

# Thames Gateway South Essex

## Housing Market Trends

### Quarterly Report

January 2010

*House Prices, Affordability & Market Indicators*

[www.tgessex.co.uk](http://www.tgessex.co.uk)

**Basildon Council**  
BASILDON • BILLERICAY • WICKFORD

  
**castlepoint**  
beefee | canvey | hadleigh | thundersley

  
**Rochford**  
District Council

  
**southend  
onsea**  
BOROUGH COUNCIL

**THURROCK COUNCIL**  
[www.thurrock.gov.uk](http://www.thurrock.gov.uk)

and partner RSLs

## Introduction

This report monitors the latest trends in house prices, rent and other market indicators based on Hometrack's online Housing Intelligence System ([www.hometrack.co.uk](http://www.hometrack.co.uk)). It looks at national trends and local changes in lower quartile house prices across the Thames Gateway South Essex (TGSE) sub region by local authority area for different housing types. It also compares cross tenure affordability and reviews recent market indicators. Changes in house prices for TGSE local authority areas are tabled in appendix 1

## Key trends

### National Trends

- Overall house prices in England & Wales have increased over the last four months.
- Lead indicators are beginning to slow such as the average time to sell and the number of new buyers registering with agents.

### Local House Prices (lower quartile)

- Overall house prices have continued to increase over the last four months across all five TGSE Local Authorities.
- Between November 2008 and November 2009, LQ house prices rose in Southend by £1k but fell in Thurrock £9k, Rochford £8k, Castle Point £8k and Basildon £7k.
- In November 2009 the highest overall LQ property price was in Rochford £175k, followed by Castle Point £162k, Basildon £145k, Southend £141k, and Thurrock £138k.
- Prices in Rochford are consistently higher than in the other four local authority areas for 2 and 3 bed properties.
- Lower quartile prices for flat / maisonette properties remain down in Thurrock while for terraced and detached properties they remain down in Rochford.
- 

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

- Private renting is most expensive in Basildon & Castle Point at £132k per week.
- Intermediate renting is cheapest in Southend by as much as £15, at £91 per week.
- Intermediate renting is less expensive than buying a new Build Homebuy property.

### Affordability

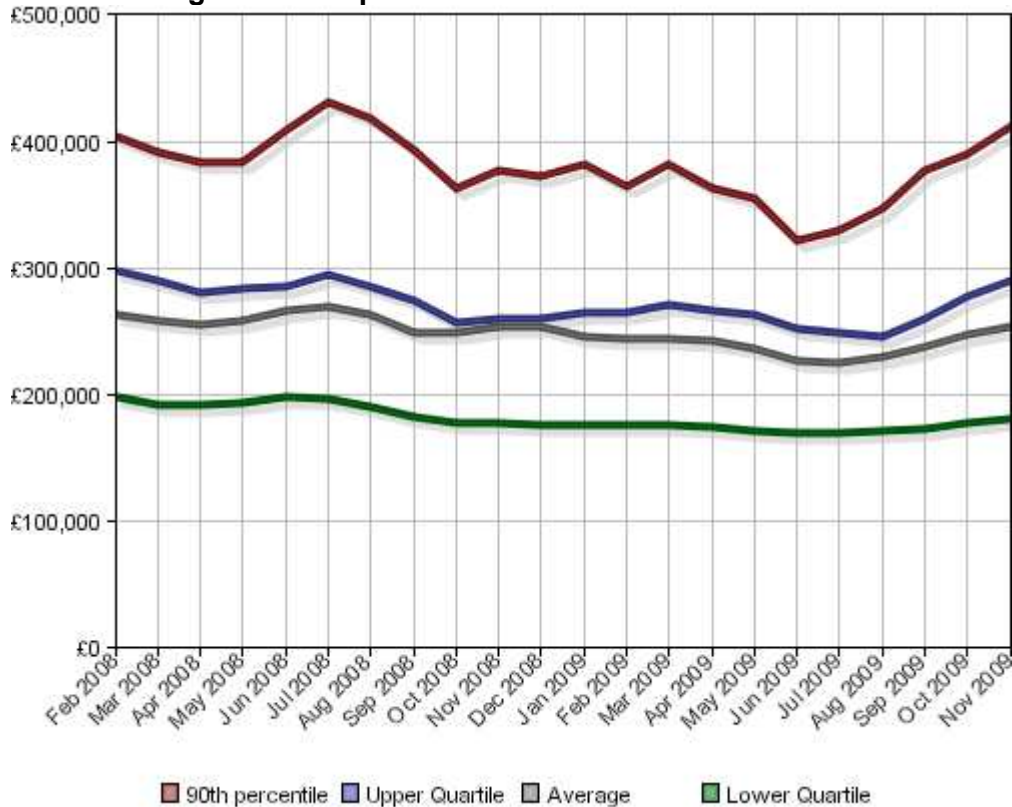
- Lack of affordable housing remains a significant issue across the sub region, where for example in Castle Point 42% of first time buyers cannot afford a flat or maisonette based on a mortgage at 3.0 times their income.

