

SOUTH ESSEX  
**HOUSING GROUP**

# **South Essex Housing Market Trends**

## **Quarterly Report**

**April 2024**

*House Prices, Affordability & Market Indicators*



**SEHG**  
SOUTH ESSEX HOUSING GROUP

<https://www.housingessex.org/>

## 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 published [South Essex Housing Needs Assessment, June 2022](#). Changes in Lower Quartile house prices for SE local authority areas are tabled in Appendix 1.

## Key trends

### National Trends

- Property prices grew by +0.3% annually (vs +1.6% last month).
- House prices up +2.0% on previous quarter.
- Average house prices fell by -1.0% in March, following a rise of +0.3% in February.
- Typical UK home now costs £288,430, around £2,900 less than last month.

### Local House Prices

- Average annual house prices in South Essex fell to -2.20%, down from -1.78% in the last quarter report in January 2024.
- Annual Lower Quartile (LQ) house prices in February 2024 fell in Thurrock by -£25k followed by Basildon -£10k, Rochford and Castle Point -£9.5k, and Southend -£5k.
- House prices are still up over the last 10 years by as much as £90k in Basildon, followed by £85.5k in Castle Point and Rochford and £60k in Southend and Thurrock.
- The LQ prices of larger properties fell more noticeably between February and August 2023 and then some areas actually experienced a modest recovery in the last six months to February 2024.

### Price of property by bed count

- For 1 bed flats; Basildon now has the highest price, whilst for 2 bed flats it was Castle Point, for 2, 3 and 4 bed houses it was Rochford again.

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

- The weekly cost of private renting has increased over the last year by as much as £29 per week in Thurrock and Basildon, £13 in Rochford, £12 in Castle Point and Southend.
- The gap between private renting and the new LHA (as of April 2024) has reduced but still remains significant in all SE Local Authorities ranging between -£51 per week in Castle Point, -£47 in Thurrock and Basildon and -£39 in Southend.
- The Local Housing Allowance does now cover the cost of Intermediate Rent (at 80% market rent) in Southend, and only falls marginally short in Rochford, Basildon and Thurrock. In Castle Point the gap is £10 per week.

### Affordability (Lower Quartile house price to income ratios)

- The Southend wards of Eastwood Park, St Laurence, Blenheim Park and West Shoebury all had ratios of 11.99:1 or more.
- In comparison with the neighbouring region of London the ratio was 14.17:1 and for the East of England 10.11:1. This shows how prices are still relatively high in London compared to the East of England.

### Comparables Module

- Using Southend as the sample area, average property prices of 2 bed homes on Shoeburyness seafront built between 2002-2007 valued at £599,800 were compared with smaller 2 bed properties north of Southchurch Road at £209,429, showing that the larger Seafront properties had a premium of 286%.

# House Price Index



<p>Average house price <b>£288,430</b></p>	<p>Monthly change <b>-1.0%</b></p>	<p>Quarterly change <b>+2.0%</b></p>	<p>Annual change <b>+0.3%</b></p>
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## Annual growth slows, but house prices remain up on last year

- Property prices grew by +0.3% annually (vs +1.6% last month)
- House prices up +2.0% on previous quarter
- Average house prices fell by -1.0% in March, following a rise of +0.3% in February
- Typical UK home now costs £288,430, around £2,900 less than last month
- Northern Ireland remains strongest performing nation or region in the UK

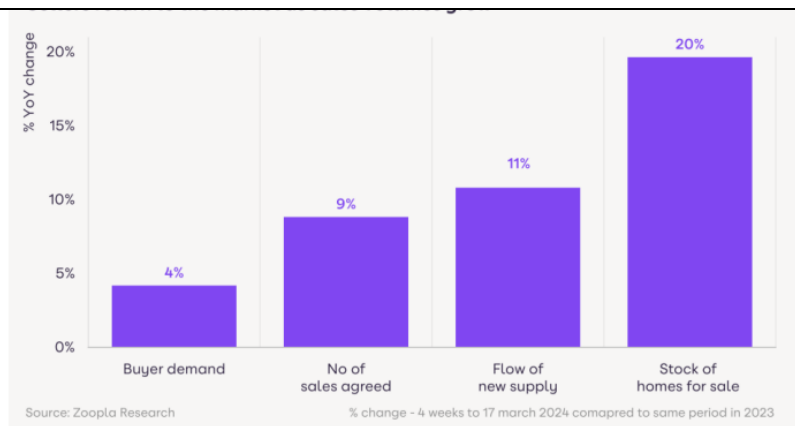
Kim Kinnaird, Director, Halifax Mortgages, commented: “that a monthly fall should occur following five consecutive months of growth is not entirely unexpected particularly in view of the reset the market has been going through since interest rates began to rise sharply in 2022. Despite this house prices have shown surprising resilience in the face of significantly higher borrowing costs.”

“Affordability constraints continue to be a challenge for prospective buyers, while existing homeowners on cheaper fixed-term deals are yet to feel the full effect of higher interest rates. This means the housing market is still to fully adjust, with sellers likely to be pricing their properties accordingly. Looking ahead... with only a modest improvement in affordability on the horizon, this will likely limit the scope for significant house price increases this year.”

