

SOUTH ESSEX
HOUSING GROUP

South Essex Housing Market Trends

Quarterly Report

October 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

- The average UK house price rose by 1.7% in September - adding more than £4,400 to the value of the average property.
- Monthly growth was the strongest since February 2007, pushing year-on-year house price inflation up to 7.4%.
- The average house price is now £267,587, up from June's figure of £260,358.
- Buyer demand has moderated as stamp duty holiday ends but remains elevated compared to normal market conditions.

Local House Prices

- Average house price growth in South Essex was up 8.11% in August 2021, marginally down from 9.66% in the previous reporting period May 2020-21.
- Annual house prices have all increased significantly buoyed up by stamp duty holiday, the "chase for space", lower interest rates and shortage of supply. Castle Point saw the biggest gain of £50,149, followed by Rochford at £29,990, and Basildon at £23,324.

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 edged upwards by £5 per week in Rochford and Southend, but remained stable in Basildon, Castle Point and Thurrock.
- The gap between private renting and the latest LHA still remains significant in all SE Local Authorities, however, it is sufficient to cover the cost of Intermediate Rent (at 80% market rent) in all South Essex local authorities apart from Castle Point.

Affordability

- Four wards in Southend, namely; Belfairs, Blenheim Park, Eastwood Park and St Laurence all had price to income ratios of 14:1 or more.
- In comparison with the neighbouring region of London, the ratio was 17.15:1 and for the East of England 11.14:1.

Comparables Module

- Using Southend as the sample area, an example shows how the average house price for recently built 1-3-bedroomed homes in West Shoebury at £322,800 had a premium of just over 31% compared to older properties of the same size in Victoria ward.
- Prices were also higher than the Southend borough wide average for 1-3 bed properties of £277,331.



House Price Index

Average house price rises sharply as stamp duty holiday draws to a close

£267,587

Average price

+1.7%

Monthly change

+1.5%

Quarterly change

+7.4%

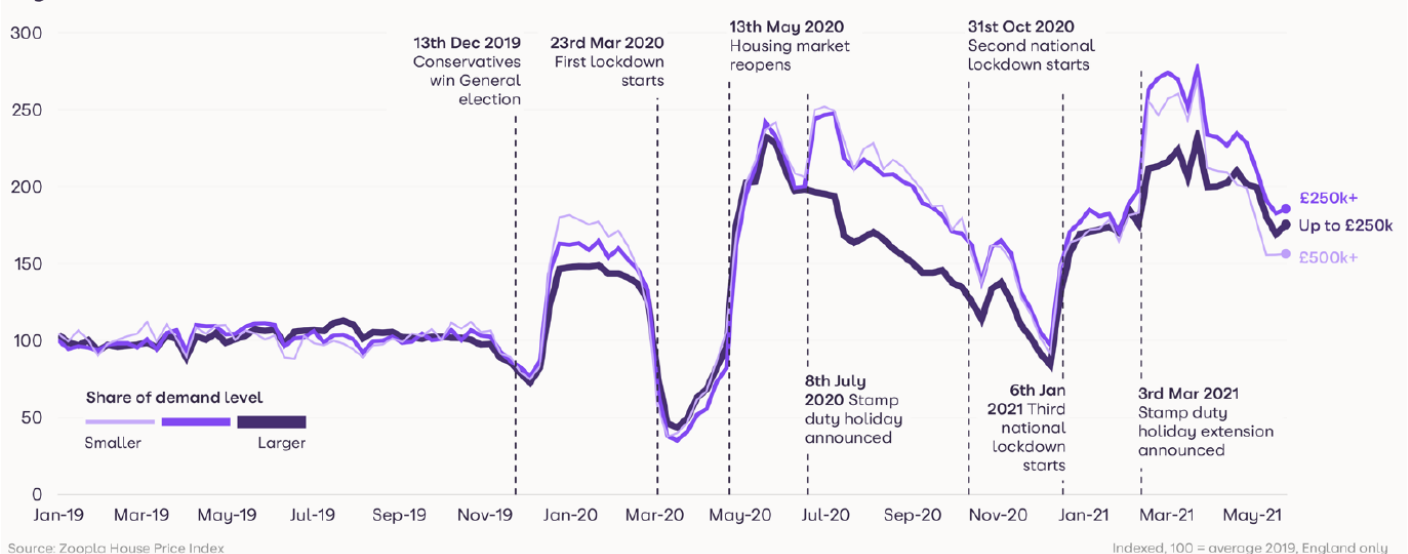
Annual change

The average UK house price rose by 1.7% in September, adding more than £4,400 to the value of the average property. This rate of monthly growth was the strongest since February 2007, pushing year-on-year house price inflation up to 7.4%. The average house price is now £267,587.

Russell Galley, Managing Director, Halifax commented: “multi factors have played a role in house price inflation including the stamp duty holiday and “race for space”. Looking at prices changes over the past year, prices of flats are up just 6.1%, compared to 8.9% for semi-detached properties and 8.8% for detached. This translates into cash increases for detached properties of nearly £41,000 compared to just £6,640 for flats.”

Richard Donnell, Research and Insight Director, Hometrack / Zoopla said “Buyer demand has moderated as stamp duty holiday ends but remains elevated compared to normal market conditions (see chart below). Total stock of homes for sale remains constrained, down 24% in the year to mid-June compared to the average in 2020 and may limit potential activity in some areas, yet we expect activity will remain buoyant in H2, in line with our forecast for 1.5 million sales this year”.