### Market Indicators

- The building price per square metre has begun to rise across the TGSE sub region.
- The average time to sell a property in weeks has improved across all five local authority areas, however it levelled off in July and November.
- The monthly % change for newly registered buyers and newly listed properties remains static in Thurrock, Basildon and Castle point, however turned positive in Rochford and Southend in November 2009.

## Local Housing Indicators

### Overall change in house prices



The chart shows the average property price over time for all types of housing using Castle Point Borough Council as a sample case study area, which reflects the general trend nationally. It compares the lower quartile house price to the average price, the upper quartile price and the price at the 90th percentile over time.

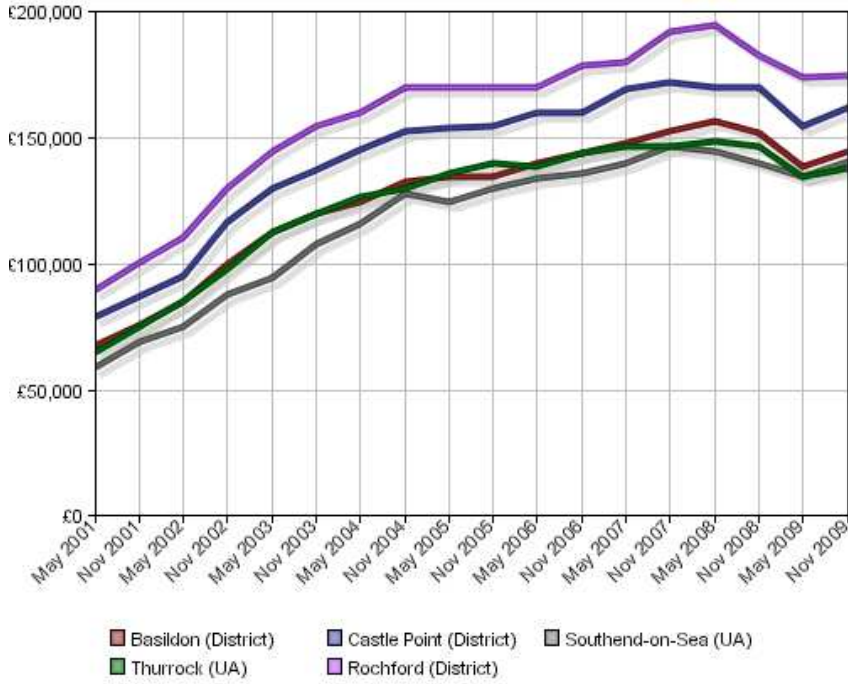
Overall house prices have continued to increase over the last four months across all five TGSE Local Authorities. However, there are local variations particularly when considering housing type.

### Focusing on Lower Quartile Prices

The next set of charts focus on the lower quartile property price, based on sales and valuations, for overall property (flats / maisonettes, terraced and detached properties) in the TGSE sub region. This analysis is based on data from Hometrack's Automated Valuation Model.

The recent increases in house prices are now reflected in the graphs, although, lower quartile prices have been slower to respond to changes in the overall housing market compared to upper quartile and 90<sup>th</sup> percentile.

**Lower Quartile Price –Overall**

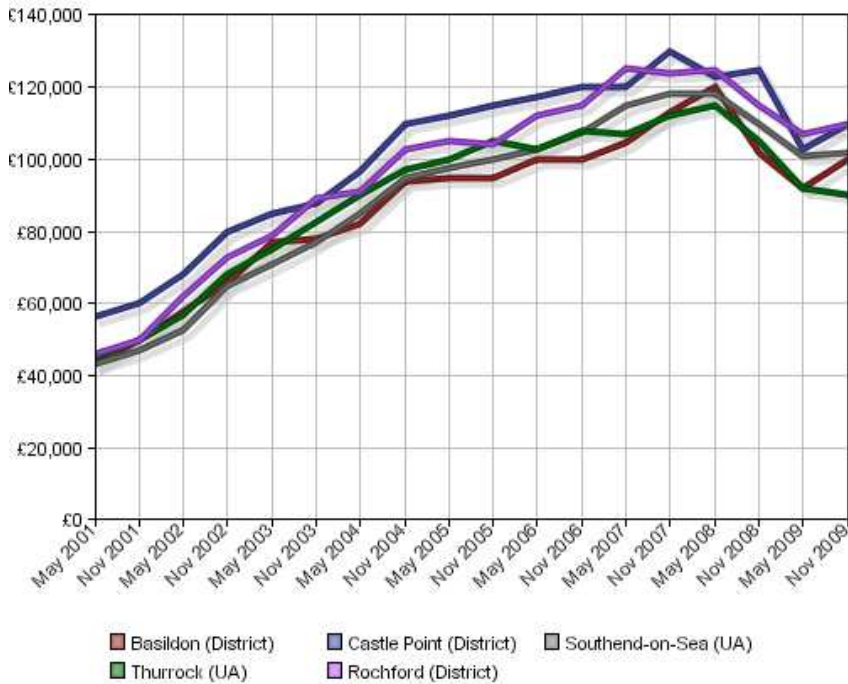


The above chart shows the overall lower quartile property prices by local authority area in TGSE.

