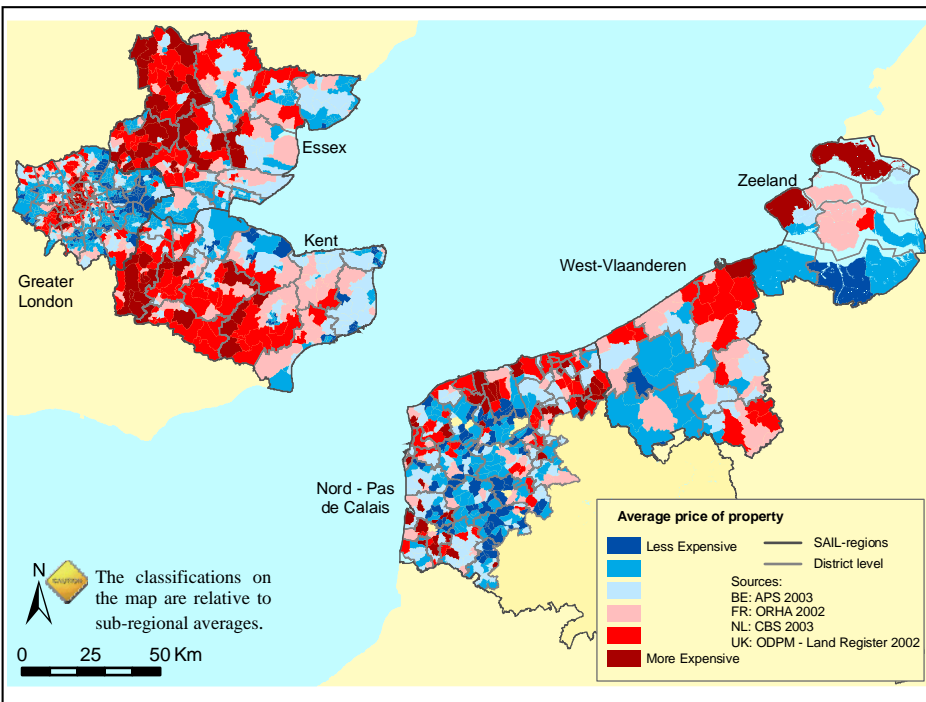
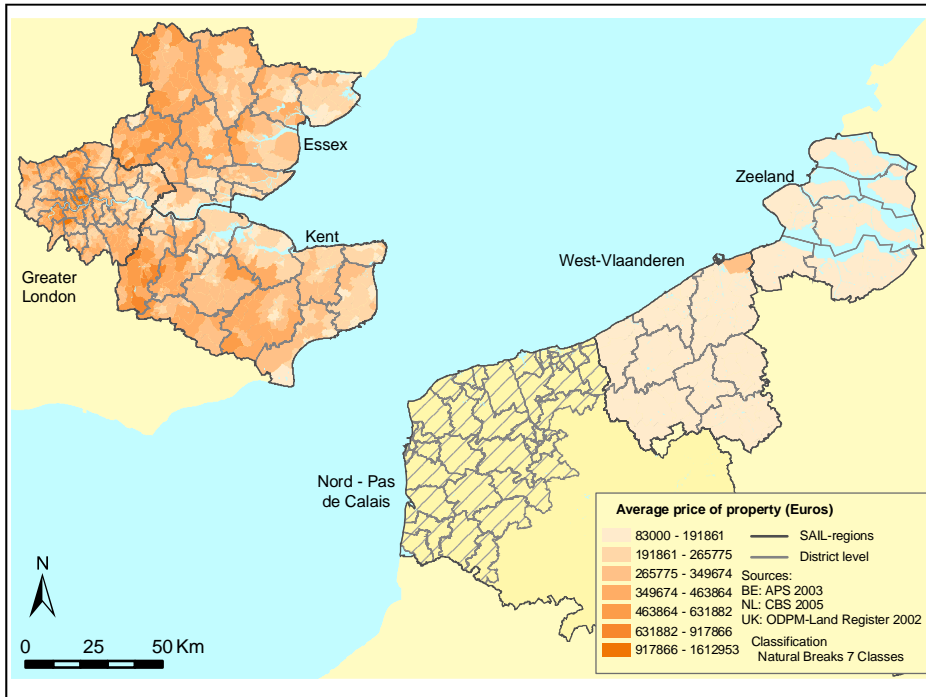
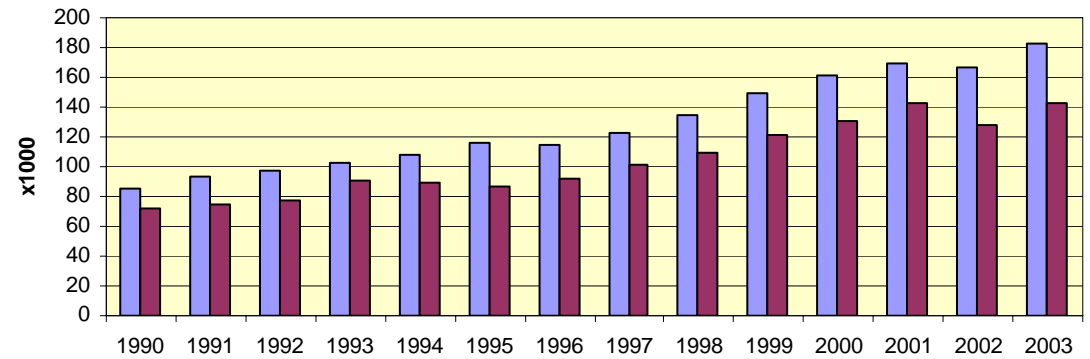