Buyer demand moderates but remains elevated



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 August 2020 – August 2021

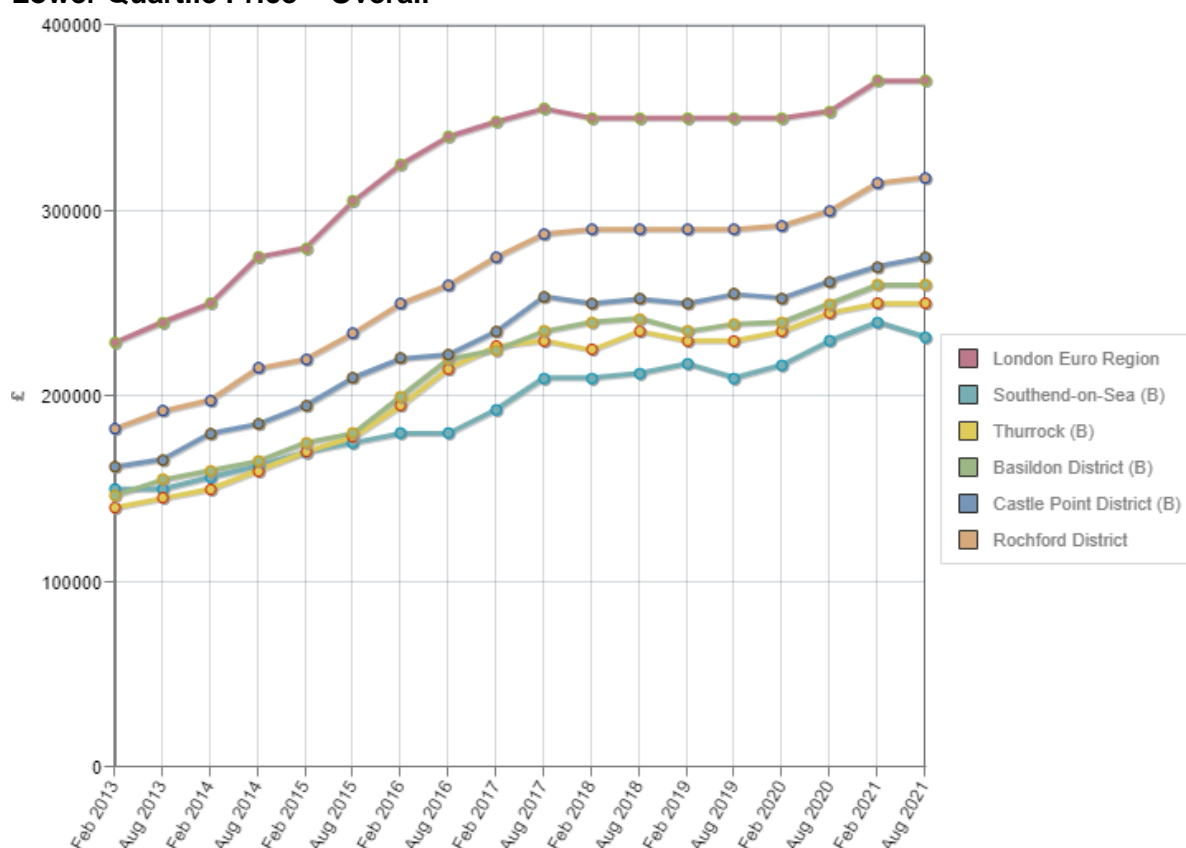
LA	London	Southend	Thurrock	Basildon	Castle Point	Rochford
Aug 2020	590,722	350,537	309,212	355,761	343,361	391,922
Aug 2021	619,259	371,498	327,054	379,085	393,510	421,912
CHANGE	28,537	20,961	17,842	23,324	50,149	29,990
%	4.83%	5.98%	5.77%	6.56%	14.61%	7.65%

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 August 2020 and August 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 £50,149, followed by Rochford at £29,990, and Basildon at £23,324. Thurrock again experienced the smallest gain at £17,842. Prices in London also rose above the South Essex average. Average house price growth in South Essex was up 8.11%, this was slightly less than in the previous reporting period in May at 9.66% where the figure may have peaked.

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

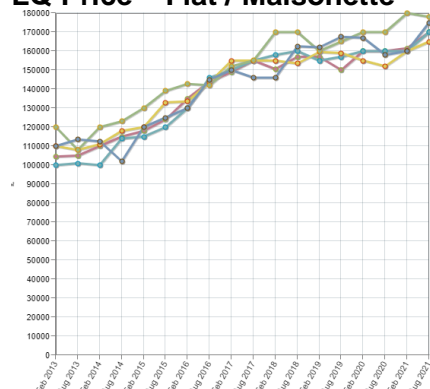


The graph shows the steady and continued recovery in Lower Quartile (LQ) house prices since August 2013 across South Essex area followed by a more flattened off period between 2017-19 particularly in London, before beginning to rise again from February 2020.

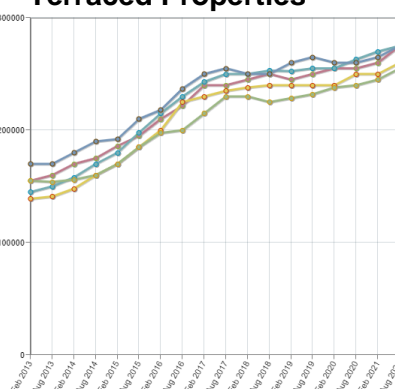
In August 2021, the highest overall lower quartile property price in SE was in Rochford at **£318k**, followed by Castle Point at **£275k**, Basildon at **£260k**, Thurrock at **£250k**, and Southend **£232k**. Annual LQ house price growth in August 2021 was up across all five SE Local Authorities by as much as **£18k** in Rochford (see appendix 1, page 10). However, since February 2021, house prices remained stable in Thurrock and Basildon but fell in Southend.