Richard Donnell, Director of Research at Hometrack said “Annual house price inflation whilst slowing to -0.3%, was up from -1.4% in Oct 23. Market activity has improved across all key measures led by sales, which are 9% higher than a year ago. More sellers are coming to market and the stock of homes for sale is up 20%. House price inflation is higher than Q3 2023 across all areas but still negative in southern England. The percentage of the asking price achieved has narrowed from 95.5% in November 2023 to 96.1% in March 2024. Sellers are accepting a median average discount to the asking price of £10,000, down from £14,250 in Nov 2023. In conclusion, 2024 is set to be a year of better sales volumes but flat house prices.”

**“Sellers need to remain realistic on where they set the asking price if they are to take advantage of improving market conditions to secure a sale and move home in 2024.”**

**Richard Donnell**  
Executive Director - Research



## 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 Feb 2023 – Feb 2024

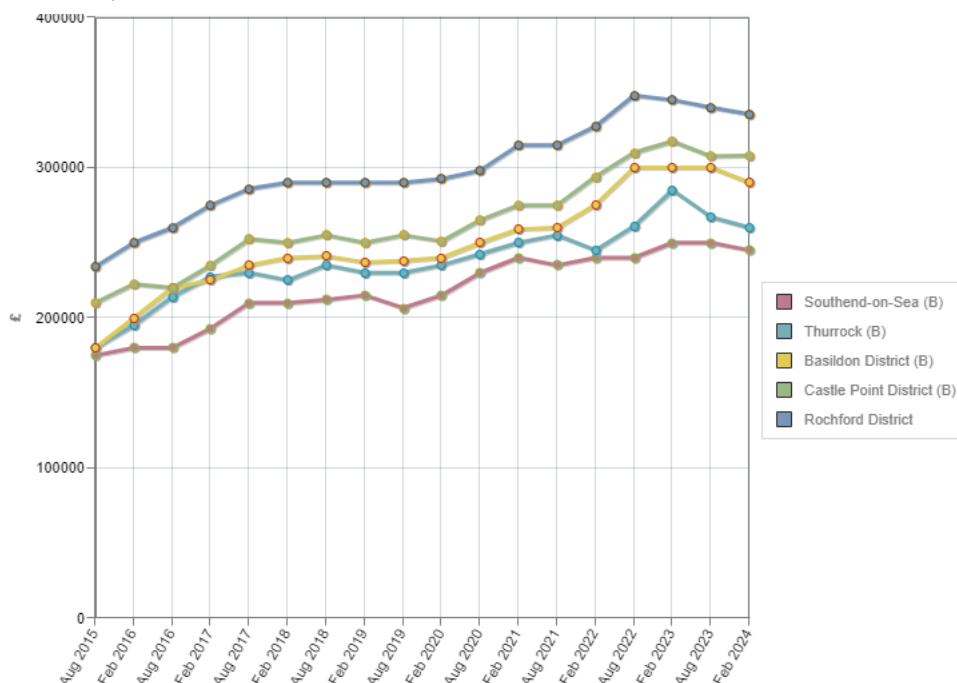
	London	Southend	Thurrock	Basildon	Castle Point	Rochford	Average
Feb 2023	651,092	394,147	366,287	407,117	406,080	456,489	for South Essex
Aug 2023	645,175	390,461	363,565	399,105	406,129	452,545	
Feb 2024	627,775	386,391	351,947	402,549	403,649	447,322	
<b>CHANGE Feb-Feb</b>	<b>-23,317</b>	<b>-7756</b>	<b>-14,340</b>	<b>-4568</b>	<b>-2431</b>	<b>-9167</b>	
<b>% Feb 24</b>	<b>-3.58%</b>	<b>-1.97%</b>	<b>-3.91%</b>	<b>-1.12%</b>	<b>-0.60%</b>	<b>-2.01%</b>	<b>-2.20%</b>
<b>% Aug 23</b>	<b>-2.67%</b>	<b>-1.03%</b>	<b>-3.17%</b>	<b>0.85%</b>	<b>-0.61%</b>	<b>-1.14%</b>	<b>-1.30%</b>

Average annual house prices in South Essex **fell to -2.20%**, down from -1.78% in the last quarterly report in January 2024. Outside London, Thurrock experienced the **biggest fall at -£14,340 followed by Rochford at -£9,167**. Figures over the last 6 months (Aug-Feb) show the decline in house prices easing to **-1.30%** with Thurrock still seeing the biggest fall in percentage terms.