In November 2009 the highest overall LQ property price was in Rochford £175k, followed by Castle Point £162k, Basildon £145k, Southend £141k, and Thurrock £138k.

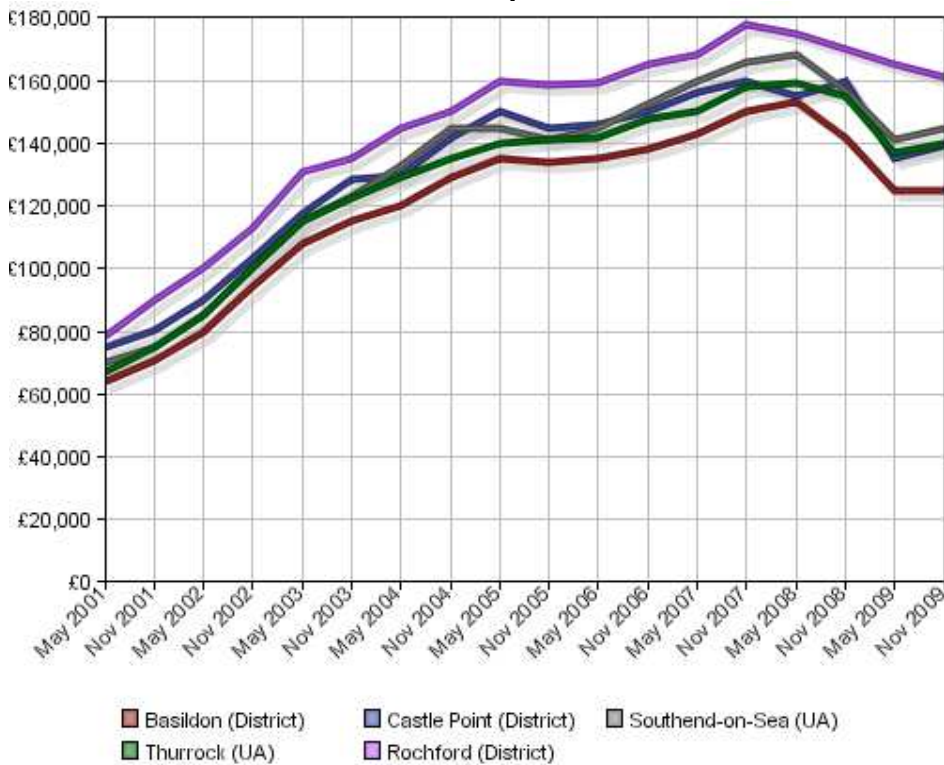
Between November 2008 and November 2009, LQ house prices rose in Southend by £1k but fell in Thurrock £9k, Rochford £8k, Castle Point £8k and Basildon £7k. (See appendix 1).

**Lower Quartile Price – Flat / Maisonette**



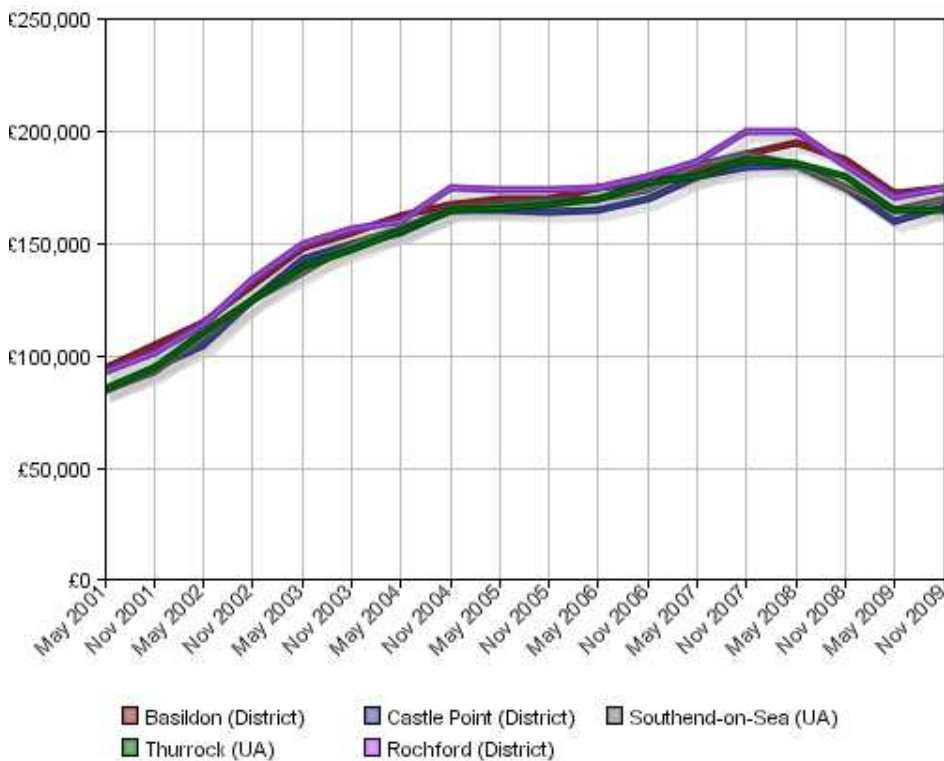
The above chart shows lower quartile prices for flat / maisonette properties. Since May 2009, prices in Basildon, Castle Point, Rochford and Southend have risen, whilst in Thurrock, they have fallen.

