

Residential Performance

Our homes became the focus of our lives in March as the COVID-19 lockdown came into force. The immediate shutdown, with the closure of estate agents, sales offices and construction sites took an immediate toll on activity. In Kent the new homes market continued despite the lockdown with relatively few lost sales. During the early summer, activity picked up more notably and by late summer, prices and transactions recorded a sharp rebound from their April low. The Nationwide house price index showed UK values reached a new all-time high in August, confirmed by RICS Residential Market Survey which also reported a sharp upturn in activity, albeit still a third down on 2019.

This upturn has not been uniform. Homes outside city centres are in significantly higher demand. In general, this has been positive for the Kent market, with ongoing drift of out-movers from the capital given a further impetus by the crisis. Further support came from the temporary increase in Stamp Duty threshold to £500,000 in July, which has combined with the ongoing Help to Buy stimulus to the housing market.

According to analysis for this report by Zoopla, prices across Kent's housing markets have all shown growth despite the challenging circumstances, with the more affordable areas with high speed rail access into London generally delivering the highest pace of increase.

Prior to the lockdown residential construction across the county was buoyed by improved economic confidence and a number of significant planning consents. While COVID-19 had an immediate impact on activity, the majority of housebuilders returned to construction sites across Kent when able. The sector has also seen activity on the development pipeline continue as planning committees moved online. With limited evidence of new home sales at the time of writing, the table opposite provides values to Q1 2020.

Average new build price range by location Residential new build land values (Q1 2020)	
Location	New build average price achieved (£/ft²) Houses & Apartments
Ashford	£295 - £375
Canterbury	£325 - £450
Dartford	£375 - £450
Dover	£250 - £350
Gravesham	£350 - £425
Maidstone	£310 - £400
Medway	£300 - £400
Sevenoaks	£500 - £750
Folkestone and Hythe	£275 - £450
Swale	£250 - £375
Thanet	£275 - £350
Tonbridge and Malling	£375 - £475
Tunbridge Wells	£375 - £600

Source: RPC Land & New Homes



Proposal for homes at Northgate, Canterbury, former car dealership.

Over 2,000 homes have now been completed at Whitecliffe, Ebbsfleet Garden City, bringing the population to nearly 5,000 people, a third of the planned total. In February, Bellway Thames Gateway gained planning approval for 221 homes and in April consent was received for the first 281 homes in the Ashmere neighbourhood, the second village in the settlement. Meanwhile, a third primary school, Ebbsfleet Green Primary School, gained planning approval in July. An application for an education campus has also been submitted. Following Ebbsfleet Development Corporation's Q4 2019 purchase of 125 hectares of land around Ebbsfleet International station to create Ebbsfleet Central, a new commercial and residential centre.

Otterpool Park, a new garden town proposed by landowners Folkestone and Hythe District Council, has plans for up to 10,000 new homes on a 770ha site, to be developed over the next three decades. A planned upgrade to nearby Westenhanger station to include Highspeed train services will reduce the London commute time to under an hour. The Council purchased the former Folkestone Racecourse from Cozumel Estates, in February for £25m and will now progress the project as the master developer. This follows the submission of an application for the first 8,500 homes in 2019.

The first phases of the Peel L&P Chatham Waters development over 26 acres of brownfield land is under construction. 199 apartments by X1 are planned for completion in the autumn. Meanwhile, Peel L&P's construction contractor Russell WBHO is also building 193 apartments for private rent. Overall, the Chatham Docks Estate, which comprises close to 75 acres, will include up to 950 dwellings over two further phases. Approximately a quarter of the homes will be affordable. Also, in Medway, Esquire Developments started construction on two developments in Rochester. Cliffe Woods and Chattenden will provide 160 units in total.

At Kings Hill, Countryside Properties are developing 132 homes, while Clarion Housing Group and Latimer are constructing 166 homes over three sites, of which around two thirds are affordable. Bellway is underway with its 70 unit scheme comprising both apartments and houses. Meanwhile, Anchor Lifestyle Developments is building 75 assisted living apartments. A further phase of development in Kings Hill was granted planning approval in February 2020



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Proposal for mixed affordable and other residential development on sensitive site, Upnor, Medway.

and will provide a total of 350 residential dwellings, along with additional open space provision.

Southern Grove purchased the Springfield Library site, Maidstone in March with plans for 175 shared ownership units. In May, Ashford Borough Council awarded Quinn Estates planning consent for Conningbrook Park, comprising 725 new homes, of which 30% will be affordable. The scheme is a 33 ha urban extension of Kennington. The same developer received planning consent in July for Clifton Slipways, a mixed-use development in Gravesend, including 227 apartments.

In the investment market, the Panorama Building, close to the International Station in Ashford, was acquired by an overseas private investor from Dominion, in June for £13.5m. The building includes 241 apartments on AST leases, in addition to commercial space.

The combined withdrawal of the Help to Buy Scheme and higher Stamp Duty threshold in 2021 presents a concern for the market, given a likely increase in unemployment. The current muted developer appetite for apartment schemes is likely to persist with greater caution generally.

House price change in Kent to end of August 2020

Location	5 year cumulative change	5 yr annual average growth	12 month change	Average house price
Canterbury	26.70%	4.80%	2.20%	£301,700
Dover	27.30%	4.90%	2.10%	£245,100
Thanet	26.60%	4.80%	2.00%	£238,000
Ashford	20.80%	3.90%	1.80%	£294,600
Gravesham	22.00%	4.10%	1.80%	£285,800
Dartford	22.30%	4.10%	1.70%	£308,900
Sevenoaks	20.60%	3.80%	1.70%	£461,500
Tonbridge and Malling	20.60%	3.80%	1.70%	£365,800
Shepway	20.40%	3.80%	1.60%	£256,600
Tunbridge Wells	20.10%	3.70%	1.50%	£400,100
Medway	24.30%	4.50%	0.90%	£242,600
Swale	24.10%	4.40%	0.90%	£248,400
Maidstone	23.40%	4.30%	0.70%	£299,900

Note: The Zoopla House Price Index methodology changed between 2019 and 2020. Source: Zoopla House Price Index



CREDIT: EBBSFLEET DEVELOPMENT CORPORATION

Housing at Castle Hill, Ebbsfleet Garden City.