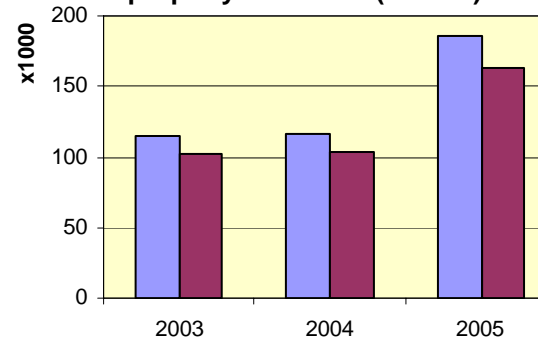
# Indicator 20 Price of property



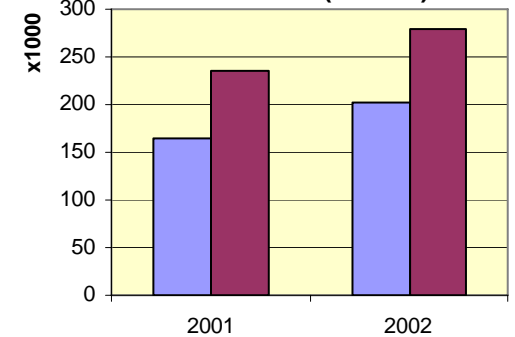
**Average price of residential property - West-Vlaanderen (x€1000)**



**Average price of residential property - Zeeland (x€1000)**



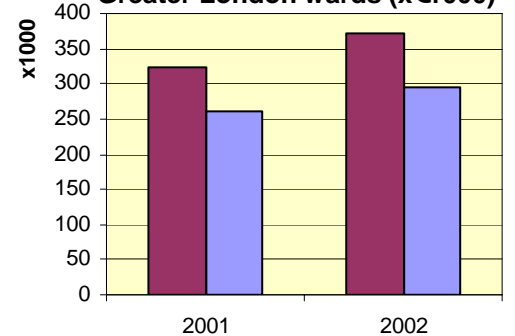
**Average price of residential property - Essex wards (x€1000)**



**Average price of residential property - Kent wards (x€1000)**



**Average price of residential property - Greater London wards (x€1000)**



■ coastal zone ■ hinterland

- *Average price of property*
- *Average price of m<sup>2</sup> of building lots*

## Key Messages

- On the continent there is a premium to be paid for living at the coast. Houses and building land are on average more expensive in the coastal zones of Zeeland, Belgium and in Nord-Pas de Calais than they are in their respective hinterlands.
- In Kent and Essex the price of coastal property is generally inferior to that in the hinterland, although there are substantial differences between particular seaside towns. However, house prices at the coast have been increasing at a faster rate than elsewhere.