### Lower Quartile Price – Terraced Properties



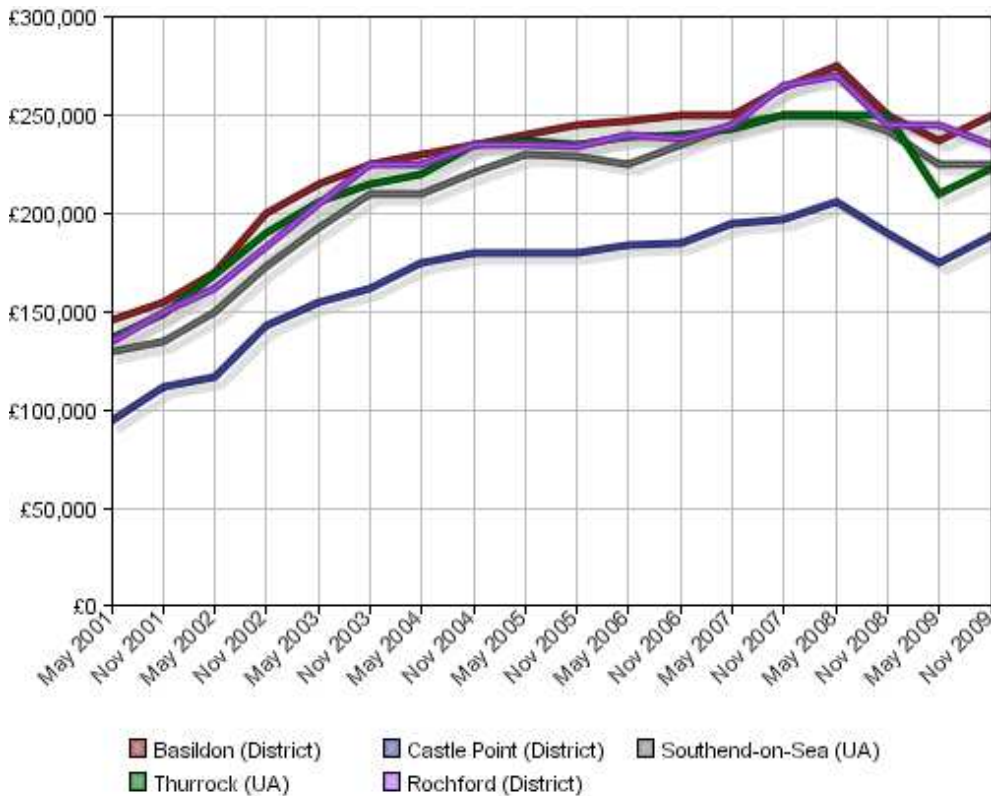
The prices of lower quartile terraced properties have continued to decline in Rochford, whilst in the remaining four LA areas prices have begun to rise.