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 **£126k**.

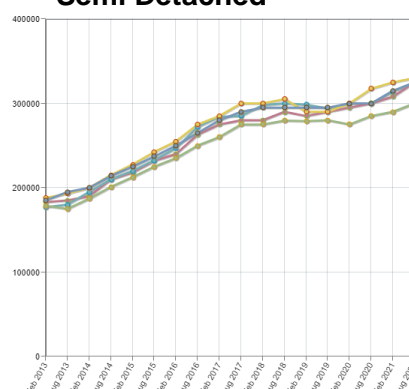
LQ Price – Flat / Maisonette



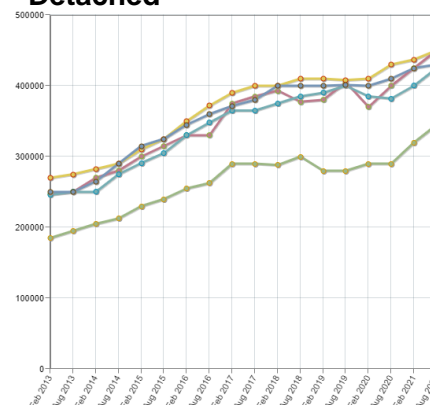
Terraced Properties



Semi Detached



Detached



Since August 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

Southend Borough Council					
	2nd Hand House Sales	2nd Hand Flat Sales	New Build House Sales	New Build Flat Sales	Overall property price bands
2017	1,884	1,109	76	68	4.0%
2018	1,932	948	81	245	4.1%
2019	1,821	771	4	49	3.3%
2020	1,579	607	NA	30	2.8%
2021	1,041	343	NA	NA	1.8%



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

Turn-over figures for second-hand house sales peaked in 2018, whilst flat sales peaked in 2017 and then declined. For new build house sales and flats they both peaked in 2018 and then declined more sharply in 2019.

The total turnover is also shown as a proportion of overall property, based on Land Registry data. Turnover declined since 2018. However, it is still significantly down from pre 2008 figures where it was 6.1% in 2007. (See TGSE Housing Market Trends Quarterly Report, April 2011).

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

August 2021	Southend	Thurrock	Basildon	Castle Point	Rochford
Renting (LA)	78	76	76	83	NA
Renting (HA)	95	101	95	92	92
Renting - 80%	133	142	147	147	133
Renting (private)	166	178	184	184	166
May 2021	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	-28	-17	-23	-46	-28
Buying LQ resale	159	159	154	159	159
Buying av resale	175	173	170	176	170
Buying LQ new build	249	199	196	230	254
Buying av new build	253	207	206	239	255

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 August 2021 figures. Key trends are summarised below:

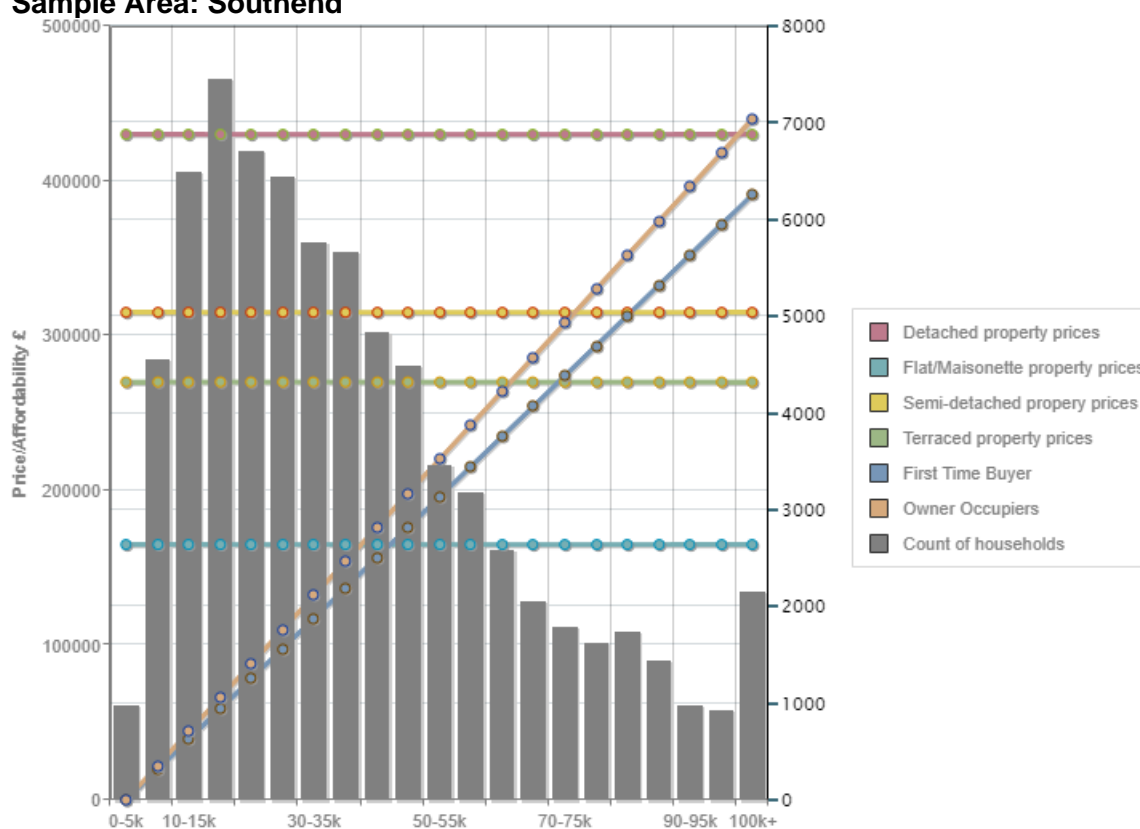
- The weekly cost of private renting (one bed property) has edged upwards by £5 per week in Rochford and Southend, but remained stable in Basildon, Castle Point and Thurrock.
- The gap between private renting and the latest LHA still remains significant in all SE Local Authorities ranging between- £17 and -£46 per week.
- However, the Local Housing Allowance is sufficient to cover the cost of Intermediate Rent (at 80% market rent) in all South Essex local authorities apart from Castle Point.
- Buying an average re-sale one bed property is cheaper than renting all five South Essex Local authority areas apart from Southend.
- However, buying an average new build one bed property is more expensive in all five local authority areas, ranging from an extra £89 in Rochford to £22 in Basildon.

