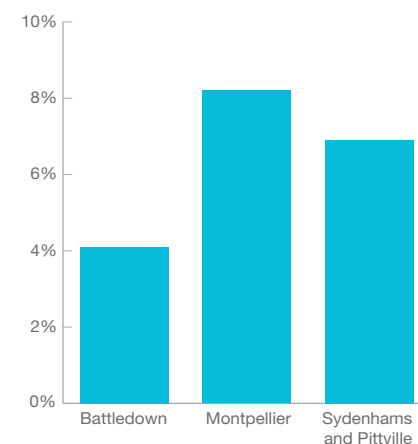
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FIGURE 1
Annual growth in prime prices in Cheltenham (2014)



Source: Knight Frank Residential Research

FIGURE 2
Cheltenham: Annual price growth by area Q4 2014



Source: Knight Frank Residential Research

Knight Frank Prime Cheltenham Town Index Results

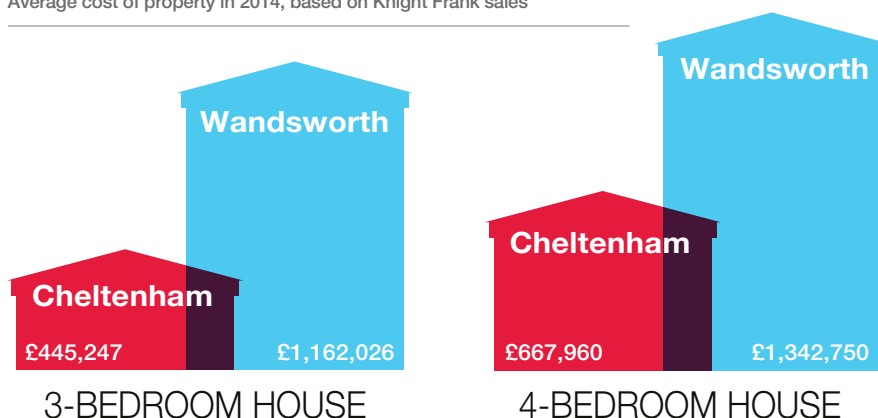
Date	12-month % change	6-month % change	3-month % change
Q4 2013	-	-	1.7%
Q1 2014	-	3.5%	1.7%
Q2 2014	-	3.4%	1.6%
Q3 2014	6.8%	3.3%	1.6%
Q4 2014	6.8%	3.3%	1.7%

Source: Knight Frank Residential Research

FIGURE 3

London v country price differential

Average cost of property in 2014, based on Knight Frank sales



Source: Knight Frank Residential Research

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