### 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



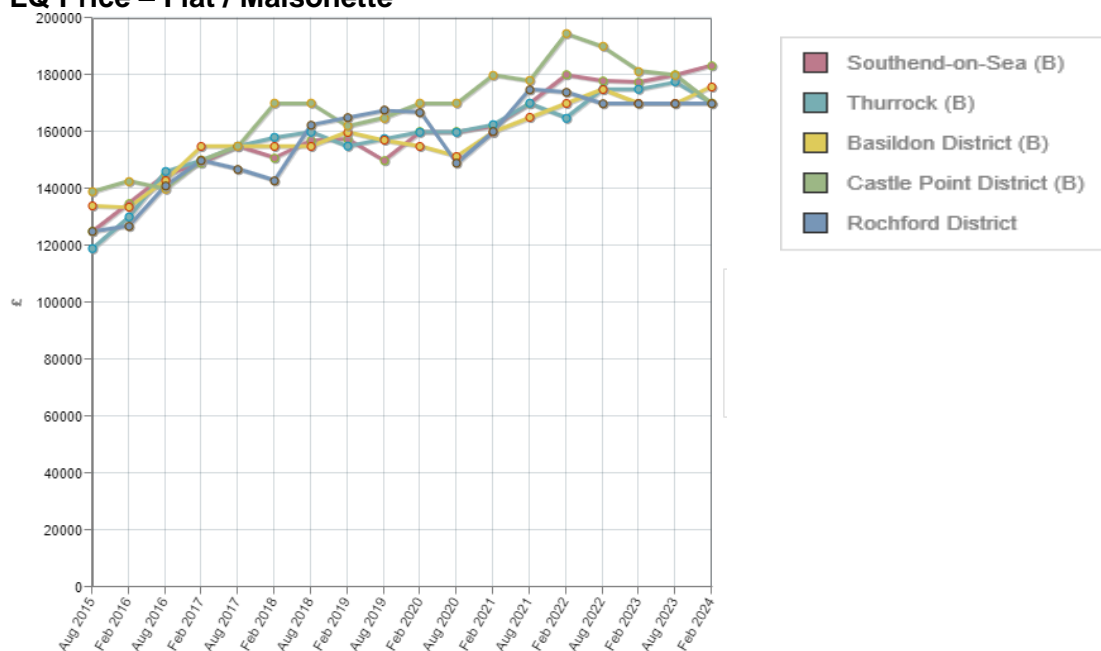
The graph shows Lower Quartile house prices growing steadily since August 2015, until flattening before the onset of the pandemic but then accelerating from February 2022 supported by the Stamp Duty holiday, the “race for space” and Help to Buy. However, from February 2023 **prices began to fall across all South Essex (SE) Local Authority areas**.

In February 2024, the highest overall lower quartile property price in SE was in Rochford at **£335.5k**, followed by Castle Point at **£308k**, Basildon at **£290k**, Thurrock at **£260k** Southend **£245k**.

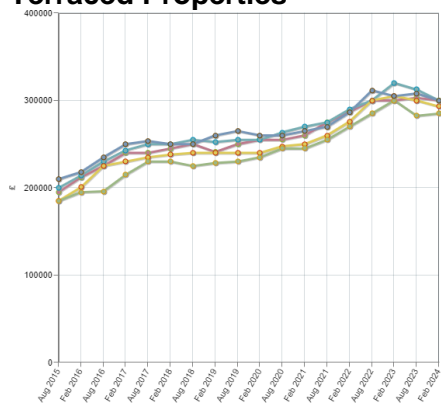
Annual LQ house prices in November 2023 fell in **Thurrock by -£25k** (albeit from a previous sharp rise), followed by **Basildon -£10k, Rochford and Castle Point -£9.5k, and Southend by -£5k**. House prices in all five South Essex local authority areas are now all experiencing downward adjustments in response to changing market conditions.

House prices are still **up over the last 10 years by as much as £90k in Basildon**, followed by **£85.5k in Castle Point and Rochford and £60k in Southend and Thurrock**.

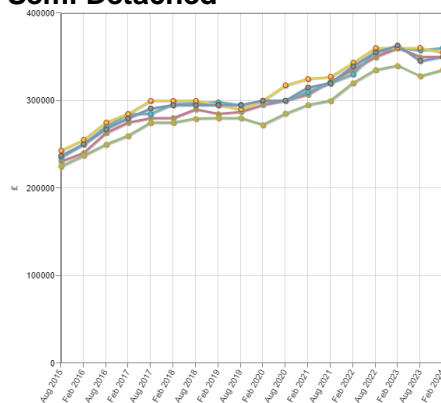
### LQ Price – Flat / Maisonette



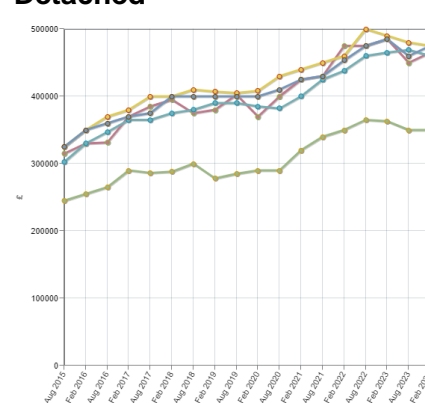
### Terraced Properties



### Semi Detached



### Detached



The prices of **flat / maisonette properties** in **Castle Point** have fallen since their peak in February 2022, with a similar **fall in Thurrock but only in the last 6 months** (August 2023 to February 2024). For other SE authorities, prices have remained more resilient.

