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Dear Mark

### **Beales Hotel, Comet Way, Hatfield; Market Review**

I have reviewed the local market, the demographics of the area and in summary I would recommend that a predominance of 1 & 2-bedroom apartments are required in this location. This will best meet the current demand levels and provide the accommodation required in the area.

#### **1. Location and Demographics**

The site sits to the west of the railway station in the Post Code District AL10. The site is in a highly accessible and sustainable location, in easy walking distance from the rail station and town centre and other public transport routes. There are 13,718 households in the AL10 area, with a of population 36,862, representing an average household size of 2.69 people. The age profile in the wider Welwyn Hatfield local authority is reflective of a younger working age demographic, with 33% of the 119,538 inhabitants in their 20's and 30's, higher than the 27.6% seen at a national level. Conversely, people over the age of 65 represent just 15.5% of the local population compared to the national average of 18.5%.

#### **2. Affordability**

The average household income in Welwyn Hatfield is £45,000. If the household had no dependents or other credit commitments the average household would be able to borrow £248,000 on mortgage, based on the Nationwide Building Society affordability calculator.

The most appropriate product in the area to meet this demand would be a 2-bedroom property, with the current price ranges for a 2-bedroom property placed within this attainable price range. There is also a large market of first time buyers for whom a 1 bed apartment will be affordable on a single income as well as divorcee and other buyers for whom a one bed apartment represents the best option.

It is also noteworthy, that since launch, the Help to Buy scheme has been used by 390 buyers in the Welwyn Hatfield Local Authority area, with apartments accounting for 64% of the properties sold; a much higher proportion than is seen at a national level indicating strong demand for this product.

Although the Help to Buy scheme has now been discontinued, the potential to explore the shared ownership market may well be favourable in this location and given the demographic outlined above.

### **3. Current Housing Stock**

The dominant housing type in the Welwyn Hatfield area is terraced property, and it currently accounts for 30% of the total housing stock.

The proportion of purpose-built apartments has increased in recent years, but still only accounts for 27% of the total housing stock in the area.

I have reviewed the Land Registry data for transactions completing in the AL10 area between March-22 and March-23 which I have also updated and reviewed to reflect the data up to the latter months of 23. 72 completions were identified, with 16 apartment sales recorded at an average price of £225,000. This represents just 22% of all transactions, lower than the proportion of overall stock level, suggesting that supply of apartments in the area is constrained below current demand.

The terraced housing in the area also accounts for the majority of the 3-bedroom stock in this location, with 3- bedroom properties accounting for 34% of the total housing stock.

The review of the Land Registry data (March-22-March-23) updated to over the period up to the latter months of 23 the sales of 3-bedroom stock in the area accounted for over 40% of all transactions.

The sales of 2-bedroom property accounted for 21% of the transactions in the period; once again lower than the proportion of overall 2-bedroom stock in the area.

The sale of 1 bedroom property accounted for within the data shows a strong trend toward an acute shortage of 1 bedroom stock. Of the 122 one bed apartments all selling within the above data period show that as a percentage they do not meet demand as an overall proportion of supply.

In summary, based upon the demographic profile of the area being younger workers; average household size at 2.6; the average household income indicating a new homes purchase at around £250k is achievable, and a current under supply of 2-bedroom stock when compared to demand, indicates that a greater proportion of 1 and 2-bedroom apartments would be the most suitable stock. In closing it is a sustainable location close to the train station and town centre and this attracts a demographic suited to 1/2 bed flats. We would also propose that one bedroom apartments provide a vital part of the first time buyer market in terms of affordability and access to property ownership for a large proportion of buyers.

Yours sincerely

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