



# **South Essex Housing Market Trends**

## **Quarterly Report**

**April 2022**

*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](#)) currently being updated for 2022. Changes in Lower Quartile house prices for SE local authority areas are tabled in Appendix 1.

## Key trends

### National Trends

- Average UK property price hits another new record high of £282,753.
- Monthly house price growth of 1.4% the biggest increase for six months.
- Two years on from the first lockdown, house prices have now risen by £43,577.
- But increased pressure on household finances, as well as the geopolitical uncertainty due to the tragic events in Ukraine, is likely to act as a drag on buyer demand.

### Local House Prices

- Average house price growth in South Essex was up 6.69% in February 2022, slightly down from 7.81% in the previous reporting period in November 2021.
- Castle Point saw the biggest gain at £42,628, followed by Rochford both exceeding London. Thurrock again experienced the smallest gain at £6,687.
- Whilst Lower Quartile prices have grown at a similar rate since February 2021, prices fell in Thurrock (flats and maisonettes) and remained stable in Southend suggesting a possible softening in prices affecting smaller properties.

### Price of property by bed count

- For 1 and 2 bed flats; Castle Point had the highest price, whilst for 2 and 3 bed houses it was Rochford and finally for 4 bed houses Southend now recorded the highest prices.

### Cross Tenure (for a one bed property)

- The weekly cost of private renting (one bed property) has increased over the last year by as much as £16 per week (Southend).
- The gap between private renting and the latest LHA still remains significant in all SE Local Authorities ranging between -£23 and -£42 per week and is widening.

### Affordability

- Four wards in Castle Point, namely; Appleton, Victoria, Canvey Island Central and Canvey Island North all had ratios of 13:40 or more.
- In comparison with the neighbouring region of London, the ratio was 17.39:1 and for the East of England 11.33:1.

### Comparables Module

- Using Castle Point as the sample area, an example shows how the average house price for recently built 1-3-bedroomed homes on Kiln Road close to the Council offices at £398,500 had a premium of 20% compared to older properties of similar size on Canvey Island.
- Prices were also higher than the Castle Point borough wide average for 1-3 bed properties of £322,344.

# House Price Index



Average house price  
**£282,753**



Monthly change  
**+1.4%**



Quarterly change  
**+2.3%**



Annual change  
**+11.0%**

## Monthly house price growth of 1.4% the biggest increase for six months

- Average property price reaches another new record high of £282,753
- Two years on from the first lockdown, house prices have now risen by £43,577
- South West overtakes Wales as UK area with strongest house price inflation
- Cost of living pressure likely to slow the rate of house price growth this year

**Russell Galley, Managing Director, Halifax** commented: "Average UK house prices rose again in March for the ninth month in a row. The increase of 1.4%, or £3,860 in cash terms, was the biggest jump since last September. With 2021's strong momentum continuing into the beginning of this year, the annual rate of house price inflation (+11.0%) continues to track around its highest level since mid-2007.

"The story behind such strong house price inflation remains unchanged: limited supply and strong demand, despite the prospect of increasing pressure on households' finances. Although there is some recent evidence of more homes coming onto the market, the fundamental issue remains that too many buyers are chasing too few properties."

**Richard Donnell, Research and Insight Director, Hometrack / Zoopla** said "Increased pressure on household finances, as well as the geopolitical uncertainty due to the tragic events in Ukraine, will act as a drag on buyer demand during the year. This will start to ease the upwards pressure on pricing, although the continued constraints on supply will put a floor under prices. For now, buyer demand 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 February 2021 – February 2022