### Lower Quartile Price –Semi Detached



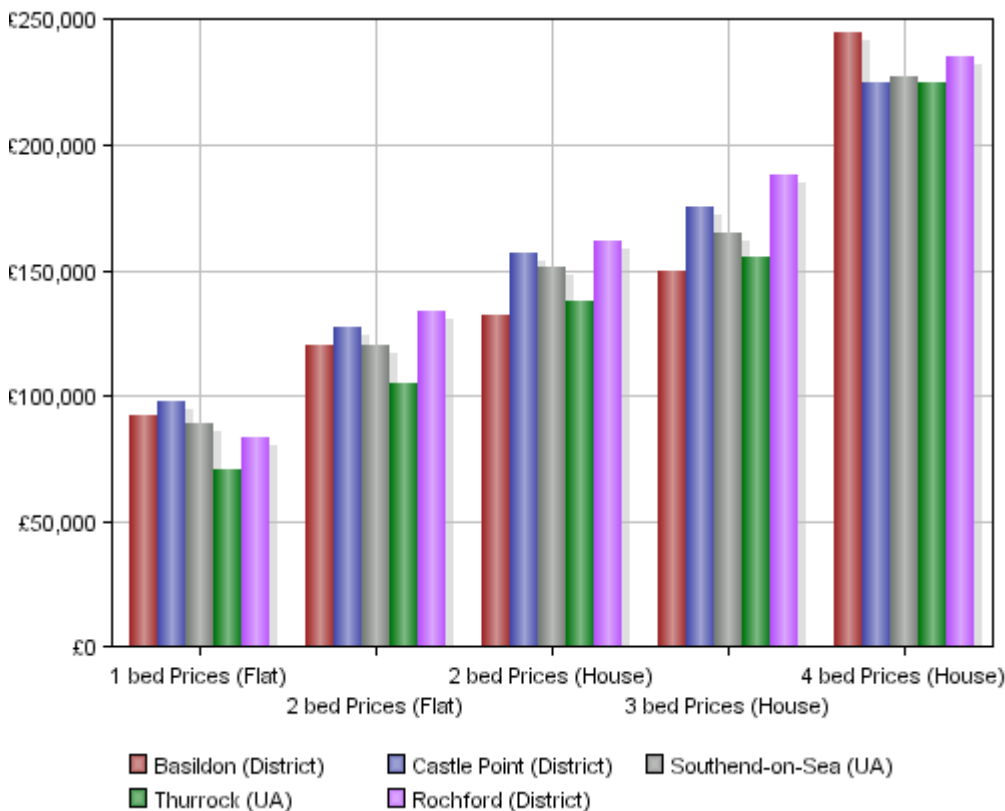
Prices of semi-detached properties across the sub region followed a broadly similar pattern of decline between May 2008 and May 2009, but then began to rise from this period onwards.

### Lower Quartile Prices – Detached



The graph shows a mixed picture with house prices for detached properties recovering in Castle Point, Basildon and Thurrock but declining in Rochord and remaining static in Southend.

### Lower Quartile Price of Property by Bed Count (November 2009)

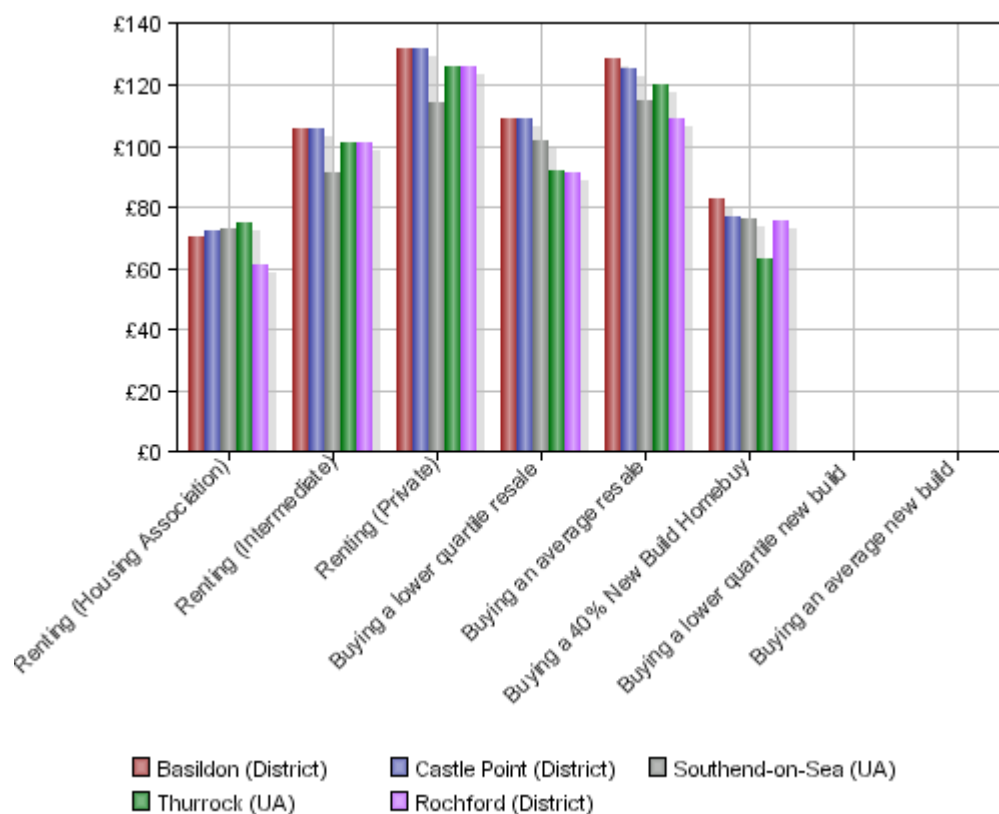


## Latest Data Only For Comparison LQ (November 2009)

	Basildon (District)	Castle Point (District)	Southend-on-Sea (UA)	Thurrock (UA)	Rochford (District)
1 bed Prices (Flat)	92,500	97,500	89,000	71,000	83,500
2 bed Prices (Flat)	120,000	127,500	120,000	105,000	134,000
2 bed Prices (House)	132,000	157,000	151,000	137,500	161,500
3 bed Prices (House)	150,000	175,000	165,000	155,000	188,000
4 bed Prices (House)	245,000	225,000	227,000	225,000	235,000

The above graph and table show the lower quartile price of property by bed count in the TGSE sub region based on November 2009 figures. For 1-bed properties, the highest prices are now in Castle Point, previously this was Basildon; prices in Castle Point across all bed sizes remain above average, whilst 2 and 3 bed properties in Rochford remain the highest in the sub region. For 4 bed properties, the highest prices are currently being recorded in Basildon, in the previous quarterly report for August 2009 they were in Rochford.

