



South Essex Housing Market Trends

Quarterly Report

July 2021

House Prices, Affordability & Market Indicators



Introduction

This report monitors the latest trends in house prices, rent and other market indicators based on Hometrack's [online Housing Intelligence System](#). It looks at national trends and local changes in lower quartile house prices across South Essex (SE) by local authority area for different house types. It also compares cross tenure affordability including private rent over time. The report supplements data in the [SE Strategic Housing Market Assessment \(SHMA\)](#) published May 2016 (with an [Addendum update, May 2017](#)). Changes in Lower Quartile house prices for SE local authority areas are tabled in Appendix 1.

Key trends

National Trends

- Annual house price growth in June was up 8.8%.
- In the latest quarter (April - June) house prices were 2.9% higher than the previous quarter.
- The average house price is now £260,358 up from March's figure of £254,604
- However, the monthly figure slipped -0.5%, the first fall since January.

Local House Prices

- Average house price growth in South Essex was up 9.66% in May 2021, up from 9.34% in the previous reporting period February 2020-21.
- Annual house prices have all increased significantly buoyed up by stamp duty holiday, lower interest rates and shortage of supply. Castle Point saw the biggest gain of £43,978, followed by Rochford at £37,112 and Southend at £33,050.

Price of property by bed count

- For 1 bed flats; Castle Point now shares the highest price with Rochford and Thurrock, whilst for 2 bed flats, 2, 3 and 4 bed houses; it remains with Rochford.

Cross Tenure (for a one bed property)

- The weekly cost of private renting (one bed property) has continued to edge upwards in Southend, Basildon and Castle Point but remained stable in Thurrock and fell marginally in Rochford.
- The gap between private renting and the LHA still remains significant in all SE Local Authorities ranging between- £17 and -£46 per week.
- The Local Housing Allowance now no longer continues to be sufficient to cover the cost of Intermediate Rent (at 80% market rent) in all SE local authority areas; namely in Basildon and Castle Point.

Affordability

- Five wards in Thurrock, namely; Belhus, Chadwell St Mary, Stifford Clays, Stanford East & Corringham Town and Tilbury Riverside & Thurrock Park Wood all had ratios of 13.96:1 or more.
- In comparison with the neighbouring region of London, the ratio was 16.92:1 and for the East of England 11.09:1.

Comparables Module

- The new comparables module allows valuations to be undertaken at street or individual house level. Using Thurrock as the sample area, an example shows how the average house price for recently built 1-2-bedroomed homes in West Thurrock near Lakeside Shopping Centre had a premium of just under 48% compared to older properties of the same size in East Tilbury. The premium was still over 20% when compared with the borough average.

House Price Index



Average house price dips for the first time since January as stamp duty holiday winds down

£260,358

Average price

-0.5%

Monthly change

+2.9%

Quarterly change

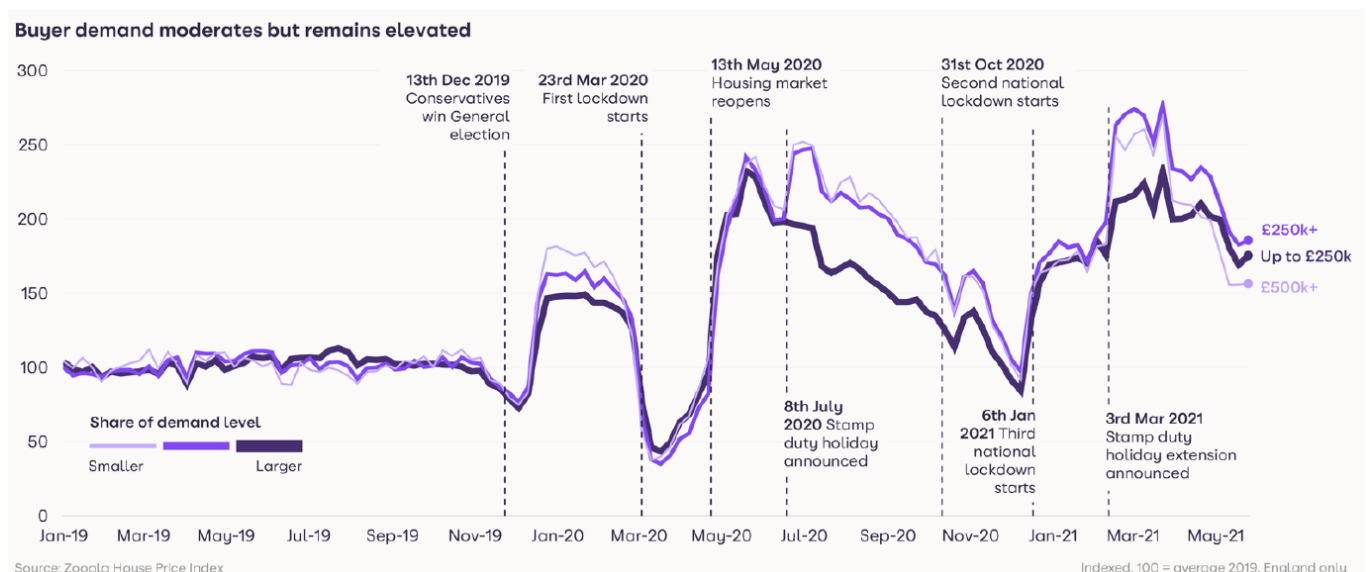
+8.8%

Annual change

The average UK house price slipped by -0.5% in June, the first monthly fall since January, whilst the quarterly change (April – June) was up 2.9% and the annual change was up 8.8%. The average house price is now £260,358.

