

3.2 Objective 2

3.2.1 Comparison of Capital Indicators of Gentrification

The results from comparing the changes in average price paid data and rates of property turnover for the tram corridor against the control corridor between 2001 and 2011 are included in the summary table below (Table 3.2). It was found that in aggregate, the light-rail corridor significantly underperformed against the control corridor and the wider urban area on all of the capital indicators measured. Average prices in the control corridor increased by 75%, higher than the city average of 73% while prices in the tram corridor increased by just 65%. In addition to this, although all areas experienced a decline in the rate of property turnover (number of recorded annual transactions) the tram corridor decreased at a faster rate (-62%) to that of the control corridor (-41%) and the wider urban area (-53%). This highlights that there is a considerably lower amount of people moving into areas along the tram corridor.

Table 3.2

	N.E.T Corridor (LRT)	Control Corridor (Non-LRT)	City of Nottingham
Average Price Paid (£)			
2001	62380	73509	68026
2011	102677	128366	118018
% Change	64.60%	74.63%	73.07%
Rate of Property Turnover (transactions per annum)			
2001	1,175	445	5,627
2011	441	263	2,637
% Change	-62%	-41%	-53%

Table 3.2 – Change in capital indicators of gentrification by study area

Analysing the change in these capital indicators to an index to measure growth annually between 2001 and 2011 revealed a different picture however (Figure 3.4). It was discovered that the relative growth in housing value in the N.E.T corridor rose slightly greater than that of the comparator areas during the pre-scheme phase between 2001 and 2004, potentially indicating how land values and speculation by property developers helped to drive up prices before the scheme's opening (CTOD, 2008). After the introduction of N.E.T in 2004, housing value in the corridor grew at an even more substantial rate, potentially indicating how the property market responds to the introduction of the tram in the shorter term. However, from 2006/7 onwards, the value of housing in the N.E.T corridor fell at a considerably greater rate than the other comparator areas, which appeared to remain more buoyant during the economic recession. Due to the declines in growth over this period, the N.E.T corridor actually ended up being the lowest performer in terms of overall growth over the ten-year period. Although the change in the rate of property turnover varied yearly in each of the corridors, there was an overall decreasing trend for each corridor (Figure 3.5). Property turnover in the N.E.T corridor decreased marginally between 2002 and 2004 possible due to the disruption caused by the scheme's construction, while the control area increased rapidly. Interestingly, after the beginning of operation in 2004, there was a sharp decline in the rate of property turnover, but from 2005 onwards this grew rapidly to almost draw in-line with that