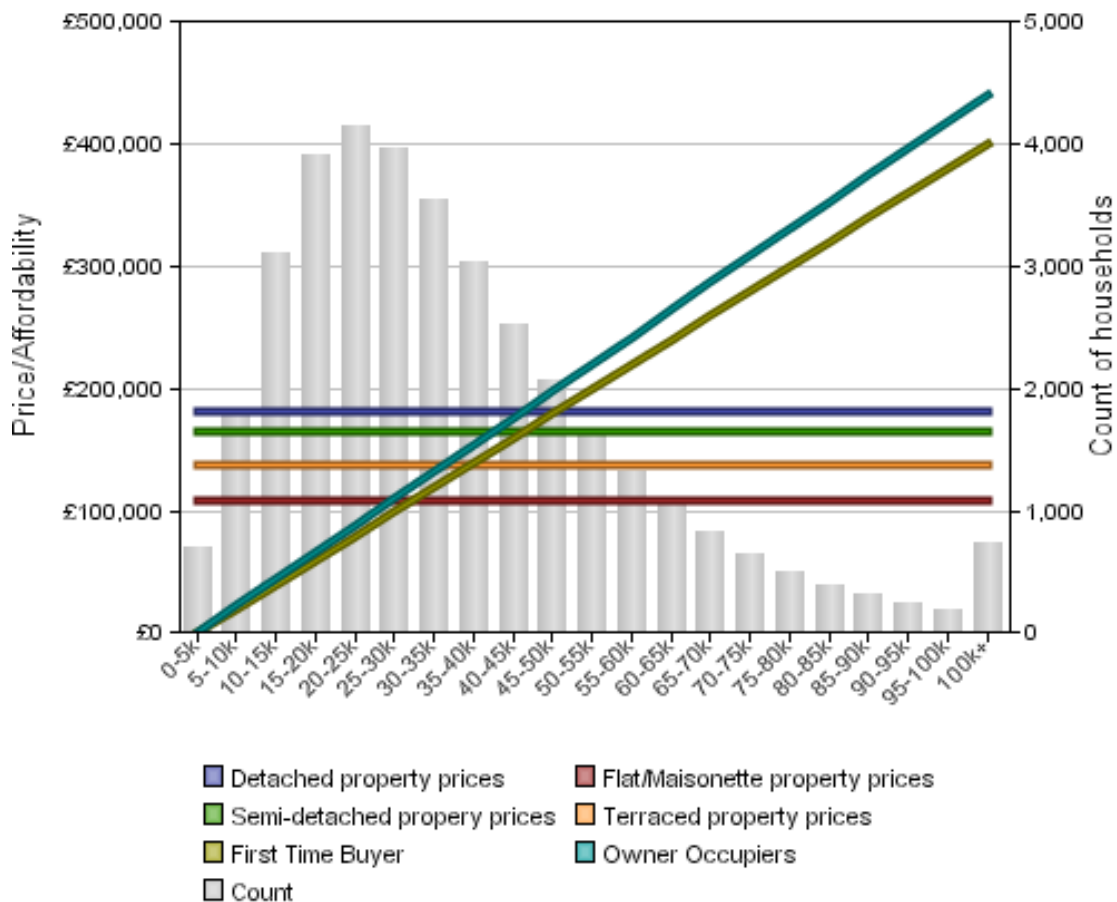
## Weekly Cost (1 bed property)



The chart compares the weekly cost of a one bed property across different tenures and has been analysed as follows:

- The weekly cost of renting from a Housing Association is significantly lower than other tenures with the highest rent in Thurrock at £74.66 and the lowest in Rochford at £61.02.
- Private renting is most expensive in Basildon and Castle Point at £132 per week respectively, followed by Thurrock and Rochford at £126. Intermediate renting is the cheapest in Southend by as much as £15, at £91.
- It is less expensive to rent via a Housing association or on an intermediate basis in all five local authority areas compared to buying an Average Resale property.