Russell Galley, Managing Director, Halifax commented: “With the stamp duty holiday now being phased out, the market might start to lose some steam entering the latter half of the year.... However, with buyers chasing the relatively small number of available properties, and continued low borrowing rates, it’s a trend which can sustain high average prices for some time to come...”

Richard Donnell, Research and Insight Director, Hometrack / Zoopla said “Search for space among homebuyers, as well as increased numbers of first-time buyers and those making lifestyle changes, will continue to support activity through H2. Total stock of homes for sale remains constrained, down 24% in the year to mid-June compared to the average in 2020. Price growth over the last year lifted 1.8 million homes into a higher stamp duty bracket. Buyer demand levels have been elevated compared to more ‘normal’ market conditions (2017-2019) since the housing market reopened during the first lockdown last year. As the chart below shows, this demand was boosted by the introduction of the stamp duty holiday in July last year, and its subsequent extension”.



Local Housing Indicators

Hometrack's Housing Intelligence System allows house prices to be viewed at a local authority or even ward or super output area. South Essex (SE) authorities and the London region are shown below.

Overall Change in Average House Prices May 2020 – May 2021

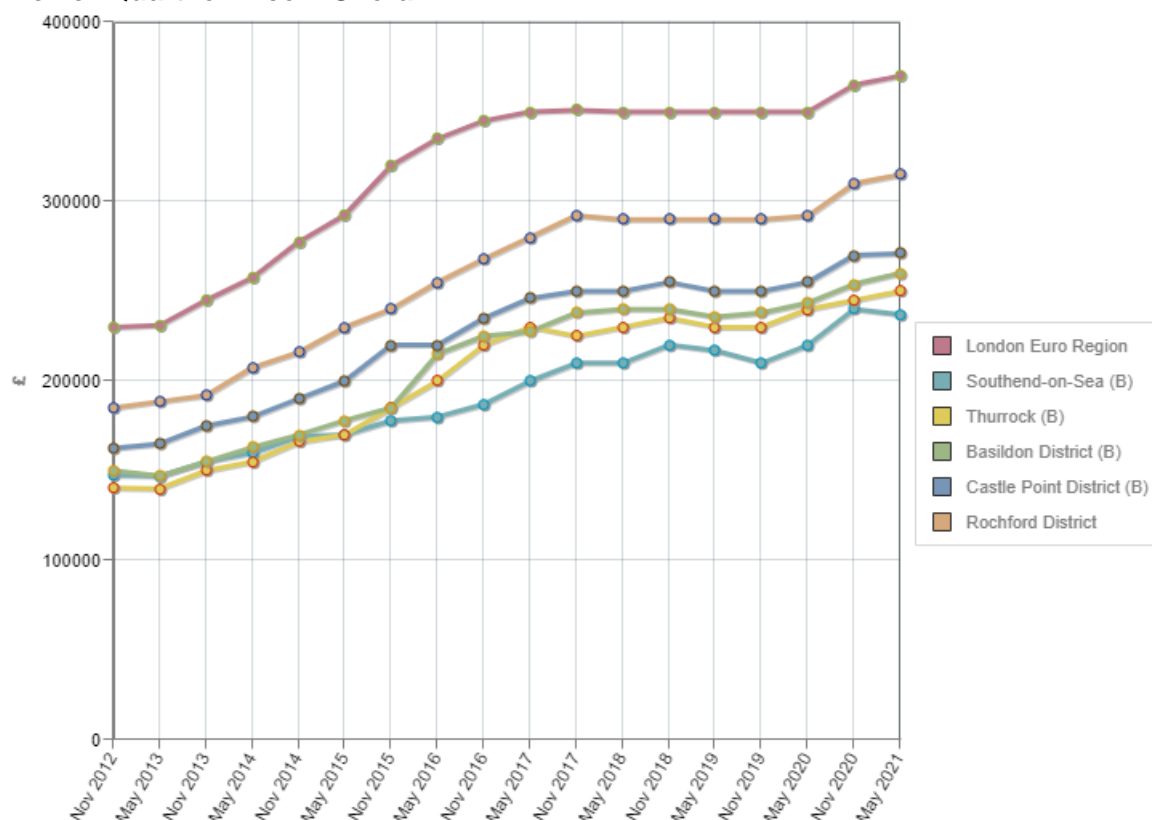
LA	London	Southend	Thurrock	Basildon	Castle Point	Rochford
May 2020	574,930	335,610	302,898	347,877	336,240	384,079
May 2021	607,750	368,660	325,547	376,441	380,218	421,191
CHANGE	32,820	33,050	22,649	28,564	43,978	37,112
%	5.71%	9.85%	7.48%	8.21%	13.08%	9.66%