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

	Southend	Thurrock	Basildon	Castle Point	Rochford
1 bed Prices (Flat)	153,000	151,000	150,000	150,000	155,000
2 bed Prices (Flat)	185,000	198,000	195,000	200,000	200,000
2 bed Prices (House)	265,000	260,000	260,000	261,250	300,000
3 bed Prices (House)	300,000	300,000	282,000	295,000	335,000
4 bed Prices (House)	440,000	390,000	425,000	410,000	441,500

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

Affordability: 3.0 times income Sample Area: Southend



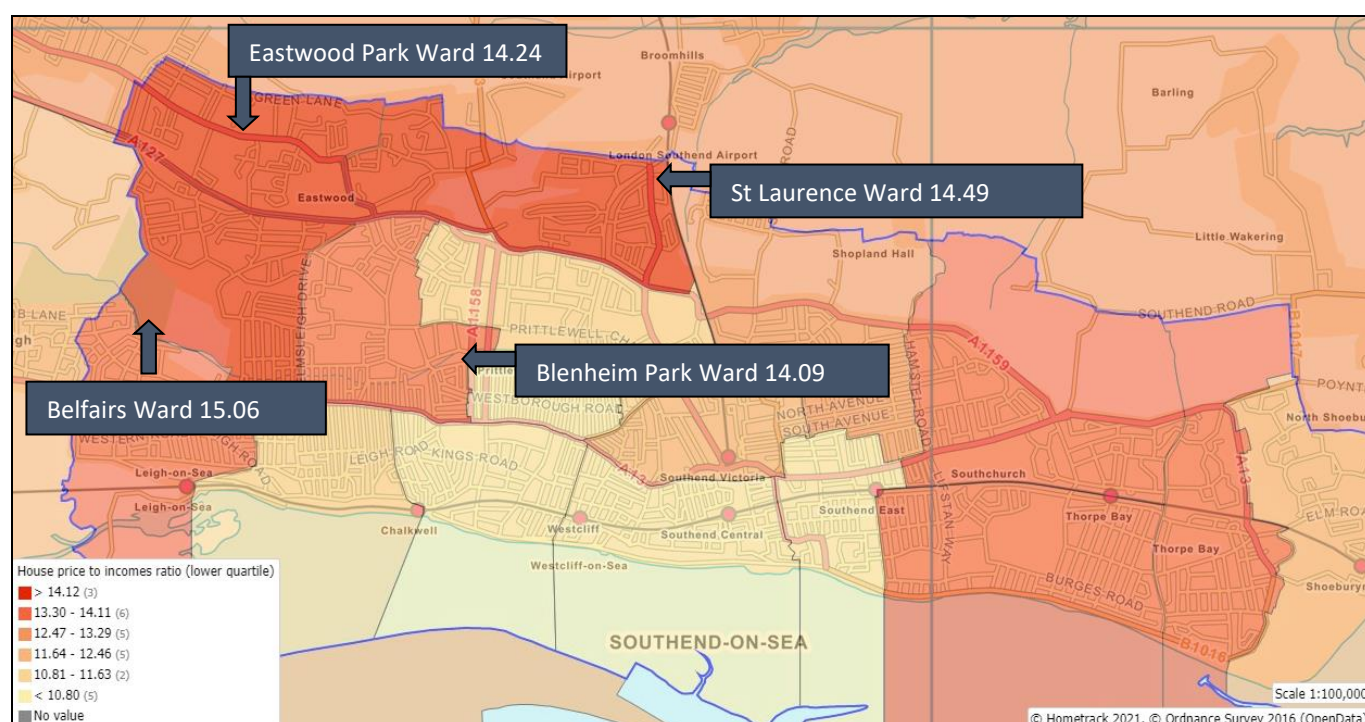
Looking at the wider affordability issues in **Southend** both by income band and spatially; the above chart shows the number of households in different household income bands compared to the minimum price for different property types in the same area (horizontal lines). The diagonal lines rising from 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 **Southend** are priced out of the property market. For example, **65%** 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 **86%** for those wishing to purchase a terraced property and **93%** for a semi-detached property.