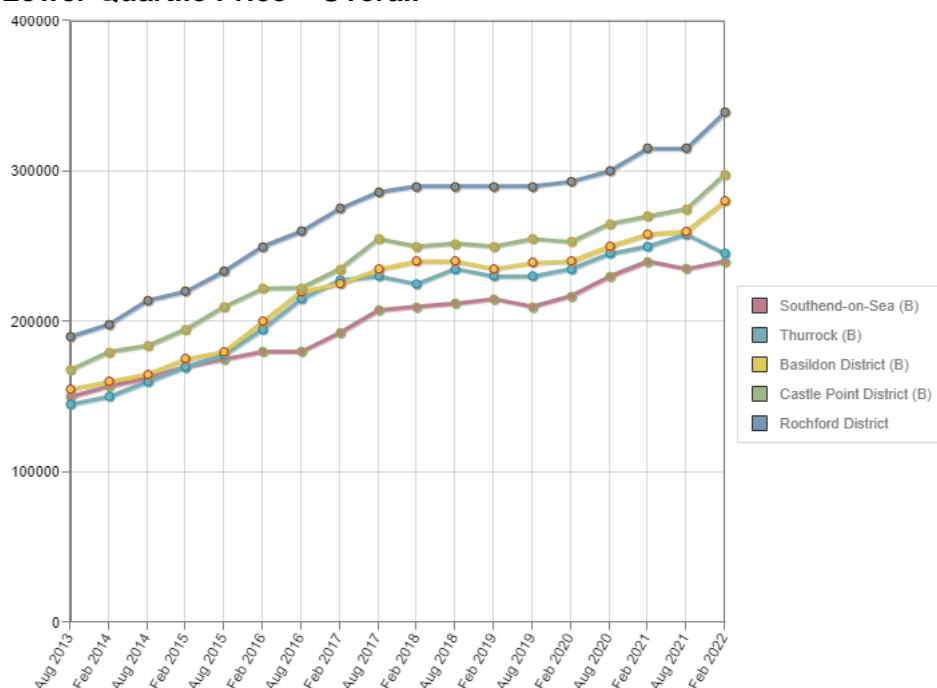
LA	London	Southend	Thurrock	Basildon	Castle Point	Rochford
Feb 2021	599,059	364,967	323,719	373,542	365,078	421,036
Feb 2022	629,343	381,979	330,406	396,064	407,706	459,030
CHANGE	30,284	17,012	6,687	22,522	42,628	37,994
%	5.06%	4.66%	2.07%	6.03%	11.68%	9.02%

Average annual house price growth in South Essex **was up 6.69%**, this was slightly down from the previous reporting period in November 2021 at 7.81%. Individual prices have all increased significantly buoyed up by lower interest rates and shortage of supply. Castle Point saw the biggest gain at £42,628, followed by Rochford and then Basildon. Thurrock again experienced the smallest gain at £6,687. Prices in London saw moderate to high growth, but Castle Point and Rochford still experienced higher growth.

### 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



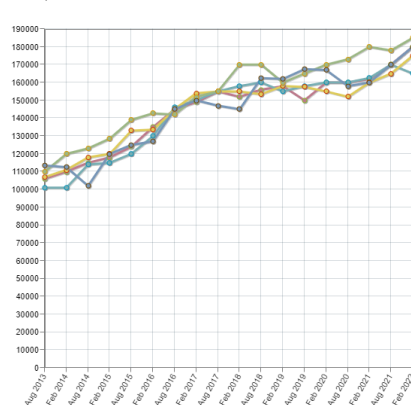
The graph shows Lower Quartile house prices growing steadily since August 2013, until flattening before the onset of the pandemic but then accelerating from August 2020 supported by the Stamp Duty holiday, the “race for space” and Help to Buy. However, since August 2021, prices actually **fell in Thurrock** but remained elevated in the remaining South Essex local authority areas.

In February 2022, the highest overall lower quartile property price in SE was in Rochford at **£339k**, followed by Castle Point at **£298k**, Basildon at **£268k**, Thurrock at **£245k**, and Southend **£240k**.

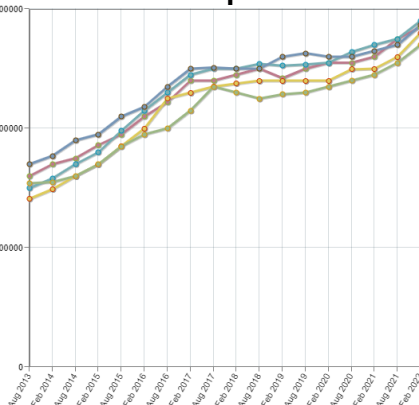
Annual LQ house price growth in February 2022 was up in three out of the five SE Local Authorities by as much as **£28k** (Castle Point) but actually fell by **£5k** in Thurrock and remained **stable** in Southend suggesting a possible softening of prices (see appendix 1, page 9).

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 **£141k**.