Looking at the overall change in average house prices in the South Essex area (covering the Local Authorities of Southend-on-Sea, Thurrock, Basildon, Castle Point and Rochford) between May 2020 and May 2021 (taken over a ten-year timespan), prices have all increased significantly buoyed up by stamp the duty holiday, lower interest rates and shortage of supply. Castle Point saw the biggest gain of £43,978, followed by Rochford at £37,112, and Southend at £33,050. Thurrock experienced the smallest gain at £22,649. Prices in London also rose but at a slower rate than South Essex, apart from Thurrock and Basildon. Average house price growth in South Essex was up **9.66%** in May 2021, up from **9.34%** in the previous reporting period February 2020-21 and **7.76%** in the period November 2019-20.

Focusing on Lower Quartile Prices

The charts below focus on the lower quartile property price, based on sales and valuations, for property (flats / maisonettes, terraced and detached properties) in the SE area. This analysis is based on data from Hometrack's Automated Valuation Model.

Lower Quartile Price – Overall

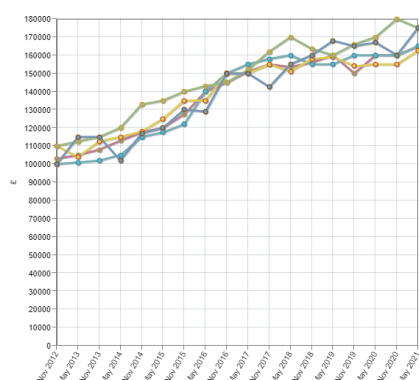


The graph shows the steady and continued recovery in Lower Quartile (LQ) house prices since May 2013 across South Essex area. Whilst LQ house price growth in the London region rose rapidly too, it flattened off between 2017-19 onwards, before beginning to rise again from May 2020.

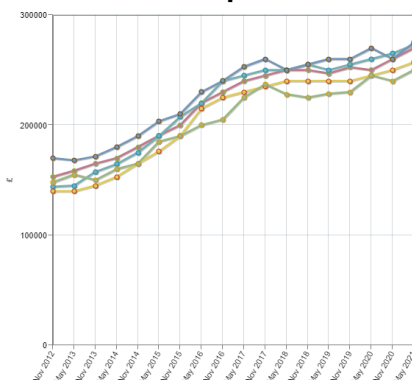
In May 2021, the highest overall lower quartile property price in SE was in Rochford at **£315k**, followed by Castle Point at **£271k**, Basildon at **£260k**, Thurrock at **£250k**, and Southend **£237k**. Annual LQ house price growth in May 2021 was up across all five SE Local Authorities by as much as **£23k** in Rochford (see appendix 1, page 10). However, since November 2020, house prices in Southend fell marginally.

For now, the context for this period remains the same, over the last ten years, all SE Local Authorities have still experienced significant levels of growth with Rochford seeing the highest growth at **£126.5k**.

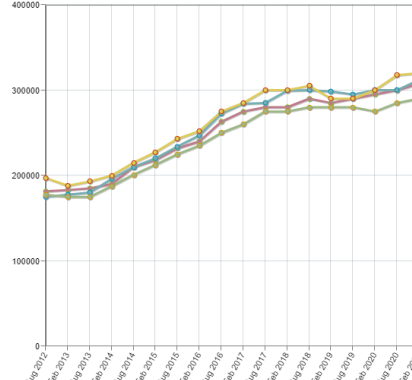
LQ Price – Flat / Maisonette



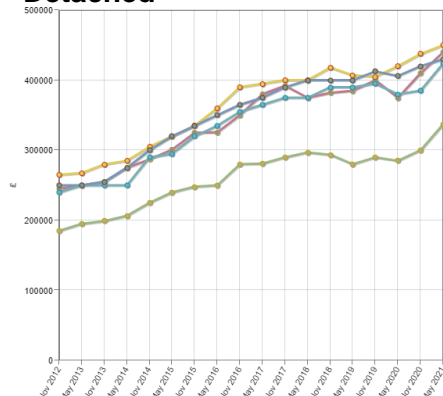
Terraced Properties



Semi Detached



Detached



Since May 2020, house prices of flats / terraced properties all rose despite there being some volatility in Rochford and Castle Point. For semi / detached properties prices have all increased, particularly for detached properties especially in the first half of the year, spurred on by the extension to stamp duty tax holiday / Help to Buy and by people looking for larger property with more space out of London.

Annual Turnover by Broad Type and Age

As a Proportion of Overall Property

Thurrock Borough Council					
	2nd Hand House Sales	2nd Hand Flat Sales	New Build House Sales	New Build Flat Sales	Overall property price bands
2017	1,786	625	288	10	4.2%
2018	1,675	508	206	76	3.9%
2019	1,537	399	169	106	3.5%
2020	1,367	292	33	19	2.7%
2021	393	75	NA	NA	0.7%



The table on the previous page shows the total volume of housing turnover in Thurrock, as the sample area, split between 2nd hand and new build sales for houses and flats.