## Why monitor the price of property?

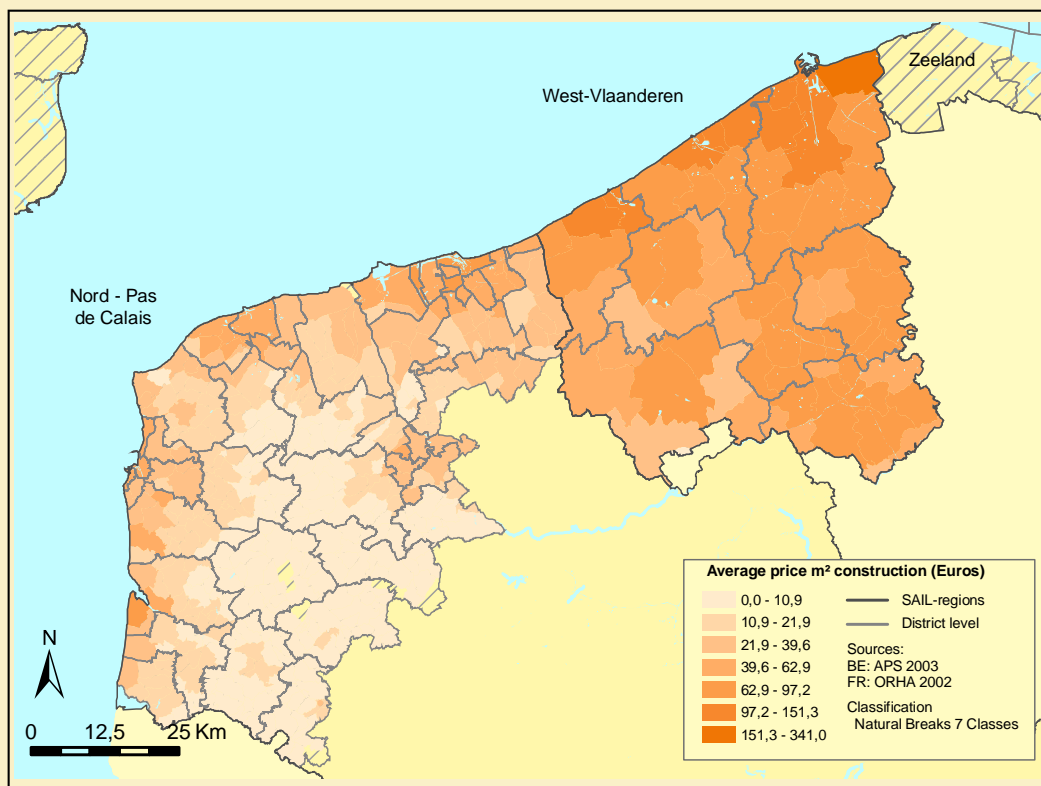
French, Belgian, Dutch or British, most of us like to be near or beside the sea-side. A home by the sea is not only an attractive place to live, it is also considered by many as an interesting financial investment.

But there is a premium to living at the coast. It is expected that demand for living space at the coast is more intense than elsewhere because of the intrinsic attraction of the coastal environment and that this feeds through into property prices. In fact, it is both the increased demand for first and for second homes that is expected to affect prices in the property market. Hence, unless there is a commensurate increase in the supply of accommodation, prices will inevitably be higher than in non-coastal areas. The increasing demand for second and holiday homes in coastal towns may lead to a situation whereby the low paid and young people in particular are priced out of the coastal housing market. Monitoring the price of property allows us to assess to what degree this scenario can be said to apply throughout the coastal zone.