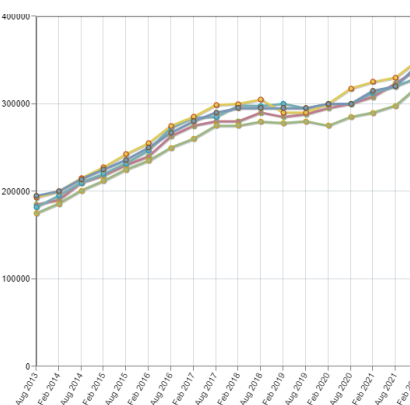
### LQ Price – Flat / Maisonette



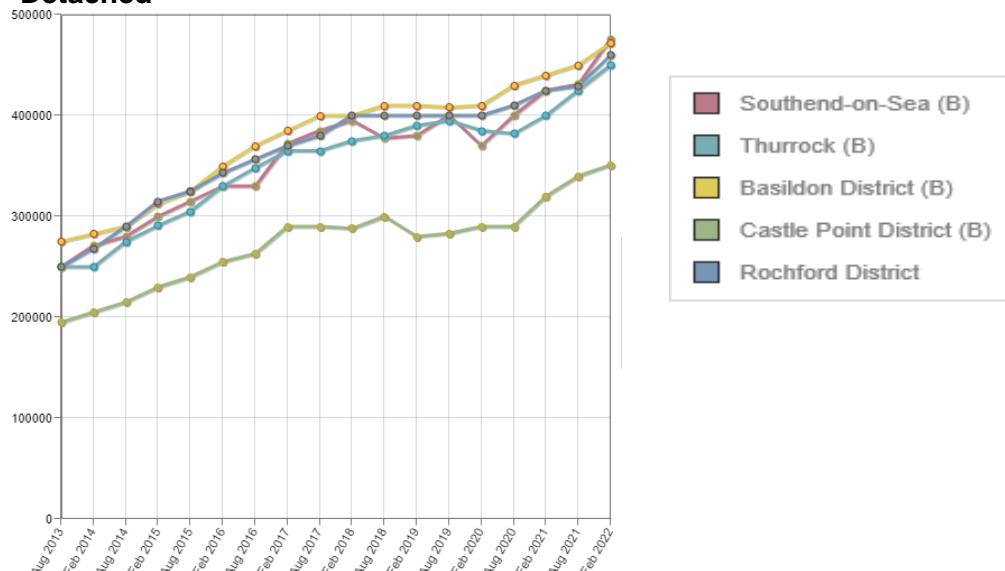
### Terraced Properties



### Semi Detached



### Detached



Since August 2021, house prices of **flat / maisonette properties fell in Thurrock** but continued to rise in the remaining South Essex areas. For terraced, semi / detached properties prices have all increased, particularly for family housing where there continues to be strong demand.

### Annual Turnover by Broad Type and Age

### As a Proportion of Overall Property

Castle Point Borough Council					
	2nd Hand House Sales	2nd Hand Flat Sales	New Build House Sales	New Build Flat Sales	Overall property price bands
2017	1,237	121	52	25	NA
2018	1,154	120	12	26	3.5%
2019	1,239	108	2	5	3.6%
2020	1,131	95	2	8	3.3%
2021	1,337	101	NA	4	3.8%

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

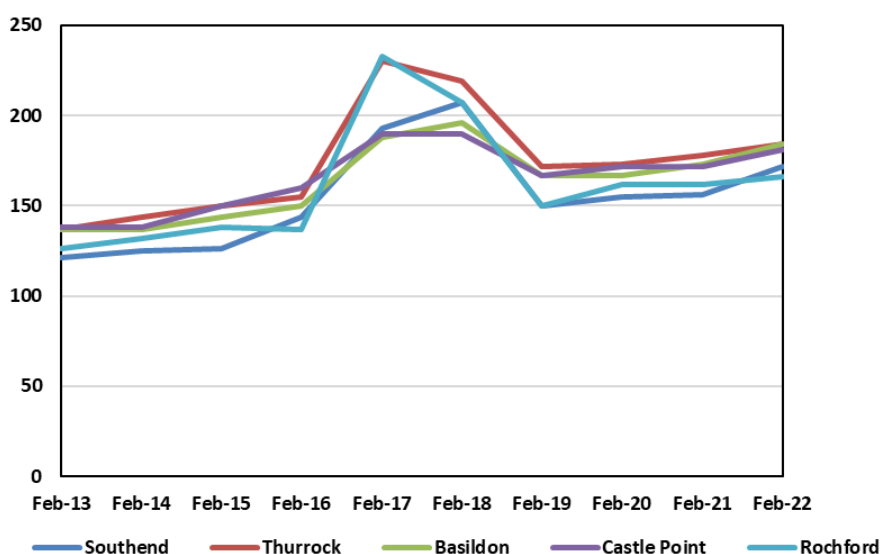
Turn-over figures for both second-hand house and flat sales have **remained stable** with relatively high volumes increasing to a high in 2021 for houses. New building house and flat sales **declined sharply** from 2017-18 and remained low ever since.