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



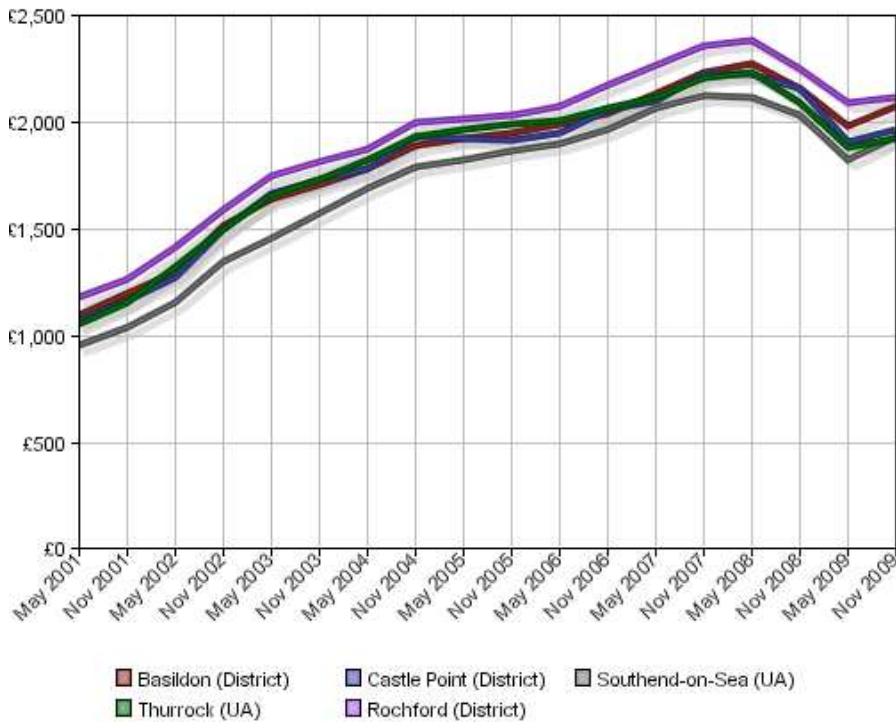
This chart shows the number of households in different household income bands in Castle Point (bars) compared to the minimum price for different property types in the same area (horizontal lines). The diagonal lines rising from left to right show the value of property that can be afforded at different income multiples by a first time buyer and former owner-occupier. The affordability calculations are based on a multiple of the average household income adjusted by the average loan to value for the different types of buyer. The house price data is based on data from the Hometrack Automated Valuation Model and the incomes data is supplied by CACI.

The chart demonstrates that a significant proportion of residents in Castle Point are priced out of the property market. For example, approximately 15,700 (42%) of households cannot afford to purchase a flat or maisonette as a first time buyer on a mortgage at 3.0 times their income.