Percent of households priced out of market Southend

FTB households - Flats	64.92%
FTB households - Terraced houses	85.87%
FTB households - Semi-detached houses	92.69%
FTB households - Detached houses	100.00%
Owner occupier - Flats	58.49%
Owner occupier - Terraced houses	83.14%
Owner occupier - Semi-detached houses	88.24%
Owner occupier - Detached houses	97.14%

LQ house price to income ratio in Southend wards



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

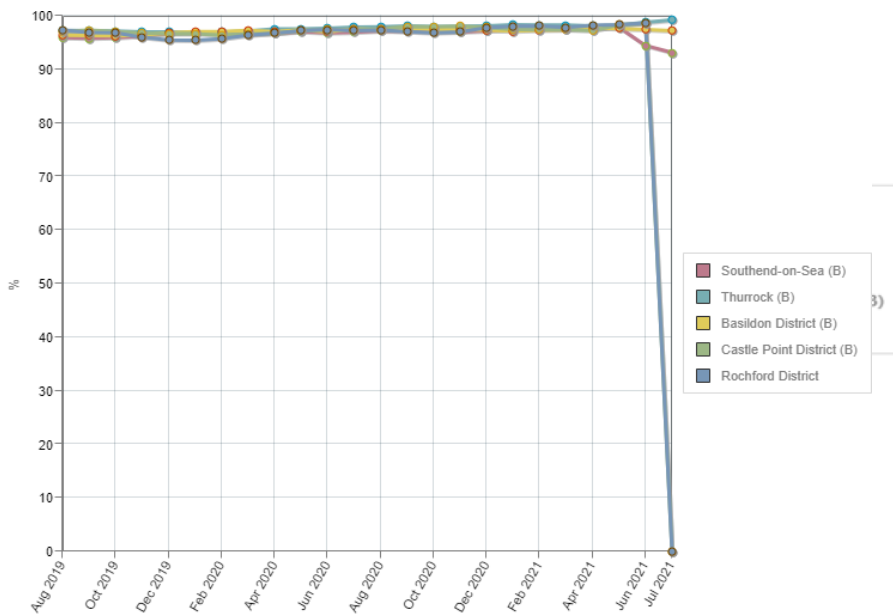
- Belfairs
- Blenheim Park
- Eastwood Park
- St Laurence

all had ratios of **14:1** or more.

In comparison with the neighbouring region of London, the ratio was **17.15:1** and for the East of England **11.14:1**.

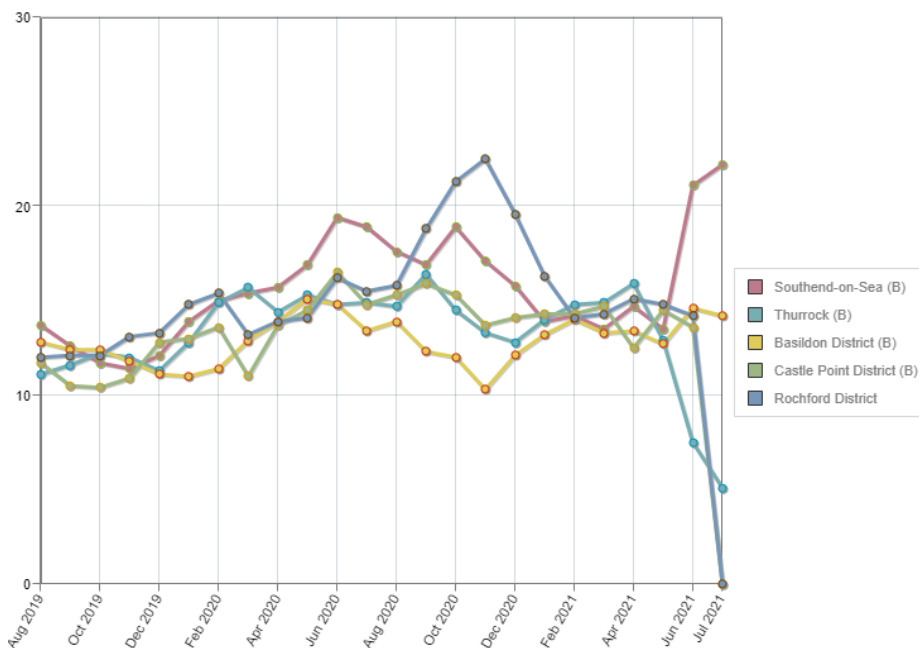
Market Indicators

Sales to asking price – Percentage



Since April 2021 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 June this year but fell significantly in Thurrock suggesting some volatility in the market place*.

Total time to sell – weeks



The time to sell (weeks) has fluctuated much more, however all authorities experiencing improving sales picture from June 2021 apart from Basildon. Thurrock and Rochford experienced significant improvements in the time to sell*.