The total turnover is also shown as a proportion of overall property, based on Land Registry data. Turnover has remained stable. However, the rate **remains down** from the pre-recession figure of **5.5%** in 2007. (See TGSE Housing Market Trends Quarterly Report, January 2011).

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

February 2022	Southend	Thurrock	Basildon	Castle Point	Rochford
Renting (LA)	78	76	76	83	0
Renting (HA)	95	101	95	92	92
Renting - 80%	138	147	147	144	133
Renting (private)	172	184	184	181	166
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
February 2017	193	230	188	190	233
February 2016	144	155	150	155	137
LHA (as of 1/04/20)	138	161	161	138	138
Gap LHA & renting	<b>-34</b>	<b>-23</b>	<b>-23</b>	<b>-42</b>	<b>-28</b>
Buying LQ resale	165	163	163	173	166
Buying a resale	189	180	180	185	174
Buying LQ new build	NA	NA	NA	NA	NA
Buying av new build	228	143	NA	236	262

### Weekly cost private renting 1 bed property



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 February 2022 figures. Key trends are summarised overpage.



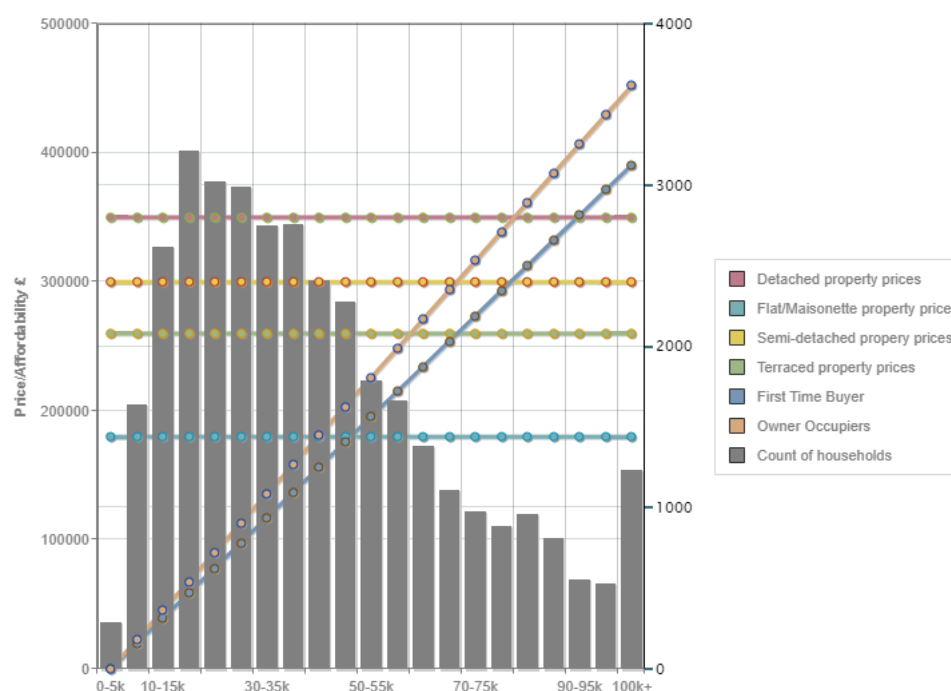
- The weekly cost of private renting (one bed property) has increased over the last year by as much as **£16** per week (Southend).
- The gap between private renting and the latest LHA still remains significant in all SE Local Authorities ranging between **-£23** and **-£42** per week and is widening.
- 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 and Rochford**.
- Buying an average re-sale one bed property is **more expensive** than renting in Southend, Castle Point and Rochford.
- Buying an average new build one bed property can often be significantly **more expensive**, with the exception of Thurrock.