Turn-over figures for second-hand house and flat sales peaked in 2017 and then declined. For new build house sales, they also peaked in 2017, whilst for flats they peaked in 2019 and then declined more sharply in 2020.

The total turnover is also shown as a proportion of overall property, based on Land Registry data. Turnover declined since 2017. However, it is still significantly down from pre 2008 figures where it was 5.4% in 2007 6.6% in 2007. (See TGSE Housing Market Trends Quarterly Report, Oct 2011).

Weekly cost for 1 bed property for rent and purchasing across a range of quartiles

June 2021	Southend	Thurrock	Basildon	Castle Point	Rochford
Renting (LA)	78	76	76	83	0
Renting (HA)	95	101	95	92	92
Renting - 80%	129	142	147	147	129
Renting (private)	161	178	184	184	161
February 2021	156	178	173	172	162
February 2020	155	173	167	172	162
February 2019	150	172	167	167	150
February 2018	207	219	196	190	207
LHA (as of 1/04/20)	138	161	161	138	138
Gap LHA & renting	-23 (-18)	-17 (-17)	-23 (-12)	-46 (-34)	-23 (-24)
Buying LQ resale	149	154	149	157	148
Buying av resale	170	170	168	170	170
Buying LQ new build	249	203	202	225	253
Buying av new build	254	210	223	234	253

The above table and graph show the weekly cost of renting or purchasing a one bed-room property across a range of quartiles based on May 2021 figures. Key trends are summarised below:

- The weekly cost of private renting (one bed property) have continued to edge upwards in Southend, Basildon and Castle Point but remained stable in Thurrock and fell marginally in Rochford.
- The gap between private renting and the latest LHA still **remains significant in all SE Local Authorities ranging between- £17 and -£46 per week**. Importantly the gap has increased in some authorities (Basildon, Castle Point and Southend from the previous reporting period of February 2021 (see figures in brackets), nearly doubling in Basildon, but remained static in Thurrock but declined marginally in Rochford.
- The **Local Housing Allowance no longer continues to be sufficient to cover the cost of Intermediate Rent (at 80% market rent)** in all five local authority areas: whilst they still cover the discounted rent in Rochford, Southend and Thurrock, they are now insufficient to cover the rent in Basildon and Castle Point. This will have implications on affordability where those reliant on the LHA will have to find the difference or go into rent areas.



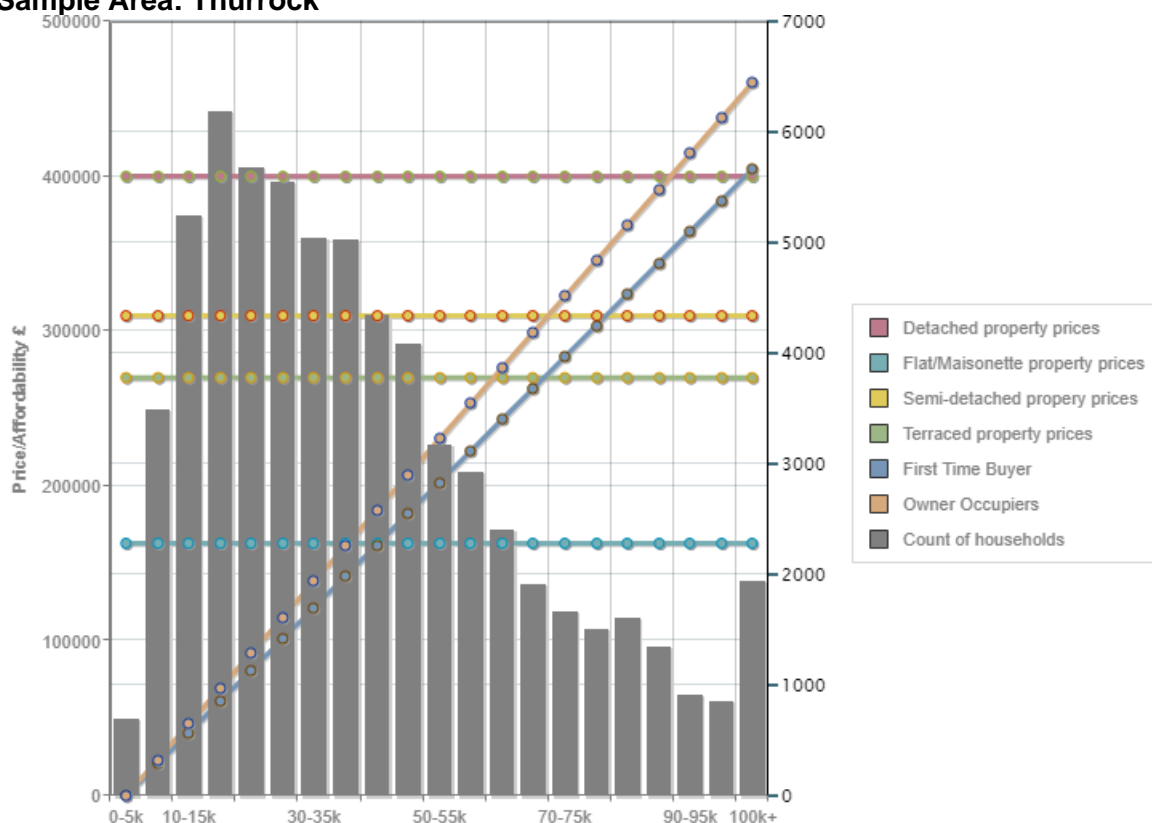
Lower Quartile Price of Property by Bed Count (May 2021)