The more marked change has come from **terraced properties** where **all SE authorities have seen prices fall**. Interestingly, for larger properties (semi-detached and detached), prices fell more noticeably between February and August 2023 and then **some areas** actually experienced a **modest recovery** in the **last six months** to February 2024.

To note, prices for larger properties in Castle Point have consistently lagged behind, this is because prices on Canvey Island are generally lower and therefore drag the average price down.

## Annual Turnover by Broad Type and Age

## As a Proportion of Overall Property

	Southend Borough Council				Source: HM Land Registry
	2nd Hand House Sales	2nd Hand Flat Sales	New Build House Sales	New Build Flat Sales	Overall property price bands
2018	1,933	949	81	245	4.1%
2019	1,822	780	4	48	3.4%
2020	1,634	662	NA	32	2.9%
2021	2,539	1,067	1	7	4.6%
2022	1,789	969	2	7	3.5%
2023	1,071	498	NA	NA	2.0%

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

Turn-over figures for **second-hand house and flat sales peaked in 2021 then declined in 2022 and 2023. For new build house and flat sales they peaked in 2018 and then declined** in more recent years. To note: these figures do not reflect the Borough's **net completion rates** which have been more steady and **higher** (source: [Councils' monitoring / Turley analysis](#)). The difference is likely to be because sales figures do not include affordable housing completions and possible time-lag in reporting.

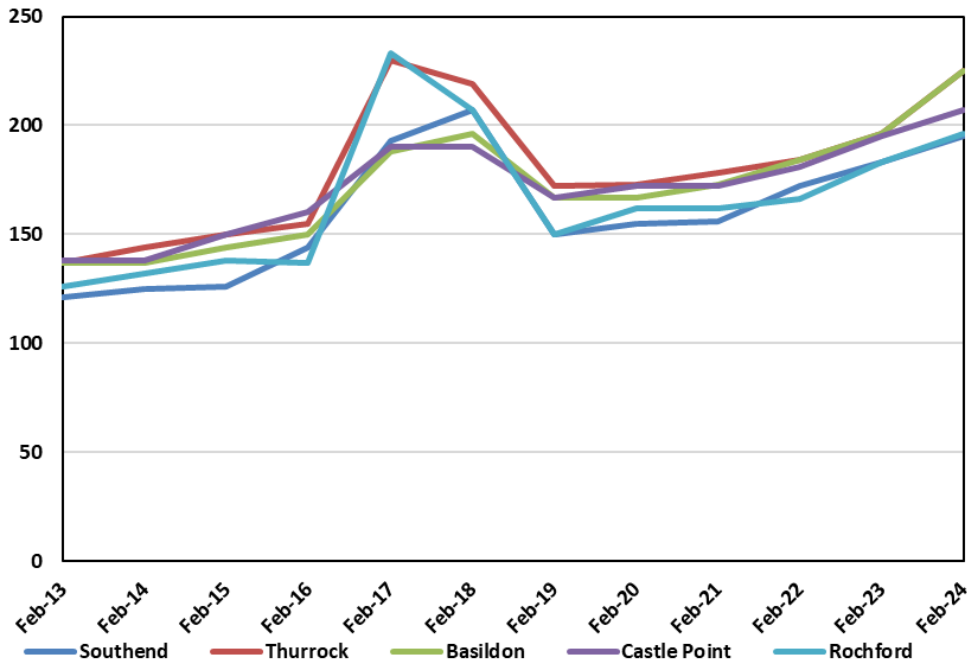
The total turnover is also shown as a proportion of overall property, based on Land Registry data. **Turnover peaked in 2021 at 4.6% but more than halved to 2.0% in 2023.** Interestingly, looking at pre 2008 figures **turnover was 6.1% in 2007** (see Housing Market Trends Quarterly Report, April 2011).

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

February 2024	Southend	Thurrock	Basildon	Castle Point	Rochford
Renting (LA)	78	76	76	83	0
Renting (HA)	95	101	95	92	92
Renting - 80%	156	180	180	166	157
Renting (private)	195	225	225	207	196
February 2023	183	196	196	195	183
February 2022	172	184	184	181	166
February 2021	156	178	173	172	162
Change Feb 23 – Feb 24	<b>+12</b>	<b>+29</b>	<b>+29</b>	<b>+12</b>	<b>+13</b>
LHA (as of <b>1/04/24</b> )	156 (138)	178 (161)	178 (161)	156 (138)	156 (138)
Gap LHA & renting	<b>-39 (-52)</b>	<b>-47 (-58)</b>	<b>-47 (-55)</b>	<b>-51 (-69)</b>	<b>-40 (-54)</b>
Buying LQ resale	253	242	250	258	242
Buying AV resale	298	271	277	280	280

Note: figures in brackets are from the previous Housing Market Trends Report January 2024

## Weekly cost private renting 1 bed property



The above graph and table overpage show the weekly cost of renting or purchasing a one bed-room property across a range of quartiles based on February 2024 figures. Key trends are summarised below.

