

What role for smaller high-quality accommodation in the Cambridge market?

Housing costs for renters and homeowners in Cambridge are some of the highest in the country and much greater proportions of residents' salaries go toward their housing costs when compared to other areas. On average, house prices in Cambridge are 15.3 times the annual salary of residents¹ and the average monthly rental property price represents 45% of a resident's average monthly income². This fundamentally impacts on the quality of life of people in Cambridge, and the city's ability to attract and retain young people. It also reduces individual's disposable income and therefore has a knock-on impact on spending in other area of the economy.

At present the availability of high-quality, independent living options for individuals on middle incomes within the city does not meet demand. [Research by Centre for Cities](#) has shown that the supply of new homes nationally is concentrated at the 50sqm and 70sqm mark – aligning with the space standards for one-bedroom flats for two people, and two-bedroom properties. This means that there is a particular undersupply of small flats below the 50 sqm standard, which would be particularly suitable for single adults who may choose to live on their own.

The average monthly rent for a one bed property in Cambridge is £1016. Outside of London, where average salaries are notably higher, this figure far outstrips almost everywhere else in the Country, with Oxford the only exception where rents are equally as high (£1032)³. This is a pressing issue for key workers, like teachers and nurses, and for younger workers and those new to the city, who will be crucial to the continued growth and future success of our community and our businesses. These groups are not eligible for social housing or support but due to the cost of housing in the city many will still experience significant pressures on their living costs. As a result, they may live in shared houses of multiple occupation, and lack the option to have their own home and personal space. In many cases these houses were not built for multiple occupation and can be ill-suited. Expensive and unappealing rental options have become too prevalent in the Cambridge experience.

The provision of smaller, and therefore more affordable ownership or rental products in well-connected locations within walking and cycling distance from the city centre, would play a role in improving quality-of-life for this group. This sort of housing will not be the right solution for everyone, but it can provide an important part of a range of housing options within a city like Cambridge which is facing a major affordability challenge. It can provide freedom of choice for a single adult who would rather live in a smaller independent space, than continuing to house share. It would be one way in which to meet the need and preferences identified by the Cambridge Ahead Young Advisory Committee through the development of [the 'worker bee' housing tribe](#).

It is essential that units are not delivered smaller but with the rents charged or sales value remaining the same as larger 1 bed units on the market. We are also clear that these homes must be compliant with national space standards (37 sqm for those one-bedroom dwellings with a single bed space) and integrate modern high-quality design to maximise the use of space. These schemes should be regulated to ensure they are ringfenced for city workers who don't own any property and should be targeted toward those on lower and middle incomes, with consideration given to the appropriate thresholds to be set for eligibility. They should support a sense of community through the provision of well-considered and high-quality communal amenity space and encourage use of sustainable transport modes, both through their central locations and their design, for example car free with significant space for secure bicycle storage.

¹ Centre for Cities (2020), [Cities Outlook 2020](#)

² Open Property Group (2020), [The Rental Affordability Index 2020](#)

³ ONS (2020), [Private rental market summary statistics in England](#)