### Lower Quartile Price of Property by Bed Count (February 2022)

	Southend	Thurrock	Basildon	Castle Point	Rochford
1 bed Prices (Flat)	154,000	150,000	150,000	164,500	150,000
2 bed Prices (Flat)	195,000	200,000	208,375	210,000	200,000
2 bed Prices (House)	280,000	279,750	280,000	280,000	305,125
3 bed Prices (House)	325,000	316,000	300,000	310,000	350,000
4 bed Prices (House)	460,000	410,000	420,000	420,000	450,000

The table above shows the lower quartile price of property by bed count in the SE area based on February 2022 figures. For 1 and 2 bed flats; **Castle Point had the highest price**, whilst for 2 and 3 bed houses it was **Rochford** and finally for 4 bed houses **Southend** now recorded the highest prices.

### Affordability: 3.0 times income Sample Area: Castle Point



Looking at the wider affordability issues in **Castle Point** 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



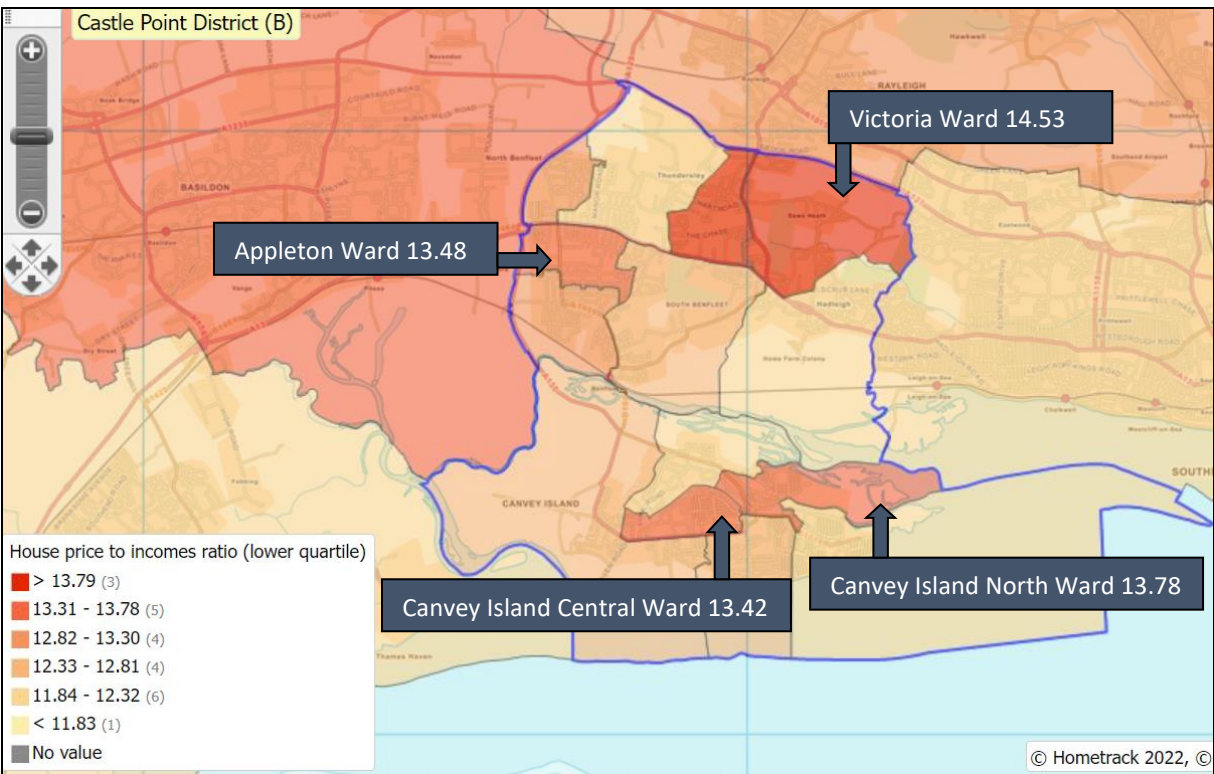
right show the value of property that can be afforded at different income multiples by a first-time buyer and former owner-occupier.