	Southend	Thurrock	Basildon	Castle Point	Rochford
1 bed Prices (Flat)	145,000	150,000	140,500	150,000	150,000
2 bed Prices (Flat)	180,250	199,750	185,000	190,000	201,625
2 bed Prices (House)	265,000	260,000	257,750	255,000	292,750
3 bed Prices (House)	299,995	295,000	276,250	287,500	325,000
4 bed Prices (House)	405,000	400,000	420,000	400,000	440,000

The table above shows the lower quartile price of property by bed count in the SE area based on May 2021 figures. For 1 bed flats; Castle Point now shares the highest price with Rochford and Thurrock, whilst for 2 bed flats, 2, 3 and 4 bed houses it remains with Rochford.

Affordability: 3.0 times income

Sample Area: Thurrock



Looking at the wider affordability issues in **Thurrock** both by income band and spatially; the above chart shows the number of households in different household income bands compared to the minimum price for different property types in the same area (horizontal lines). The diagonal lines rising from left to right show the value of property that can be afforded at different income multiples by a first-time buyer and former owner-occupier.

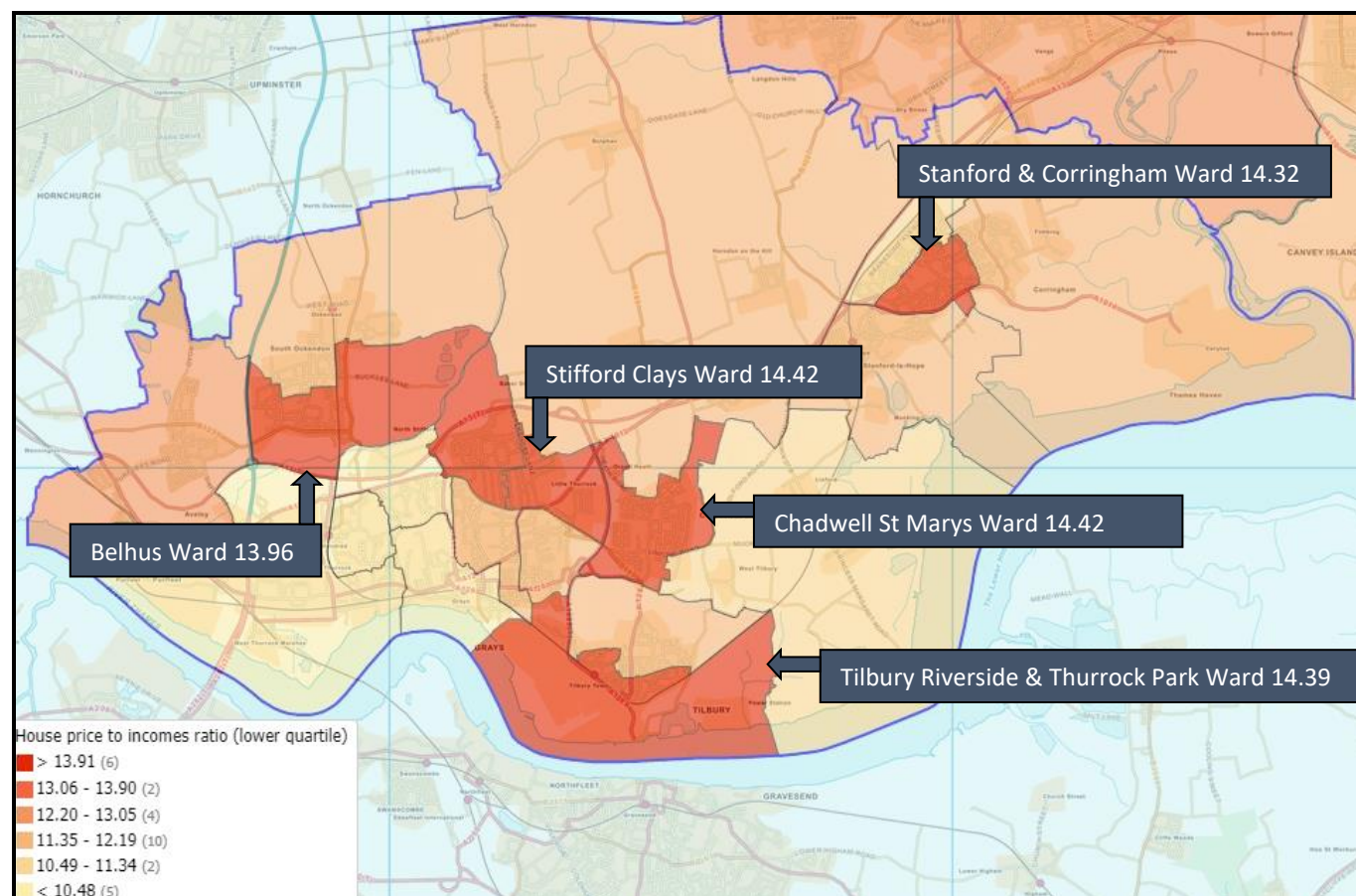
The chart demonstrates that a significant proportion of residents in **Thurrock** are priced out of the property market. For example, **62.87%** of households were priced out of the market (i.e. cannot afford to purchase a flat as a first-time buyer on a mortgage at 3.0 times their income). This rises to **85%** for those wishing to purchase a terraced property and **89.85%** for a semi-detached property.