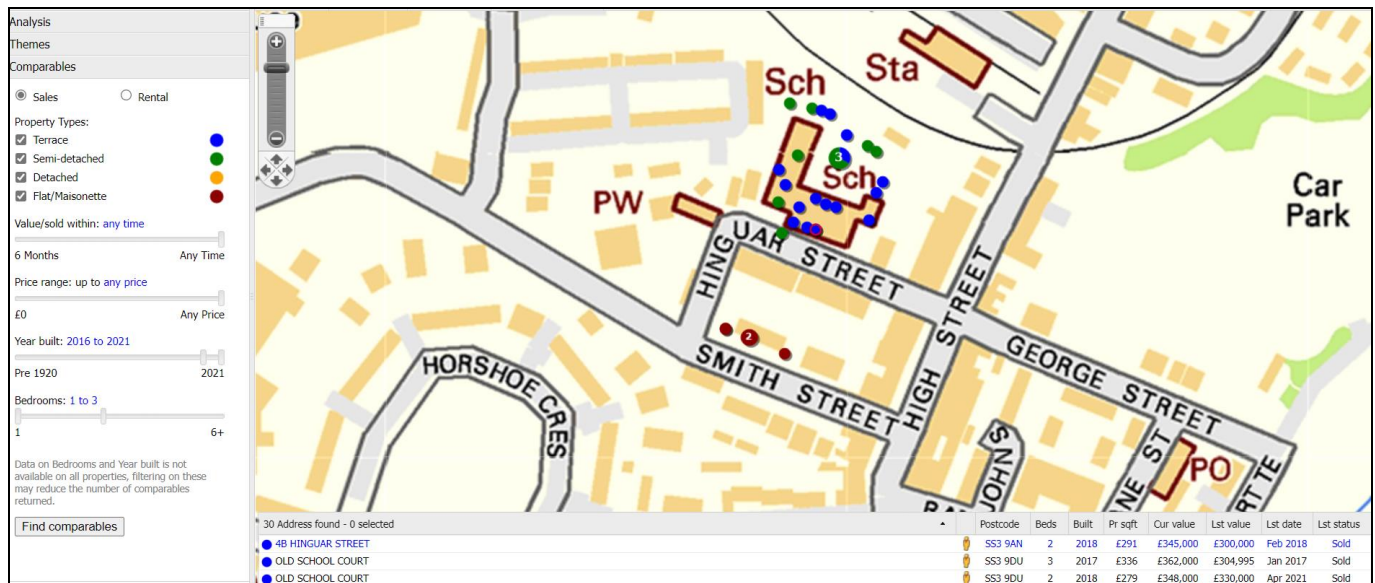
**Please note that in light of the recovery period from the pandemic the Housing Demand: Time to Sell (weeks) and Sales to Asking Price might be volatile due to low Land Registry sample counts. A lag in reporting of transactions is also possible, and as more data is added in the coming months, the metrics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

Comparables Module – New build v Older Properties

Using the Comparables Module it is possible to focus in on a chosen area and compare areas. In this example, the focus area was recently built 1-3 bedroomed homes (from 2016) located in West Shoebury Ward, north of Hungar Street (part of the Garrison Estate) in Southend.

A detailed list of 29 properties (see below) showing for example street name, post code, property type, current value, was then exported into excel for further analysis.