The chart demonstrates that a significant proportion of residents in **Castle Point** are priced out of the property market. For example, **67%** 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 **83%** for those wishing to purchase a terraced property and **94%** for a detached property.

**Percent of households priced out of market  
Castle Point**

FTB households - Flats	67%
FTB households - Terraced houses	83%
FTB households - Semi-detached houses	89%
FTB households - Detached houses	94%
Owner occupier - Flats	54%
Owner occupier - Terraced houses	76%
Owner occupier - Semi-detached houses	83%
Owner occupier - Detached houses	89%

**LQ house price to income ratio in Castle Point wards**



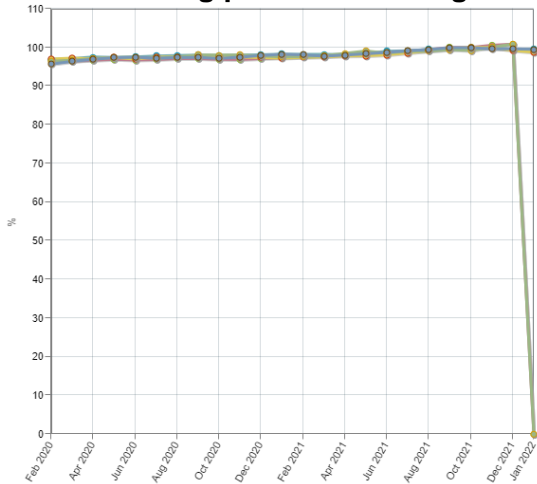
The heat map compares the Lower Quartile house price to income ratios across individual wards in Castle Point. The wards of Appleton, Victoria, Canvey Island Central and Canvey Island North all had ratios of **13:40** or more.

In comparison with the neighbouring region of London, the ratio was **17.39:1** and for the East of England **11.33:1**.

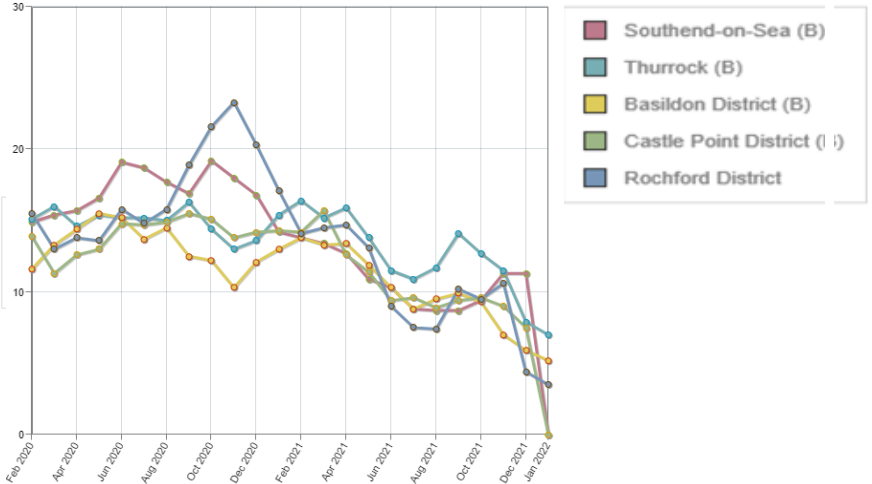


## Market Indicators

### Sales to asking price – Percentage



### Total time to sell – weeks



Since August 2021 the sales to asking price (%) has remained flat and in the **very high nineties** across all five South Essex local authority areas. (Please note insufficient data was available for Castle Point, due to low Land Registry sample counts).