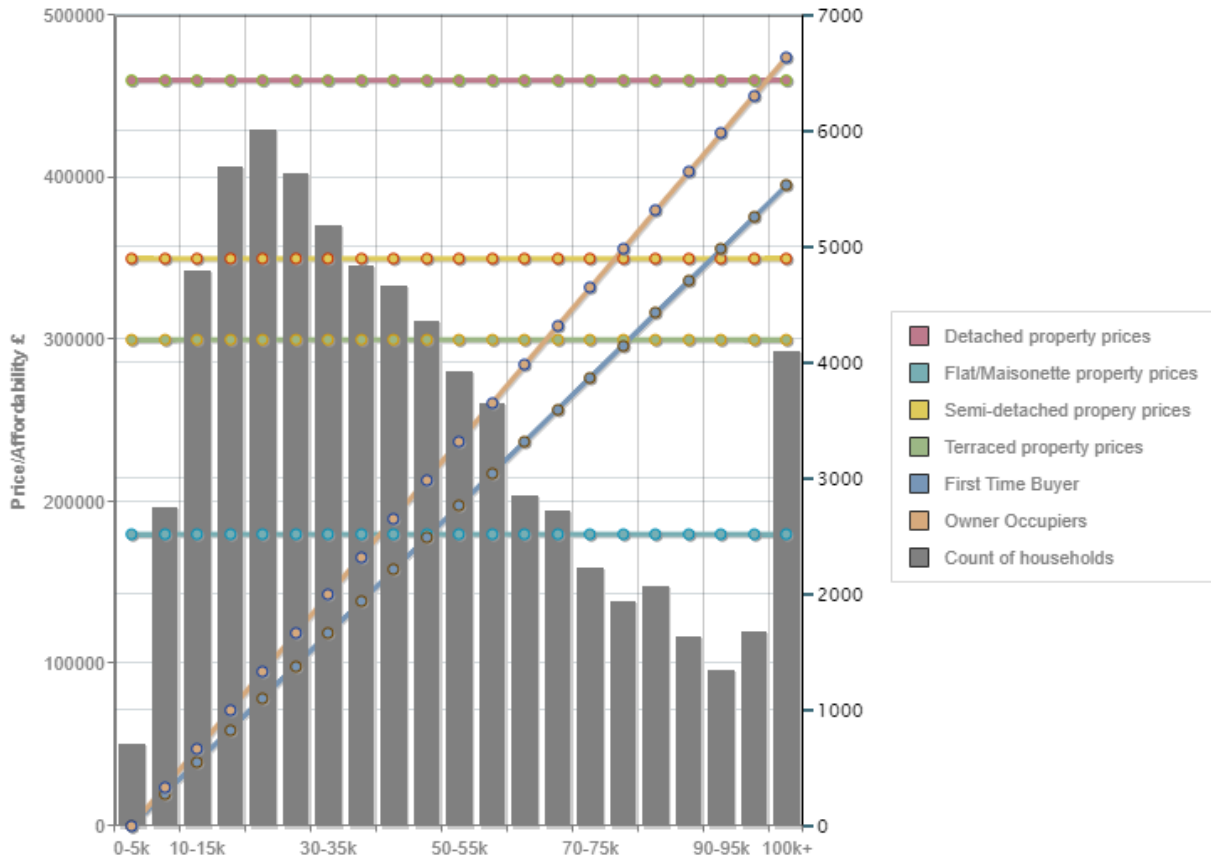
- Data collected over the past ten years show how **private rents peaked in February 2017-18** notably in Southend and Rochford, **then fell back** in the following year. Since **2019 rents have all risen** particularly in Thurrock and Basildon.
- The weekly cost of private renting (one bed property) has increased over the last year by as much as **£29 per week in Thurrock and Basildon**, **£13** in Rochford, **£12** in Castle Point and Southend.
- The gap between private renting and the new LHA (as of April 2024) has reduced but still remains significant in all SE Local Authorities ranging between **-£51 per week in Castle Point**, **-£47 in Thurrock and Basildon** and **-£39 in Southend**, despite the uplift in the LHA rates.
- The Local Housing Allowance **does now cover the cost of Intermediate Rent (at 80% market rent) in Southend**, and only falls marginally short in Rochford, Basildon and Thurrock. In Castle Point the gap is £10 per week.

## Lower Quartile Price of Property by Bed Count (February 2024)

	Southend	Thurrock	Basildon	Castle Point	Rochford
1 bed Prices (Flat)	150,000	150,000	160,000	158,750	151,900
2 bed Prices (Flat)	200,000	200,000	210,000	197,500	205,000
2 bed Prices (House)	286,819	300,000	291,581	298,538	310,000
3 bed Prices (House)	325,000	335,481	317,000	336,750	360,000
4 bed Prices (House)	421,250	425,000	444,000	425,000	478,750

The above table shows the lower quartile price of property by bed count in the South Essex area based on February 2024 figures. For 1 bed flats; **Basildon now has the highest price**, whilst for 2 bed flats it was **Castle Point**, for 2, 3 and 4 bed houses it was **Rochford** again.