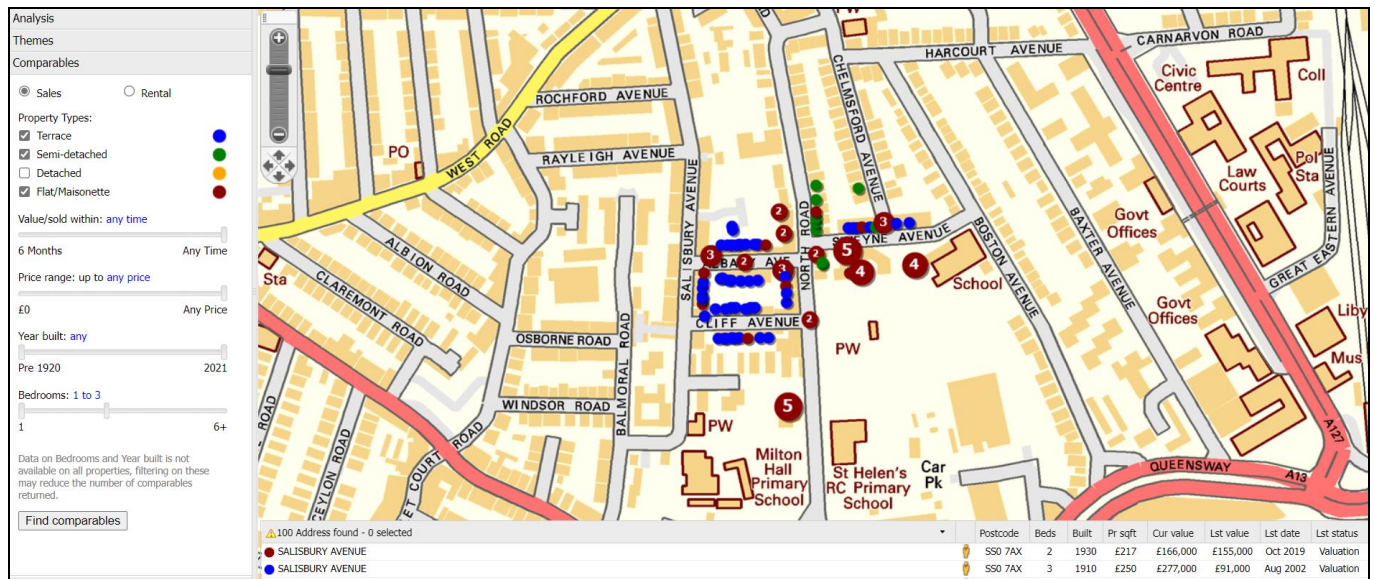
West Shoebury



Address	Postcode	Property ty	Bedrooms	Reception	Year built	Floor area	£/sqft	Current value (Last value	Last date	Last status
OLD SCHOOL COURT	SS3 9DU	Terraced	2	1	2016	947.22	341	323,000	264,995	2016-09-09 00:	Sold
OLD SCHOOL COURT	SS3 9DU	Terraced	2	1	2016	979.51	324	317,000	259,995	2016-09-09 00:	Sold
OLD SCHOOL COURT	SS3 9DU	Semi-Detach	3	1	2016	1087.15	350	381,000	311,995	2016-11-18 00:	Sold
OLD SCHOOL COURT	SS3 9DU	Terraced	2	1	2016	904.17	331	299,000	280,000	2020-12-03 00:	Sold
OLD SCHOOL COURT	SS3 9DU	Semi-Detach	3	1	2016	1087.15	351	382,000	350,000	2020-09-18 00:	Sold
OLD SCHOOL COURT	SS3 9DU	Terraced	3	1	2016	1076.39	323	348,000	315,000	2019-08-30 00:	Valued
OLD SCHOOL COURT	SS3 9DU	Semi-Detach	3	1	2016	1119.45	364	407,000	319,995	2016-06-22 00:	Valued
OLD SCHOOL COURT	SS3 9DU	Semi-Detach	3	1	2016	1076.39	359	386,000	299,995	2016-05-11 00:	Valued
OLD SCHOOL COURT	SS3 9DU	Terraced	3	1	2016	1140.97	322	367,000	304,995	2016-11-11 00:	Valued
OLD SCHOOL COURT	SS3 9DU	Terraced	3	1	2017	1420.83	320	454,000	395,000	2017-08-15 00:	Sold
OLD SCHOOL COURT	SS3 9DU	Terraced	3	-	2017	1162.5	311	362,000	309,995	2017-03-01 00:	Sold
OLD SCHOOL COURT	SS3 9DU	Terraced	2	1	2018	1248.61	279	348,000	330,000	2021-04-26 00:	Sold
OLD SCHOOL COURT	SS3 9DU	Terraced	3	-	2017	1076.39	336	362,000	304,995	2017-01-12 00:	Sold
HINGUAR STREET	SS3 9AN	Terraced	2	1	2018	1184.03	291	345,000	300,000	2018-02-21 00:	Sold
OLD SCHOOL COURT	SS3 9DU	Terraced	3	1	2018	1377.78	273	376,000	325,000	2018-05-03 00:	Sold
OLD SCHOOL COURT	SS3 9DU	Semi-Detach	3	1	2017	1119.45	334	374,000	309,995	2017-01-06 00:	Sold
HINGUAR STREET	SS3 9AN	Terraced	3	1	2019	1345.49	247	332,000	290,000	2019-02-15 00:	Sold
OLD SCHOOL COURT	SS3 9DU	Terraced	1	1	2017	592.01	454	269,000	225,000	2016-12-09 00:	Valued
OLD SCHOOL COURT	SS3 9DU	Semi-Detach	3	1	2017	1119.45	337	377,000	317,495	2017-03-20 00:	Sold
HINGUAR STREET	SS3 9AN	Terraced	1	1	2017	710.42	429	305,000	265,000	2017-08-23 00:	Sold
OLD SCHOOL COURT	SS3 9DU	Semi-Detach	3	1	2017	1044.1	383	400,000	367,500	2020-11-11 00:	Sold
OLD SCHOOL COURT	SS3 9DU	Terraced	3	1	2018	1646.88	280	461,000	400,000	2018-02-15 00:	Sold
SMITH STREET	SS3 9FS	Flat/Maison	2	1	2017	861.11	91	78,000	68,950	2017-03-03 00:	Sold
HINGUAR STREET	SS3 9AN	Semi-Detach	3	-	2016	968.75	410	397,000	311,995	2016-06-17 00:	Valued
HINGUAR STREET	SS3 9AN	Terraced	1	1	2017	861.11	318	274,000	250,000	2020-06-05 00:	Valued
HINGUAR STREET	SS3 9AN	Semi-Detach	2	-	2017	764.24	466	356,000	300,000	2017-03-17 00:	Sold
SMITH STREET	SS3 9FS	Flat/Maison	1	1	2017	613.54	300	184,000	170,000	2019-02-21 00:	Valued
SMITH STREET	SS3 9FS	Flat/Maison	2	1	2016	904.17	262	237,000	230,000	2019-10-15 00:	Valued
SMITH STREET	SS3 9FS	Flat/Maison	2	1	2017	871.88	115	100,000	88,650	2017-02-17 00:	Sold
SMITH STREET	SS3 9FS	Flat/Maison	2	1	2016	861.11	96	83,000	78,400	2020-12-04 00:	Sold
								322,800	278,165		

The average current value (sales or valuation) was calculated as **£322,800**.