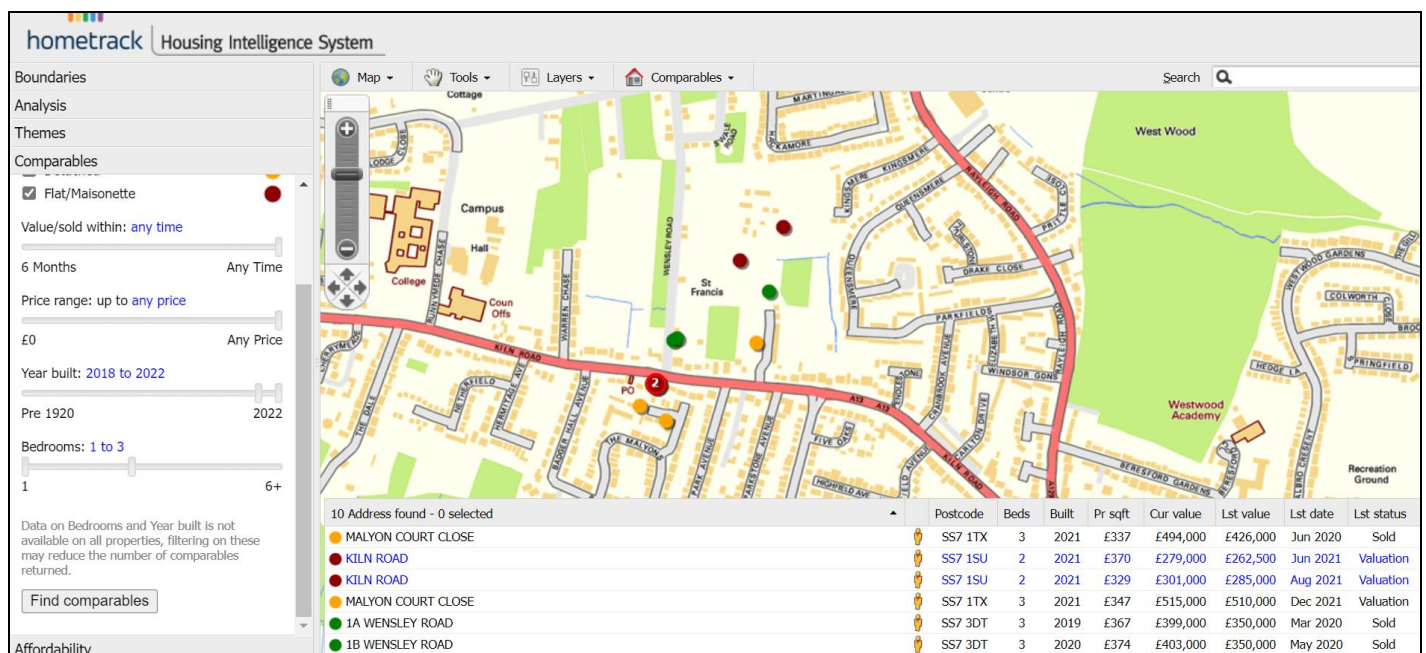
The time to sell (weeks) has fluctuated much more, however since December 2021 all South Essex Local Authorities have experienced an **improved picture**.

## 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 2018) located On Kiln Road, just past the Council offices, Castle Point.

A detailed list of 10 properties showing for example street name, post code, property type, current value, was then exported into excel for further analysis.