Percent of households priced out of market Thurrock

FTB households - Flats	62.87%
FTB households - Terraced houses	85.00%
FTB households - Semi-detached houses	89.85%
FTB households - Detached houses	97.04%
Owner occupier - Flats	56.24%
Owner occupier - Terraced houses	78.41%
Owner occupier - Semi-detached houses	85.00%
Owner occupier - Detached houses	94.36%

LQ house price to income ratio Thurrock wards



The heat map compares the Lower Quartile house price to income ratios across individual wards in Basildon. **The wards of**

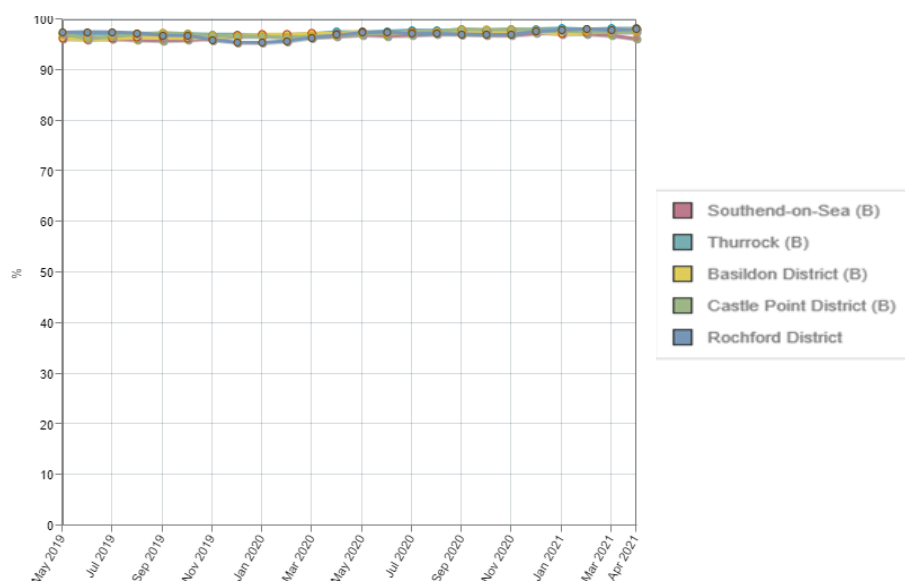
- **Belhus**
- **Chadwell St Mary**
- **Stifford Clays**
- **Standford East & Corringham Town and**
- **Tilbury Riverside & Thurrock Park Wood**

all had ratios of 13.96:1 or more.

In comparison with the neighbouring region of London, the ratio was **16.92:1** and for the East of England **11.09:1**.

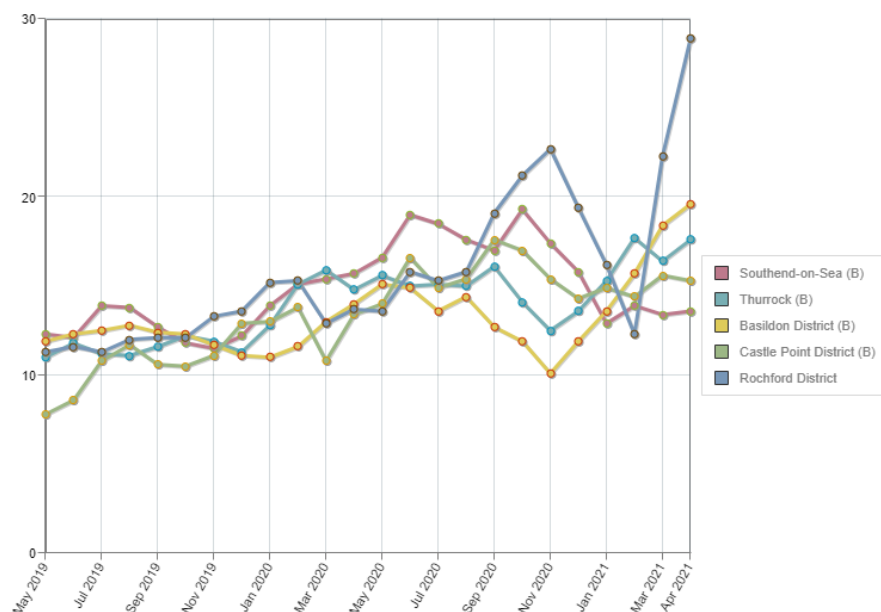
Market Indicators

Sales to asking price – Percentage



Since May 2019 the sales to asking price (%) has remained flat and in the high nineties across all five South Essex local authority areas, although the ratio in Southend fell marginally from March this year.