**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.

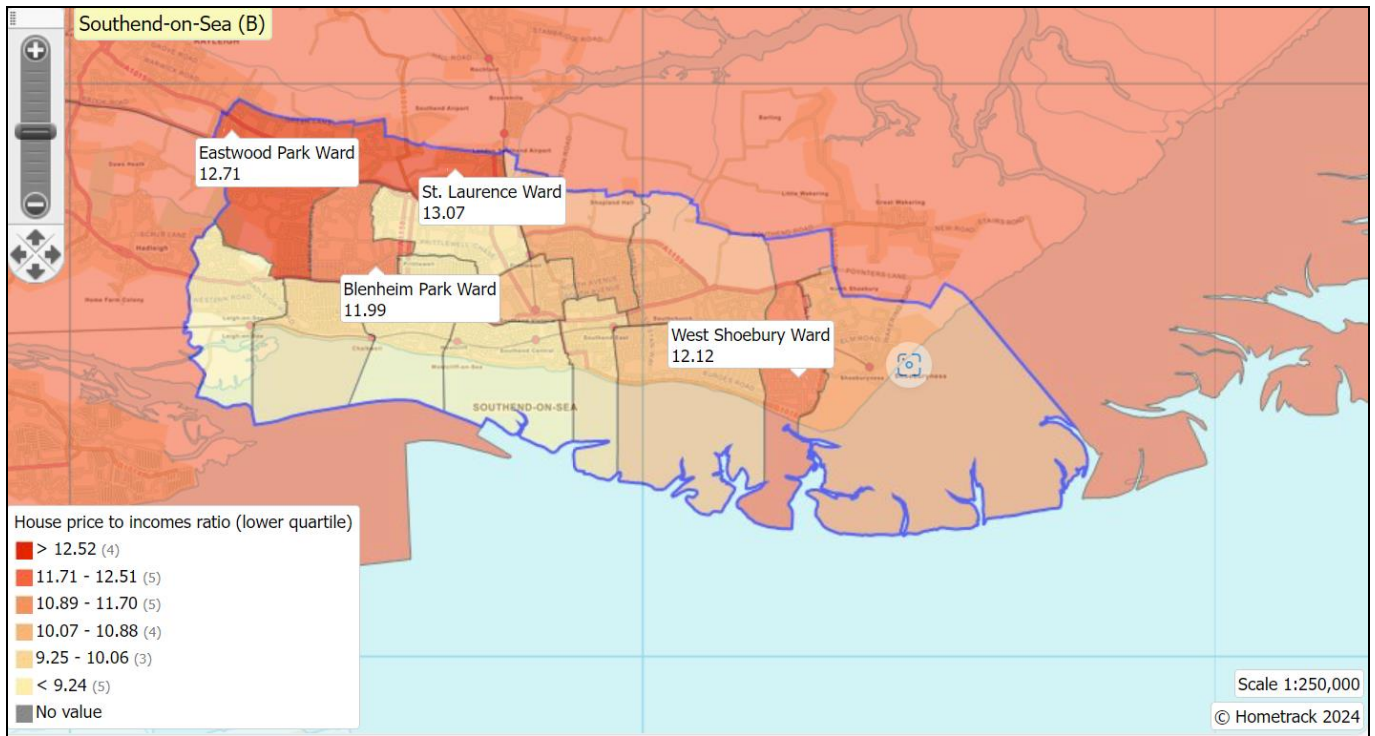
The chart demonstrates that a significant proportion of residents in **Southend** are priced out of the property market. For example, **61%** of households were priced out of the market (i.e. cannot afford to purchase a flat as a first-time buyer on a mortgage at 3.0 times their income). This rises to **85%** for those wishing to purchase a terraced property, **90%** for a semi-detached property and **100%** for a detached property.

**Percent of households priced out of market – Southend**

FTB households - Flats	61%
FTB households - Terraced houses	85%
FTB households - Semi-detached houses	90%
FTB households - Detached houses	100%
Owner occupier - Flats	49%
Owner occupier - Terraced houses	76%
Owner occupier - Semi-detached houses	82%
Owner occupier - Detached houses	94%



## LQ house price to income ratio in Southend Wards

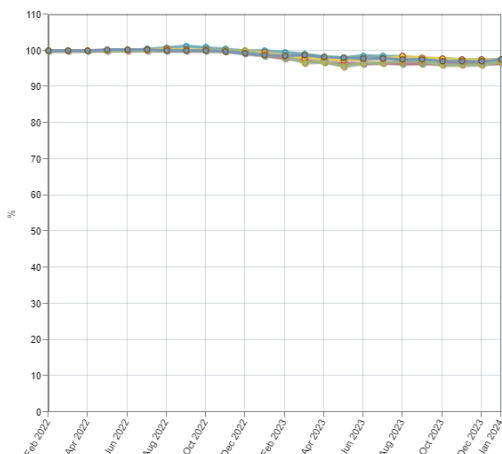


The heat map compares the Lower Quartile house price to income ratios across individual wards in Southend. The wards of Eastwood Park, St Laurence, Blenheim Park and West Shoebury all had ratios of **11.99:1** or more.