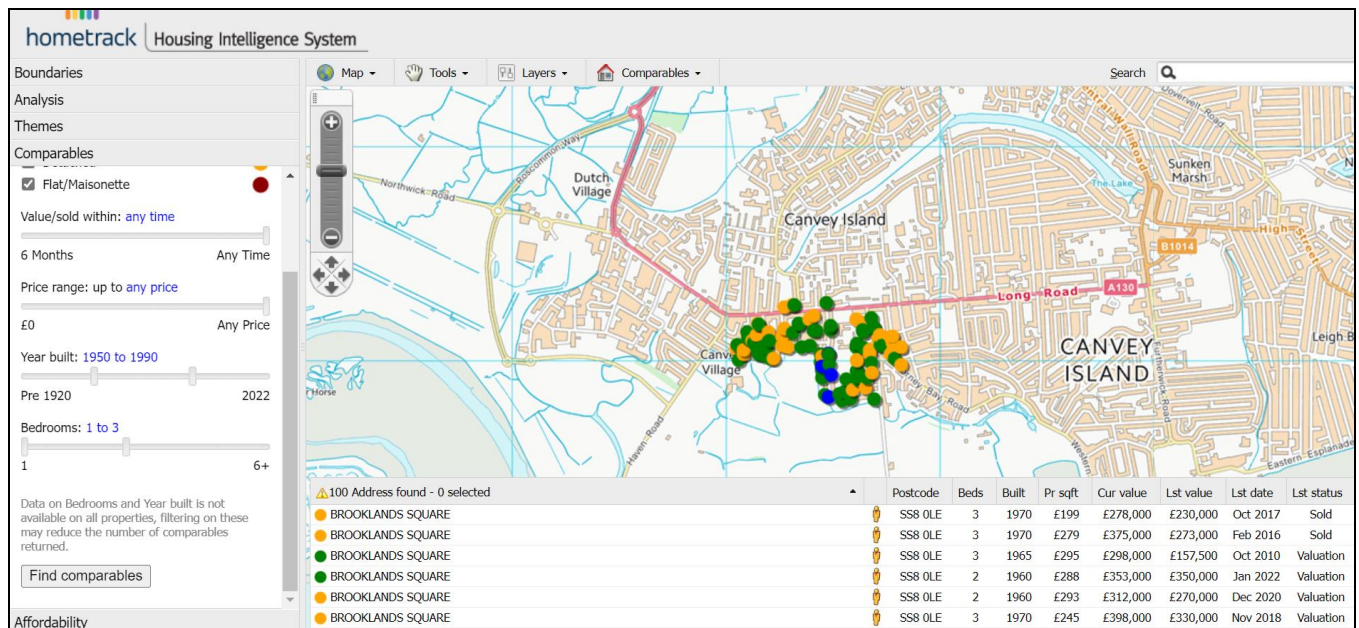
### New build properties (Kiln Road)



The average current value (sales or valuation) was calculated as **£398,500**.



## Older properties (Canvey Island)



This was then compared with the average price of over 100, 1-3 bedroomed older properties on Canvey Island at **£332,070** showing that the newer properties had a price premium of **20%**. Comparing the **average floor areas** between the two sets of properties, they were **slightly larger** on Canvey Island by approximately 75 sq. ft.

The difference between the current value and last recorded value of both sets of properties can also be compared showing the **uplift was greater on Canvey Island**. (Albeit, over a longer timeframe).

Finally, a comparison can also be made with the Castle Point borough wide average for 1-3 bed properties of **£322,344**, showing how each area performed again the average.

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

	<b>Southend-on-Sea (UA)</b>	<b>Thurrock (UA)</b>	<b>Basildon (Borough)</b>	<b>Castle Point (Borough)</b>	<b>Rochford (District)</b>
	Lower Quartile	Lower Quartile	Lower Quartile	Lower Quartile	Lower Quartile
Aug 2013	150,000	145,000	155,000	168,000	190,000
Feb 2014	157,000	150,000	159,995	180,000	198,000
Aug 2014	162,500	160,000	165,000	183,995	214,000
Feb 2015	170,000	170,000	175,000	195,000	220,000
Aug 2015	175,000	178,000	180,000	210,000	233,500
Feb 2016	180,000	195,000	200,000	222,000	250,000
Aug 2016	180,000	215,000	220,000	222,500	260,000
Feb 2017	192,500	227,500	225,000	235,000	275,000
Aug 2017	207,500	230,000	234,596	255,000	286,000
Feb 2018	210,000	225,000	240,000	250,000	290,000
Aug 2018	212,000	235,000	240,000	252,000	290,000
Feb 2019	215,000	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	293,000
Aug 2020	230,000	245,000	250,000	265,000	300,000
Feb 2021	240,000	250,000	258,000	270,000	315,000
Aug 2021	235,000	258,000	260,000	275,000	315,000
Feb 2022	240,000	245,000	280,000	298,000	339,000
<b>Change Feb 21 Feb 22</b>	0	-5,000	22,000	28,000	24,000
<b>Change Feb 2014 Feb 2022</b>	83,000	95,000	120,005	118,000	141,000

Source: Hometrack Housing Intelligence System



**For further information, please contact:**

Alastair Pollock - Strategy Coordinator  
C/o Castle Point Borough Council  
Kiln Road, Thundersley  
Benfleet, Essex, SS7 1TF  
Tel: 01268 882270

[apollock@castlepoint.gov.uk](mailto:apollock@castlepoint.gov.uk)  
<https://www.housingessex.org/>