## Where do the data come from?

Data for average price of property is used for official purposes in risk assessment and insurances. It is therefore collected by official sources. In West-Vlaanderen (Administratie Planning en Statiek-APS) and in Nord-Pas de Calais (Observatoire Régional de l'Habitat et de l'Aménagement du Nord-Pas de Calais -ORHA) collect data on the price of m<sup>2</sup> building lot. In the U.K. the data are provided by a survey from the Office of the Deputy Prime Minister (ODPM) which releases data obtained through a survey of the Land Register. For the UK and Belgium, additional data are available on the average price of subcategories (flats, large, small and terraced houses). The data for Zeeland are collected by the Centraal Bureau voor de Statistiek (CBS). Additional data sources are provided by the private sector (Real Estate Associations).





**Further reading:**

Europe's environment: the third assessment. EEA

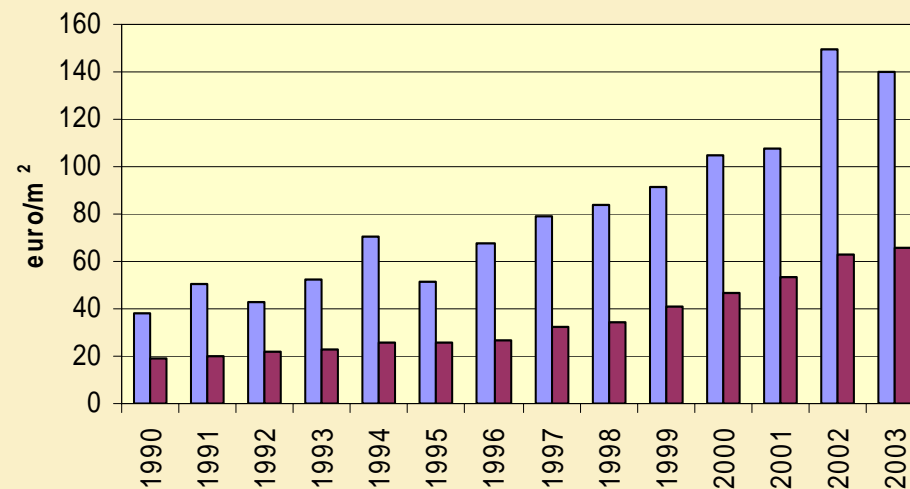
Second Homes in Rural Areas of England: Revised Research Report for the Countryside Agency. Nick Gallent, Alan Mace, Mark Tewdwr-Jones. The Countryside Agency, October 2002.

Rural Homes-More than for the Weekend –23 November 2003. press release (website [www.countryside.gov.uk](http://www.countryside.gov.uk))

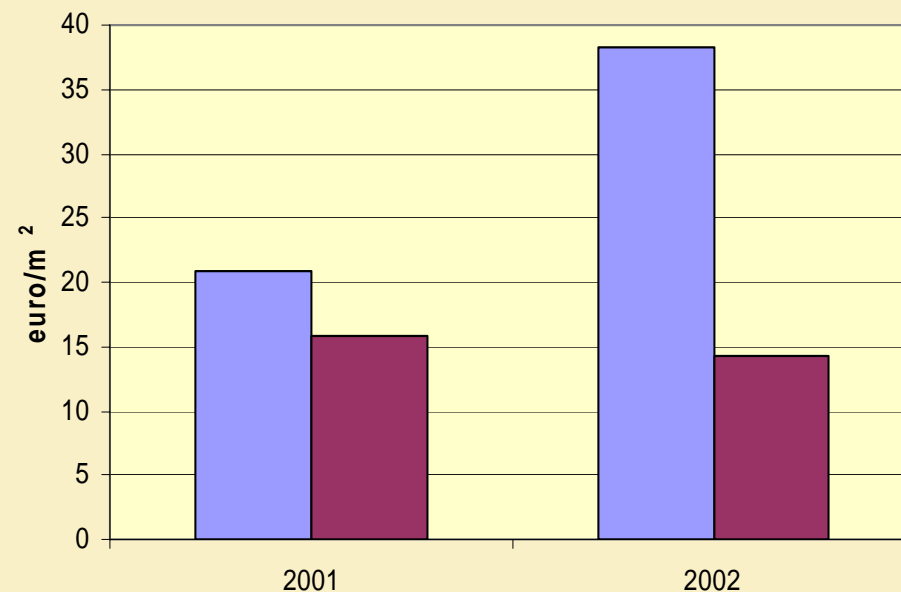
Controlling Second Homes Through Planning. Nick Gallent, Mark Tewdwr-Jones and Alan Mace. University College London. Second and Holiday Homes and the Land Use Planning System. Leisure Tourism Review reports. 2002.