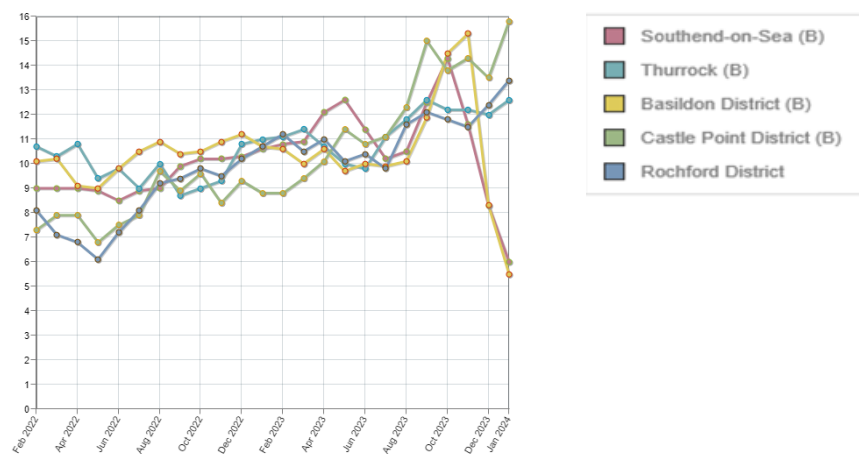
In comparison with the neighbouring region of London the ratio was **14.17:1** and for the East of England **10.11:1**. This shows how prices are still relatively high in London compared to the East of England. Whilst the East of England ratio remained the same, the London ratio was down from the previous quarterly report in January 2024 at 15.24:1.

## Market Indicators

### Sales to asking price – %



### Total time to sell – weeks



The sales to asking price (%) has been consistent across all five South Essex local authorities and fallen from its peak at **100% in December 2022** to **96% in January 2024** reflecting a weaker but still resilient market.

The time to sell (weeks) has fluctuated much more, with **Basildon and Southend seeing a reduction** in the number of weeks to 5-6, whilst for **Thurrock, Rochford and notably Castle Point the time to sell has lengthened**.

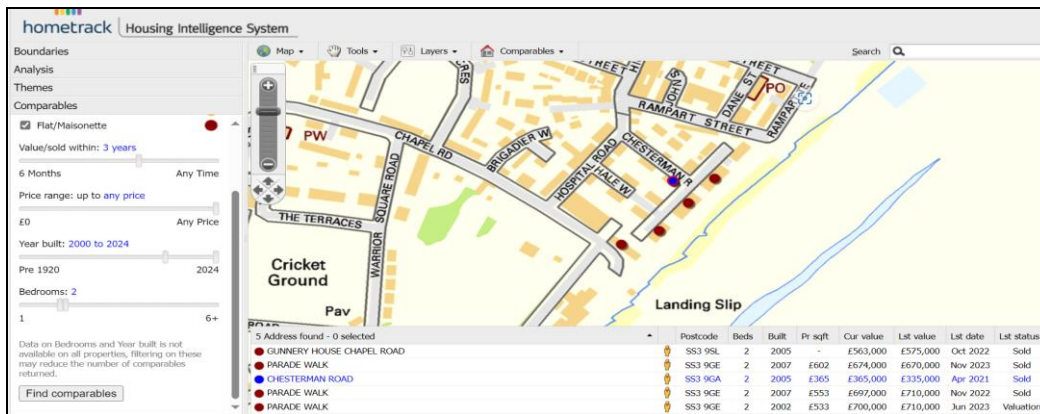


## Comparables Module – New build / refurbished v older properties

Using the Comparables Module it is possible to focus in on a chosen development and compare it with another scheme in a different location. In this example, the development was 2 bedroomed properties on Shoeburyness seafront built between 2002-2007. A detailed list of 5 properties showing for example street name, post code, property type, current value, was then exported into excel for further analysis.

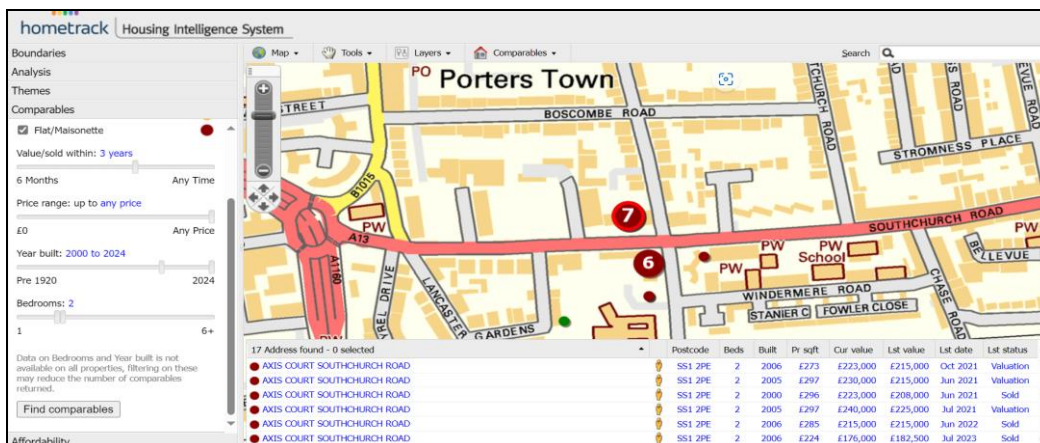
The average sales price or valuation of the 2 bedroomed properties was then calculated as **£599,800**, which when compared with the average price of 2 bedroomed properties in the Town Centre (north of Southchurch Road) at **£209,429**, showed that the Seafront properties had a **premium of 286%**. However, further analysis shows that the 2 bedroomed properties in Shoeburyness whilst built around the same time have more than twice the floor area than the smaller properties on Southchurch Lane.

