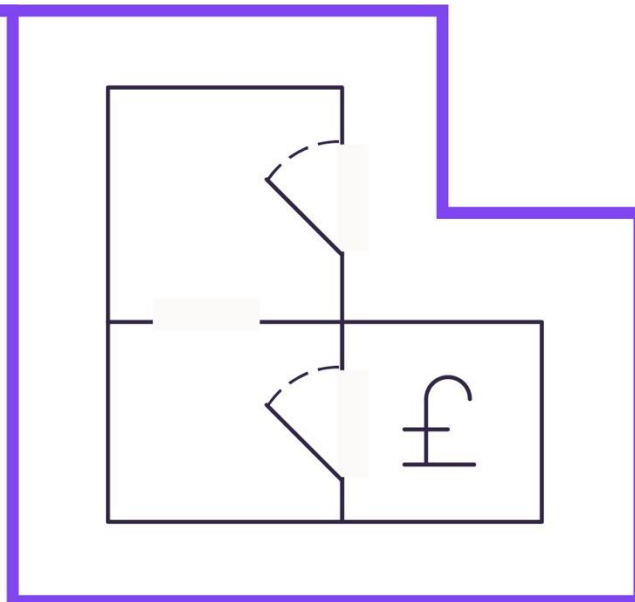


How home values compare

By floorspace

An analysis of private homes across the UK



Key findings

- In many countries, the value of housing is compared by using a measure of the cost of space, eg price per square foot. This creates a like-for-like benchmark for pricing. This can be an important differentiator when considering that asking prices for the same type of home, say, a 3-bed house, currently ranges from £50,000 to £10 million on Zoopla
- When comparing home values on this basis, smaller flats command the highest price, as well as larger family homes
- The 'search for space' means home values have risen most for three-bed detached houses over the last year, up £25 per square foot, compared to a £7 rise for a 2-bed flat
- Homes in Cambridge, Brighton and Oxford are the most expensive per square foot after London
- For £5,000, buyers can secure 32 square feet of space (equal to the size of a kingsize bed) in the North East of England, or an average of 9 square feet (a shower tray) in London

Introduction

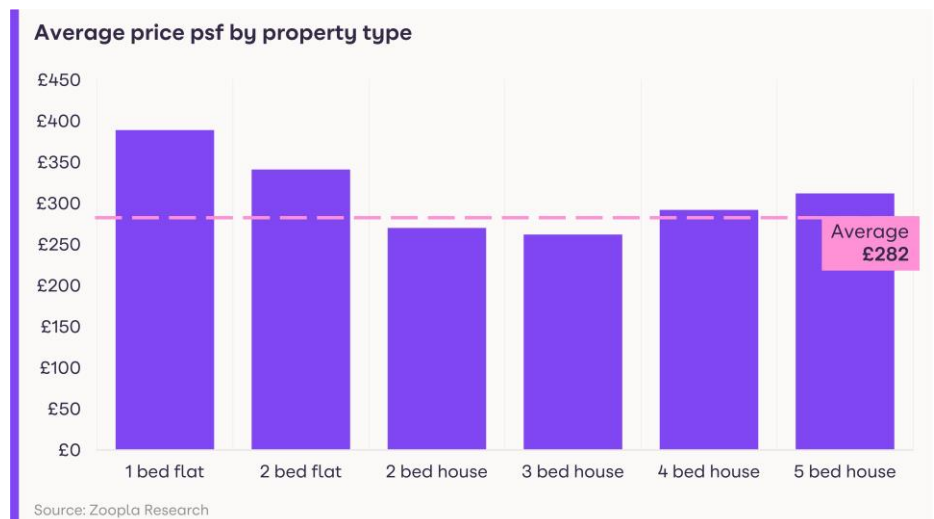
Homebuyers' decisions around purchasing are always be based on the total value of a home.

However, like-for-like value comparisons, such calculating the equivalent value of a unit of floorspace such as a square foot (which is equal to a standard floor tile, or just more than one sheet of A4 paper), can help add to this information, to show where there is additional value. Looking at price per square foot is most commonly used in the central London and new-build markets. We have applied it across the UK market.

Values higher for smaller flats and larger houses

When it comes to the value of homes per square foot, smaller properties command the highest prices on average. Across the UK, 1-bed flats have an average value of £389 per square foot (psf), significantly higher than the UK average of £282 psf.