“Leefbaarheidsstudie aan de kust “ A study of the social quality of life at the Belgian coast. Province of West-Vlaanderen. 2005

**Average price of building land - West-Vlaanderen**



**Average price of building land - Nord-Pas de Calais**



## What does the indicator show?

The strong increase in prices of property is affecting particular seaside towns around the Southern North Sea. This trend is often concentrated in popular tourist and holiday areas, which is not reflected in the numbers for the aggregated coastal zone. Commuting distance from London seems to be the main driver of property prices in the UK, largely masking the effect provided by proximity of the sea.

Recent research from Halifax Estate Agents in the UK shows that three-quarters of the more than 100 seaside towns surveyed recorded a price increase above the average for their region over the past three years. Sandwich in Kent is among the fastest risers over the period 2001 – 2004 with an average increase of 104% (from £109,019 to 222,776). Whitstable (Kent) is among the ten fastest risers in the UK coastal towns, with values that have risen from £56,554 in 1995 to 143,040 in 2002 (153% increase). Other popular seaside towns like Margate saw property prices more than double during this period. In Essex on the other hand, only two of the five seaside towns surveyed have outperformed the county increase in prices.

Average price of residential property at the Belgian coast has been rising at a significantly higher rate than in the hinterland since 1990. It more than doubled between 1990 and 2003 (an average increase of €7,500 p.a.). Buying a property at the Belgian coast may cost on average €40,000 more than elsewhere in West-Vlaanderen. In Zeeland a similar increasing trend can be observed between 2003 and 2005. The rather modest differences in values between coast and hinterland may in part be explained by the definition of ‘coastal towns’ in Zeeland (Veere, Sluis and Schouwen-Duiveland).

In Nord-Pas de Calais and West-Vlaanderen, the value of building land is significantly higher at the coast; building lots at the coast cost €38/m<sup>2</sup> versus €14/m<sup>2</sup> for the hinterland in Nord-Pas de Calais. In West-Vlaanderen building lots cost on average €140/m<sup>2</sup> in coastal municipalities versus €66/m<sup>2</sup> in the hinterland.

The data for individual subcategories of property (flats, large houses and medium-small houses) for the UK and Belgium, confirm the trends and observations described for the average price of property.

## What are the implications for planning and managing the coast?

If living at the coast is to be maintained as a healthy mix of social and economic functions, it needs to build on a structural housing policy that takes into consideration local planning

strategies. Particularly where young households or socio-economically vulnerable groups are priced out of the market, policies may have to turn to suspending the market process locally by e.g. releasing more land for building, stipulating the proportion of ‘affordable’ homes in any development, building social houses for rent, etc. As an example, spatial planning tools in Wales address the problem by creating a separate category of land use for ‘second homes’. This strategy is based on the concept that the ownership of second homes in some coastal towns is jeopardizing the basic right to housing for the local community.

In a study of 71 areas in 10 coastal towns in Belgium, most respondents evaluated access to affordable housing as the worst aspect in their living environment. Retirement also has an effect on the value of property, specifically on smaller houses located near shops and community service providers.

The lack of space for building land and the pressure exerted by competing land uses, including nature conservation, adds to this increase in price of residential property.

### How reliable is the indicator?

The datasets are based on the price of residential properties that are actually sold during a given year. This may introduce a bias in the average price especially for communes where the number of transactions is limited. Thresholds in volumes of sales to calculate average prices or to protect privacy differ among datasets. The value of property reported in GBP is converted to Euro by the exchange rate at the date of implementation of the Euro currency across Europe (1€=£0.6255).