Total time to sell – weeks



The time to sell (weeks) has fluctuated much more, however all authorities experiencing improving sales picture from November 2020 apart from Southend and Thurrock. The time to sell however, then increased in Rochford although less so in Basildon / Thurrock from March 2021*.

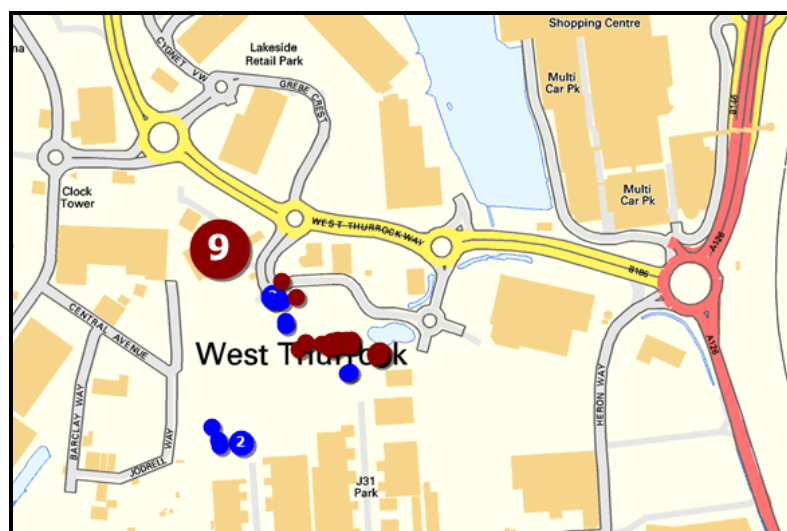
**Please note that in light of the Pandemic the Housing Demand: Time to Sell (weeks) and Sales to Asking Price might be volatile due to low Land Registry sample counts. A lag in reporting of transactions is also possible, and as more data is added in the coming months, the metrics will be re-published.*

Comparables Module (recently built property prices in West Thurrock v older property in East Tilbury v overall average prices in Thurrock)

Using the Comparables Module it is possible to focus in on a chosen area and compare areas. In this example, the focus area was new build 1-2 bedroomed homes from 2016 located West Thurrock close to Lakeside shopping centre.

A detailed list of 55 properties showing for example street name, post code, property type, current value, was then exported into excel for further analysis.