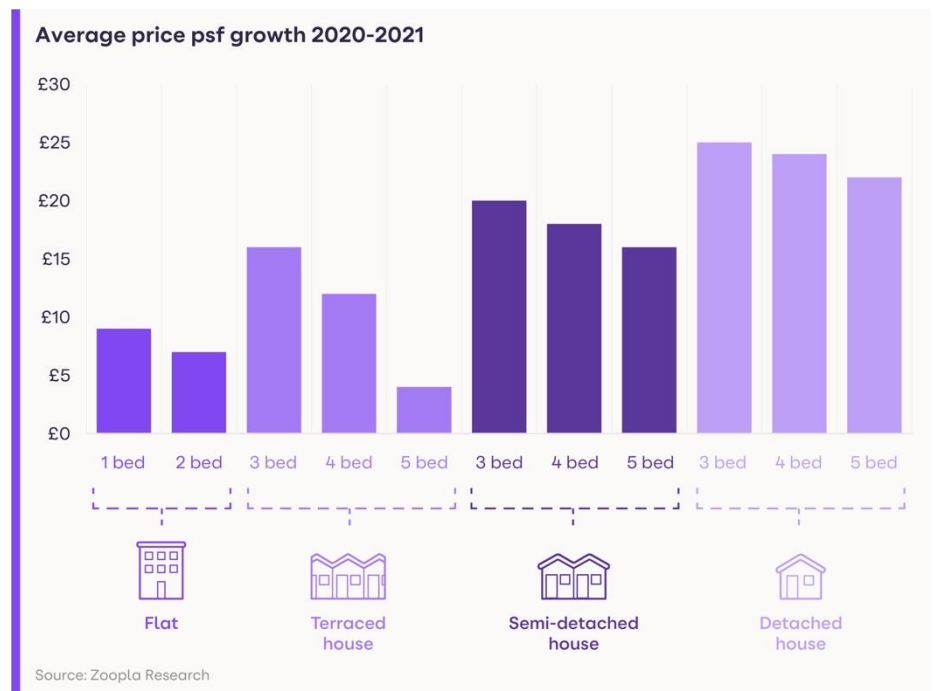
This reflects that the smaller size of these properties often means that even with a higher value floorspace, the overall price of the flat is still relatively low compared to larger properties.



When it comes to houses however, smaller properties are typically less expensive per square foot than larger houses – where additional garden space, parking and amenities are also factored into the price

However, the quantum of how much value is added by an extra bedroom alone will vary by property, and it is notable that on average, a 3-bed house commands just slightly less per square foot than a house with one less bedroom.

Family houses have risen most in value per square foot



The trends in the housing market after the initial lockdown last year are clear when we examine the uplift in values by size of property.

The post-pandemic ‘search for space’ has driven the largest value uplift for 3-bed detached houses, with this type of home increasing in value by an average of £25 psf.

This means the space taken up by a double bed in a 3-bed detached house has risen by £780 – taking the total cost of floorspace under the bed to £9,396.

In comparison, the average growth in price for a 1-bed flat has risen by £9 psf. This means the space for a double bed has risen by £281 on average over the last year.

However, as examined above, the higher overall price per square foot for smaller flats is higher – meaning the total cost of the space for a double bed is the highest out of any type of home, at £12,142.

Location also key

Just as London is the region with the highest house prices in the UK, the average price per square foot for homes in the city (£562) is nearly twice as high compared to the average across the UK (£282).

In comparison, the average for a home in the North East is £157 per square foot, followed by Scotland at £160 psf, and Yorkshire and Wales at £199 psf.

Value of housing per square foot, by region



Source: Zoopla Research

The most expensive areas

Given London's lead when it comes to price per square foot, it follows that this is the most expensive place to buy enough space for a double bed, averaging some £17,541.

The cost of this space in a home, ranges from £46,550 in Kensington and Chelsea to £12,978 in Barking and Dagenham.

Elsewhere in the country, the cost of a double-bed space is lower when compared to London, averaging £11,919 in the South East and £4,902 in the North East.

Yet when looking at more localised data, there are some areas that rival some of London's more central boroughs when it comes to like-for-like price comparisons.

These include areas within the wider commuter zone of London, namely Elmbridge (£18,766) and St Albans, (£18,443), Three Rivers (£17,314) and Mole Valley (£16,583).

In terms of the most expensive cities, Cambridge comes in second after London when it comes to buying space for a double bed (£15,994) followed by Brighton (£14,520), Oxford (£14,168) and Bournemouth at £11,343.

At the other end of the scale is Sunderland, where the space for a double bed would cost £4,163, Dundee where the cost is £4,340 and £4,839 in Hull.

How much space can you buy?