Victoria Ward



SALISBURY AVENUE	SS0 7AX	Flat/Maison	2	2	1930	764.24	217	166,000	155,000	2019-10-15 00:00	Valued
SALISBURY AVENUE	SS0 7AX	Terraced	3	1	1910	1108.68	250	277,000	91,000	2002-08-05 00:00	Valued
SALISBURY AVENUE	SS0 7AX	Terraced	3	1	1900	1237.85	229	284,000	180,000	2015-02-13 00:00	Valued
SALISBURY AVENUE	SS0 7AX	Terraced	3	1	1920	1130.21	239	270,000	115,000	2003-12-15 00:00	Sold
ALBANY AVENUE	SS0 7AQ	Terraced	2	2	1910	957.99	284	272,000	246,000	2020-08-03 00:00	Sold
CLIFF AVENUE	SS0 7AJ	Terraced	2	2	1900	936.46	293	274,000	225,000	2017-09-28 00:00	Valued
CLIFF AVENUE	SS0 7AJ	Terraced	3	-	-	1119.45	273	306,000	255,000	2018-03-09 00:00	Sold
CLIFF AVENUE	SS0 7AJ	Terraced	2	2	1900	979.51	287	281,000	157,000	2013-10-18 00:00	Sold
ALBANY AVENUE	SS0 7AQ	Terraced	3	-	-	1194.79	306	366,000	194,995	2007-03-28 00:00	Sold
ALBANY AVENUE	SS0 7AQ	Terraced	3	-	1900	1194.79	228	273,000	163,000	2014-07-22 00:00	Valued
CLIFF AVENUE	SS0 7AJ	Terraced	3	2	1910	1130.21	237	268,000	44,000	1998-03-06 00:00	Sold
SALISBURY MEWS	SS0 7FP	Terraced	2	1	2014	979.51	331	324,000	195,000	2014-08-22 00:00	Valued
CLIFF AVENUE	SS0 7AJ	Terraced	2	2	1900	979.51	277	271,000	130,000	2005-08-26 00:00	Sold
ALBANY AVENUE	SS0 7AQ	Terraced	3	1	1920	1173.27	286	336,000	180,000	2010-04-29 00:00	Sold
SALISBURY MEWS	SS0 7FP	Terraced	2	1	2014	1054.86	303	320,000	195,000	2014-09-03 00:00	Valued
CLIFF AVENUE	SS0 7AJ	Terraced	2	1	-	947.22	329	312,000	150,000	2005-07-29 00:00	Sold
CLIFF AVENUE	SS0 7AJ	Terraced	3	2	1918	1022.57	291	298,000	210,000	2015-10-05 00:00	Sold
ALBANY AVENUE	SS0 7AQ	Terraced	3	-	-	1162.5	244	284,000	152,000	2012-09-28 00:00	Sold
ALBANY AVENUE	SS0 7AQ	Terraced	2	2	1910	1054.86	274	289,000	275,000	2021-05-14 00:00	Valued
CLIFF AVENUE	SS0 7AJ	Terraced	2	1	1910	968.75	271	263,000	235,000	2019-09-17 00:00	Sold
ALBANY AVENUE	SS0 7AQ	Flat/Maison	1	1	-	742.71	198	147,000	135,000	2020-01-03 00:00	Valued
CLIFF AVENUE	SS0 7AJ	Terraced	3	-	1905	1022.57	293	300,000	60,000	1999-12-17 00:00	Sold
NORTH ROAD	SS0 7AF	Flat/Maison	1	1	1930	667.36	259	173,000	156,000	2020-03-10 00:00	Sold
NORTH ROAD	SS0 7AF	Flat/Maison	1	2	1900	710.42	245	174,000	115,000	2014-08-20 00:00	Sold
NORTH ROAD	SS0 7AH	Flat/Maison	1	1	1900	656.6	267	175,000	102,000	2013-03-11 00:00	Valued
NORTH ROAD	SS0 7AH	Flat/Maison	1	1	1900	516.67	296	153,000	140,000	2018-02-02 00:00	Sold
NORTH ROAD	SS0 7AH	Flat/Maison	1	1	1910	419.79	314	132,000	125,000	2020-08-06 00:00	Sold
NORTH ROAD	SS0 7BJ	Flat/Maison	1	1	1950	645.83	139	90,000	65,000	2015-07-15 00:00	Sold
SWEYNE AVENUE	SS2 6FQ	Flat/Maison	2	-	-	592.01	226	134,000	28,300	1999-04-30 00:00	Sold
SWEYNE AVENUE	SS2 6FQ	Flat/Maison	1	1	1890	441.32	292	129,000	123,000	2020-03-29 00:00	Sold
SWEYNE AVENUE	SS2 6JQ	Terraced	1	1	-	1356.25	194	263,000	47,000	1998-02-25 00:00	Sold
								245,800	153,374		

Sample list

This was then compared with the average price of over 100 1-3 bed older properties in Victoria Ward, close to the town centre at **£245,800** showing that the newer properties in West Shoebury had a price premium of just over **31%**.

The difference between the current value and last recorded value of the both sets of properties can also be compared showing the **uplift was greater in Victoria Ward**. (Albeit, with a longer timeframe).

Finally, a comparison can also be made with the Southend borough wide average for 1-3 bed properties of **£277,331**, showing how each area performed again the average.



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
Feb 2013	150,000	140,000	146,500	162,000	182,500
Aug 2013	150,000	145,000	154,995	166,000	192,000
Feb 2014	156,500	150,000	159,995	180,000	198,000
Aug 2014	162,500	160,000	165,000	184,995	215,000
Feb 2015	170,000	170,000	175,000	195,000	220,000
Aug 2015	175,000	178,000	180,000	210,000	234,000
Feb 2016	180,000	195,000	200,000	220,250	250,000
Aug 2016	180,000	215,000	220,000	222,500	260,000
Feb 2017	193,000	227,000	225,000	235,000	275,000
Aug 2017	209,999	230,000	235,000	253,700	287,500
Feb 2018	210,000	225,000	240,000	250,000	290,000
Aug 2018	212,500	235,000	241,995	252,500	290,000
Feb 2019	217,500	230,000	235,000	250,000	290,000
Aug 2019	210,000	230,000	239,000	255,000	290,000
Feb 2020	217,000	235,000	240,000	253,000	292,000
Aug 2020	230,000	245,000	250,000	262,000	300,000
Feb 2021	240,000	250,000	260,000	270,000	315,000
Aug 2021	232,000	250,000	260,000	275,000	318,000
Change Aug 20 Aug 21	2,000	5,000	10,000	13,000	18,000
Change Aug 2013 Aug 2021	82,000	105,000	105,005	109,000	126,000

Source: Hometrack Housing Intelligence System



For further information, please contact:

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