### Shoeburyness, Southend



Address	Property type	Bedrooms	Reception	Year built	Floor area	£/sqft	Current value	Last value	Last date	Last status
Chapel Road	Flat/Maisonette	2	2	2005	-	-	563,000	575,000	Oct-22	Sold
Parade Walk	Flat/Maisonette	2	1	2007	1,119	£ 602	674,000	670,000	Nov-23	Sold
Chesterman Road	Terraced	2	1	2005	1,001	£ 365	365,000	335,000	Apr-21	Sold
Parade Walk	Flat/Maisonette	2	1	2007	1,259	£ 553	697,000	710,000	Nov-22	Sold
Parade Walk	Flat/Maisonette	2	1	2002	1,313	£ 533	700,000	710,000	Jun-23	Valued
<b>Average</b>					<b>1,173</b>	<b>£ 513</b>	<b>599,800</b>	<b>600,000</b>		

### Southchurch Road, Southend Town Centre



Address	Property type	Bedrooms	Reception	Year built	Floor area	£/sqft	Current value	Last value	Last date	Last status
Southchurch Road	Flat/Maisonette	2	1	2006	818	273	223,000	215,000	Oct-21	Valued
Southchurch Road	Flat/Maisonette	2	1	2005	775	297	230,000	215,000	Jun-21	Valued
Southchurch Road	Flat/Maisonette	2	1	2005	807	297	240,000	225,000	Jul-21	Valued
Southchurch Road	Flat/Maisonette	2	1	2006	753	285	215,000	215,000	Jun-22	Sold
Southchurch Road	Flat/Maisonette	2	1	2006	786	224	176,000	182,500	Jul-23	Sold
Southchurch Road	Flat/Maisonette	2	1	2006	883	239	211,000	215,000	Aug-23	Sold
Southchurch Road	Flat/Maisonette	2	1	2007	560	306	171,000	175,000	Oct-23	Valued
<b>Average</b>					<b>769</b>	<b>274</b>	<b>209,429</b>	<b>206,071</b>		



## Rental values: Victoria Avenue v Shoeburyness

Similar comparisons can be made across the private rental market. In this example, monthly rental prices of 2 bed roomed flat / maisonette properties on Victoria Avenue was compared with those in Shoeburyness. 44 properties listed in Victoria Avenue (Pinnacle House) had an average monthly rent of **£1,097**. This was then compared with 11 similar properties in Shoeburyness where the rental income was **£1,330**.

### 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
Aug 2015	175,000	179,950	180,000	210,000	234,000
Feb 2016	180,000	195,000	200,000	222,500	250,000
Aug 2016	180,000	214,000	220,000	220,000	260,000
Feb 2017	193,000	227,500	225,000	235,000	275,000
Aug 2017	210,000	230,000	235,000	252,351	285,976
Feb 2018	210,000	225,000	240,000	250,000	290,000
Aug 2018	212,000	235,000	241,000	255,000	290,000
Feb 2019	215,000	230,000	237,000	250,000	290,000
Aug 2019	206,500	230,000	238,000	255,000	290,000
Feb 2020	215,000	235,000	240,000	251,000	292,500
Aug 2020	230,000	242,500	250,000	265,000	298,000
Feb 2021	240,000	250,000	259,000	275,000	315,000
Aug 2021	235,000	255,000	260,000	275,000	315,000
Feb 2022	240,000	245,000	275,350	294,000	327,500
Aug 2022	240,000	261,000	300,000	310,000	348,000
Feb 2023	250,000	285,000	300,000	317,500	345,000
Aug 2023	250,000	267,000	300,000	307,500	340,000
Feb 2024	245,000	260,000	290,000	308,000	335,500
<b>Change Feb 23 Feb 24</b>	<b>-5,000</b>	<b>-25,000</b>	<b>-10,000</b>	<b>-9,500</b>	<b>-9,500</b>
<b>Change Feb 2016 Feb 2024</b>	<b>65,000</b>	<b>65,000</b>	<b>90,000</b>	<b>85,500</b>	<b>85,500</b>

Source: Hometrack Housing Intelligence System



For further information, please contact:

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