When we examine how much space £5,000 will typically buy (as shown in detail in the graphic below), the North East comes out on top, with this sum securing 32 square feet – more than enough floorspace for a double bed.

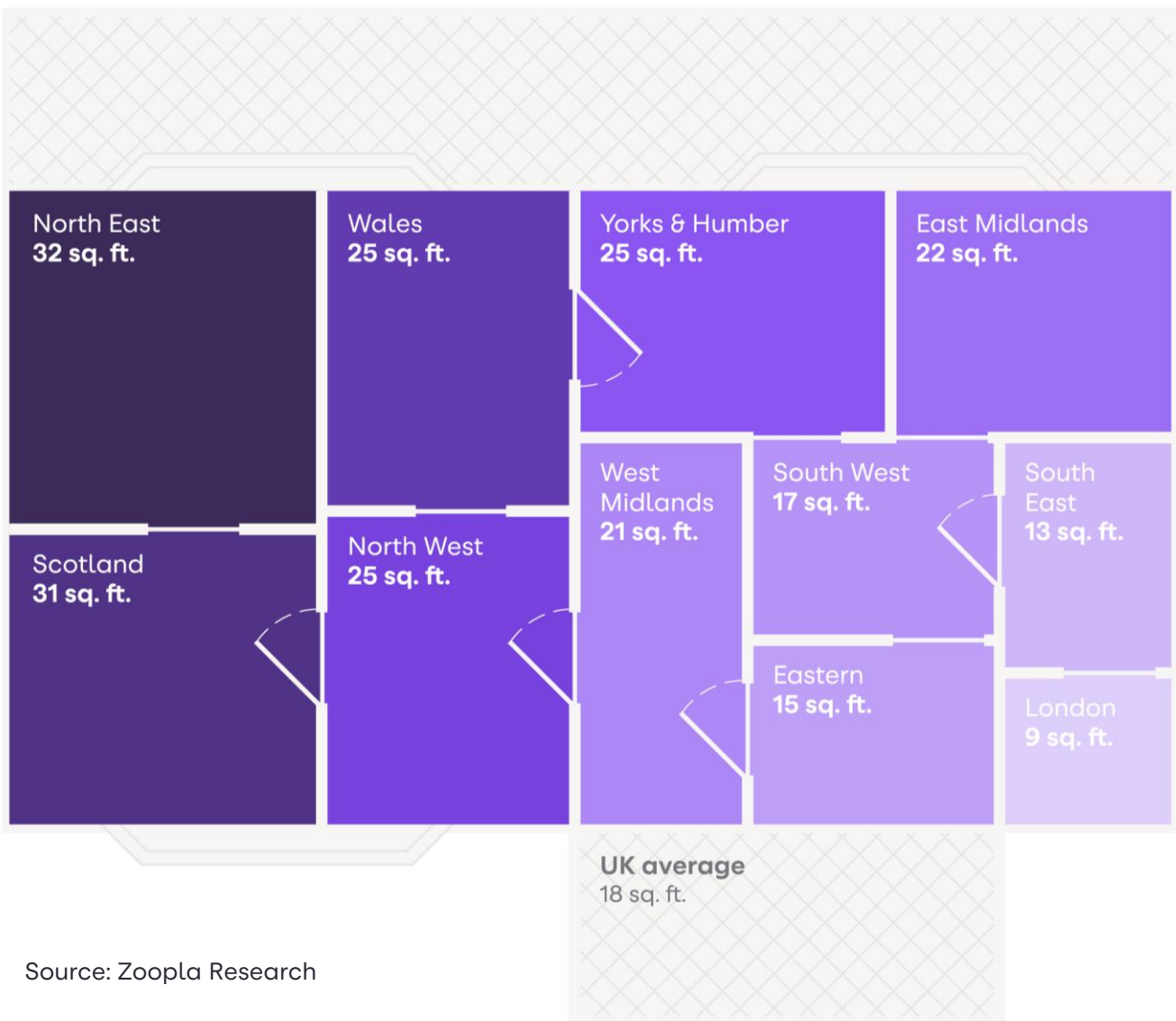
In Scotland, £5,000 will secure 31 square feet, enough space to fit a double bed, while in the South West, it will buy 17 square feet – just shy of enough space for a single bed on average.

In London, £5,000 will buy 9 square feet – the recommended space needed for a shower.

Across the country, the average space which can be purchased with £5,000 is 18 square feet – just about enough space for a standard single bed.

This is a good rule of thumb for buyers to remember in their search for space and value as they consider their next move.

How much does £5,000 buy? By region



Source: Zoopla Research

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