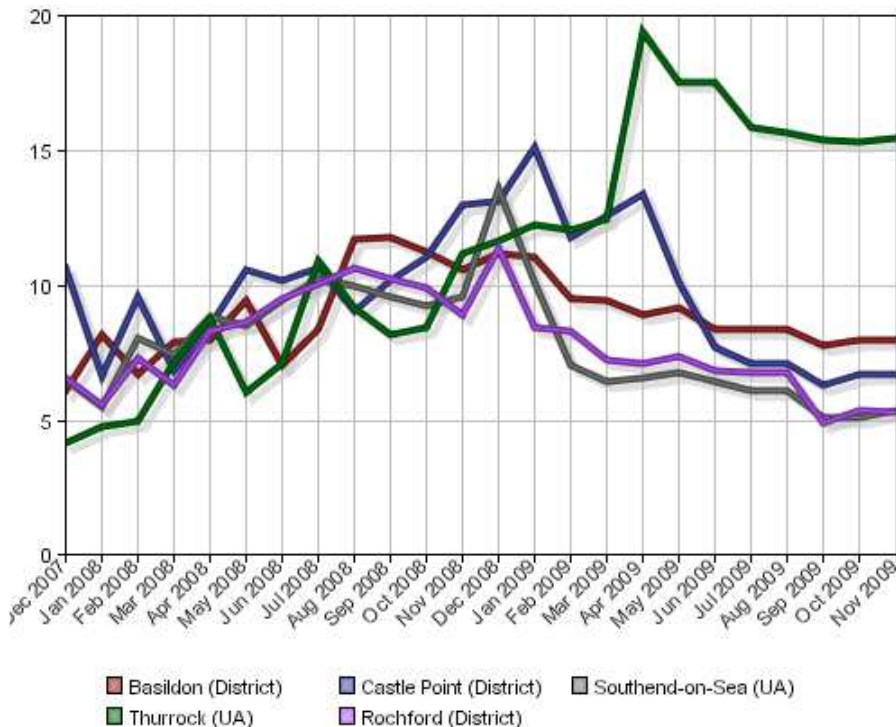
## Market Indicators

### Price per square metre



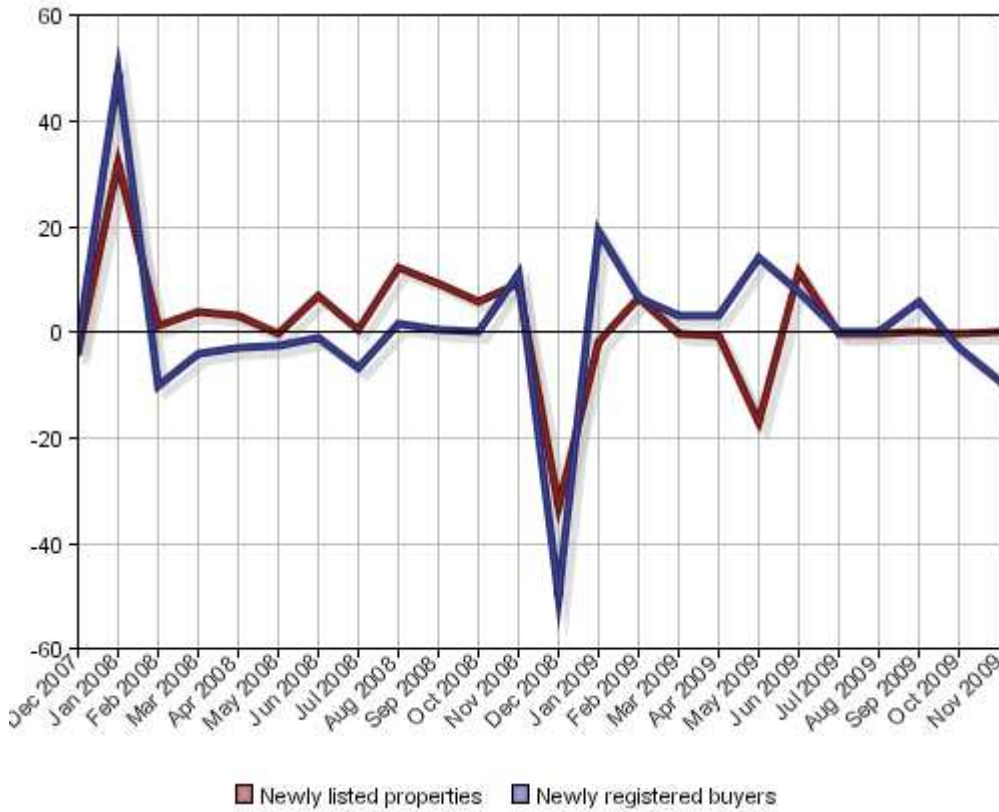
The chart shows the lower quartile property price per square metre over time for all types of housing in the area selected. Prices fell between May 2008 and May 2009, but since this date have begun to rise consistently across the TGSE sub region.

### Time to sell weeks



The above graph shows the average time to sell a property in weeks. It shows a general improvement across all five local authority areas, however with a levelling off in July - November. This has also been reflected in the data showing the sales to asking price and new buyer registrations.

### Change in Supply and Demand (Castle Point only)



This graph compares the percentage change in the number of new properties being registered for sale each month against the percentage change in the number of new buyers registering for Castle Point. Between January – February 2009 there was small increase in newly registered buyers and newly listed properties (not as great as in January 2008). However, the monthly percentage change for newly listed properties has remained static since July and the change in newly registered buyers has turned negative from September. Whilst the position in Castle Point is reflective of Thurrock, Basildon, in Rochford and Southend recent % changes in November have been positive.

## Appendix 1 – Housing Snapshot for Southern England (by Hometrack)

## Appendix 2 – House Price By local Authority Area over 22 Month Period

	<b>Basildon (District)</b>	<b>Castle Point (District)</b>	<b>Southend-on- Sea (UA)</b>	<b>Thurrock (UA)</b>	<b>Rochford (District)</b>
	Lower Quartile	Lower Quartile	Lower Quartile	Lower Quartile	Lower Quartile
May-01	67,750	79,000	59,000	64,995	90,250
Nov-01	76,000	87,500	69,000	74,995	100,500
May-02	85,000	95,000	75,000	85,000	111,000
Nov-02	99,995	116,800	88,000	98,000	130,000
May-03	112,995	130,000	94,500	112,500	145,000
Nov-03	120,000	137,500	108,000	120,000	155,000
May-04	125,000	145,500	116,000	127,000	160,000
Nov-04	132,500	152,995	128,000	130,000	170,000
May-05	135,000	154,500	125,000	136,000	170,000
Nov-05	135,000	155,000	130,000	140,000	170,000
May-06	140,000	160,000	134,000	139,000	170,000
Nov-06	144,000	160,000	136,000	144,000	179,000
May-07	148,000	169,500	140,000	147,000	180,000
Nov-07	153,000	172,000	147,000	146,500	192,000
May-08	157,000	170,000	145,000	149,000	195,000
Nov-08	152,000	170,000	140,000	147,000	183,000
May-09	139,000	155,000	135,000	135,000	174,000
Nov-09	145,000	162,000	141,000	138,000	174,995
<b>Change Nov8- Nov09</b>	<b>-7,000</b>	<b>-8,000</b>	<b>+1,000</b>	<b>-9,000</b>	<b>-8,005</b>

Source: Hometrack