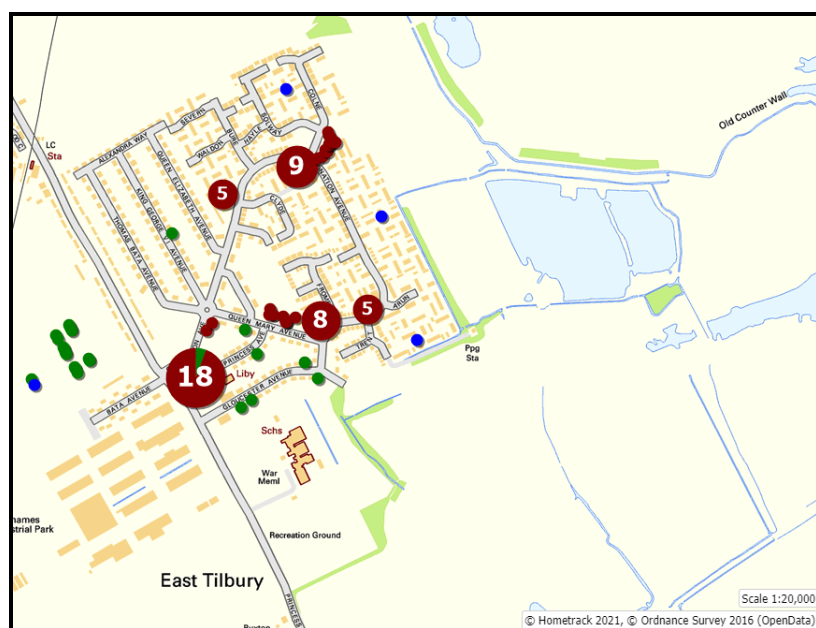
West Thurrock



Address	Postcode	Property ty	Bedrooms	Reception	Year built	Floor area	£/sqft	Current va
KILLARNEY (RM20 3BC Terraced			2	-	2020	-	-	341,000
DOVESTONE RM20 3DC Flat/Maisor			1	1	2020	-	-	220,000
DOVESTONE RM20 3DC Terraced			2	1	2021	914.93	371	339,000
KILLARNEY (RM20 3BC Terraced			2	1	2020	-	-	346,000
KILLARNEY (RM20 3BC Terraced			2	1	2020	807.29	410	331,000
DOVESTONE RM20 3DF Flat/Maisor			2	1	2020	796.53	333	265,000
DOVESTONE RM20 3DF Flat/Maisor			2	1	2020	871.88	312	272,000
DOVESTONE RM20 3DF Flat/Maisor			1	1	2020	613.54	355	218,000
DOVESTONE RM20 3DF Flat/Maisor			2	1	2020	-	-	270,000
DOVESTONE RM20 3DF Flat/Maisor			2	1	2020	-	-	274,000
DOVESTONE RM20 3DF Flat/Maisor			2	1	2020	807.29	328	265,000
DOVESTONE RM20 3DF Flat/Maisor			2	1	2021	807.29	331	267,000
DOVESTONE RM20 3DF Flat/Maisor			1	1	2021	602.78	357	215,000
DOVESTONE RM20 3DF Flat/Maisor			2	1	2021	807.29	333	269,000
DRAYCOTE (RM20 3BF Terraced			2	1	2020	807.29	410	331,000
DRAYCOTE (RM20 3BF Terraced			2	1	2019	807.29	432	349,000
ABBERTON (RM20 3BE Terraced			2	1	2020	914.93	379	347,000
ABBERTON (RM20 3BE Terraced			2	1	2019	882.64	402	355,000
ABBERTON (RM20 3BE Terraced			2	1	2020	796.53	428	341,000

The average sales price or valuation of all properties listed as 1-2 bedroomed properties was then calculated as **£271,491**, which when compared with the average price of 1-2 bedroomed older properties in East Tilbury at **£183,768** shows how the newer properties in the West Thurrock location had a price premium of just under 48%. When comparing the West Thurrock average prices with the Borough average of **£221,301** for 1-2 bed properties, the premium was over 20%.

East Tilbury



Address	Postcode	Property ty	Bedrooms	Reception	Year built	Floor area	£/sqft	Current value (£)
LAPWIN CLOSE RM18 8FF Semi-Detach			2	1	2016	731.95	410	300,000
LAPWIN CLOSE RM18 8FF Semi-Detach			2	-	2016	731.95	415	304,000
SANDERLING C RM18 8FF Semi-Detach			2	1	2016	645.83	429	277,000
SANDERLING C RM18 8FF Semi-Detach			2	1	2016	861.11	345	297,000
SANDERLING C RM18 8FF Semi-Detach			2	1	2016	775	359	278,000
SANDERLING C RM18 8FF Semi-Detach			2	1	2016	721.18	383	276,000
SANDERLING C RM18 8FF Semi-Detach			2	1	2016	764.24	362	277,000
SANDERLING C RM18 8FF Semi-Detach			2	1	2016	753.47	372	280,000
SANDERLING C RM18 8FF Semi-Detach			2	1	2016	721.18	404	291,000
SANDERLING C RM18 8FF Semi-Detach			2	1	2015	731.95	395	289,000
SANDERLING C RM18 8FF Semi-Detach			2	1	2016	731.95	403	295,000
SANDERLING C RM18 8FF Semi-Detach			2	1	2016	731.95	389	285,000
SANDERLING C RM18 8FF Semi-Detach			2	1	2016	785.76	368	289,000
SANDERLING C RM18 8FF Semi-Detach			2	1	2016	721.18	379	273,000
SANDERLING C RM18 8FF Semi-Detach			2	1	2015	753.47	377	284,000
SANDERLING C RM18 8FF Semi-Detach			2	1	2015	710.42	400	284,000
SANDERLING C RM18 8FF Semi-Detach			2	1	2015	764.24	368	281,000
KING GEORGE (RM18 8SL Semi-Detach			2	1	1930	914.93	256	234,000
PRINCESS MARRIM 8YP Flat/Maisor			1	-	1950	570.49	221	126,000

Appendix 1 – Overall House Price by Local Authority Area over a 10-year period

	Southend-on-Sea (UA)	Thurrock (UA)	Basildon (Borough)	Castle Point (Borough)	Rochford (District)
	Lower Quartile	Lower Quartile	Lower Quartile	Lower Quartile	Lower Quartile
Nov 2012	147,500	140,500	150,000	162,500	185,000
May 2013	147,000	140,000	147,000	165,000	188,500
Nov 2013	155,000	150,000	155,000	175,000	192,000
May 2014	160,000	155,000	163,000	180,000	207,500
Nov 2014	169,000	166,000	170,000	190,000	216,000
May 2015	170,000	170,000	178,000	200,000	230,000
Nov 2015	178,000	185,000	185,000	219,995	239,995
May 2016	180,000	200,000	215,000	220,000	255,000
Nov 2016	187,000	220,000	225,000	235,000	268,000
May 2017	200,000	230,000	227,500	246,000	280,000
Nov 2017	210,000	225,000	238,000	250,000	292,220
May 2018	210,000	230,000	240,000	250,000	290,000
Nov 2018	220,000	235,000	240,000	255,000	290,000
May 2019	217,000	230,000	235,766	250,000	290,000
Nov 2019	210,000	230,000	238,000	250,000	290,000
May 2020	220,000	240,000	243,500	255,000	292,000
Nov 2020	240,000	245,000	254,000	270,000	310,000
May 2021	237,000	250,000	260,000	271,000	315,000
Change May 20 May 21	17,000	10,000	16,500	16,000	23,000
Change May 2013 May 2021	90,000	110,000	113,000	106,000	126,500

Source: Hometrack Housing Intelligence System



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