# Coastal property prices fall sharply as city suburbs see renewed demand



# Coastal Property Prices Decline as Urban Living Gains Appeal

As the world emerges from the pandemic's shadow, coastal regions that once surged in property values are witnessing a significant correction. The boom experienced during the height of remote work is giving way to a more practical preference for affordable suburban homes, particularly among those now returning to office environments.

Recent data from estate agent Hamptons indicates that seaside towns, which were previously seen as havens for homebuyers seeking open spaces and picturesque views, are experiencing notable declines in property prices. For instance, Hastings enjoyed an extraordinary 32% increase in house prices between the second half of 2019 and late 2022, reaching an apex of £278,060. However, that increase has now been tempered, with average prices falling by 9.7% to £266,000, as reported by the latest UK House Price Index.

The decline is not uniform across all coastal areas. While some, like Hastings, have seen substantial drops, other locations have managed to retain some of their pandemic-era gains. In Thanet, which encompasses popular seaside spots like Margate, prices peaked at £298,040 before retreating by 7.4% to £276,050. Despite this fall, homes in Thanet still reflect a substantial 20% increase from 2019.

In stark contrast, exclusive coastal locales such as Salcombe have not been immune to the downward trend. The average property price in its TQ8 postcode plummeted by over £200,000 in the 12 months leading to October 2023, amounting to a dramatic 23.3% decrease—the most significant dip in Devon.

As professionals increasingly return to traditional office settings, the 'race for space' phenomenon that characterised the pandemic years is losing its allure. According to Fred Cook, a director at Prime Purchase, the demand for coastal homes as primary residences has significantly dwindled. He notes that factors such as increased council tax on second homes have led to a reduction in investment buyers, contributing to the overall price declines.

Moreover, this shift is not confined to the coastal regions alone. London also faces its own housing market challenges, with areas like Kensington and Chelsea experiencing price drops of over 13%. The steep fall in luxury areas can be attributed to higher taxes on second homes and changes in non-dom tax status, impacting affluent buyers disproportionately.

Conversely, urban suburbs are flourishing in this new era of living. Properties in the suburbs of cities like Manchester, Liverpool, and Birmingham are recording impressive price increases as they offer quick commutes and more attainable prices—an attractive proposition for those balancing work and lifestyle. Notably, Manchester's M8 postcode has risen by 16% to £207,900, showcasing the shift towards suburban appeal.

Looking ahead, the real estate landscape remains dynamic. Richard Donnell, executive director at Zoopla, highlights that while coastal areas are experiencing weaker demand overall, some urban areas, particularly those with strong employment growth like Cardiff, are holding their value or even increasing considerably.

In this evolving market, coastal property buyers may find unique opportunities to snap up homes at lower prices than during the pandemic's peak. However, the allure of coastal living diminishes when weighed against the benefits of urban accessibility, suggesting a potential recalibration of buyer priorities in the months to come.

## Reference Map:

* Paragraph 1 – [[1]](https://www.dailymail.co.uk/money/mortgageshome/article-14686963/Seaside-house-prices-tumble-end-WFH-era-lures-buyers-city-suburbs.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[5]](https://www.gov.uk/government/statistics/uk-house-price-index-for-september-2023/uk-house-price-index-england-september-2023)
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* Paragraph 3 – [[1]](https://www.dailymail.co.uk/money/mortgageshome/article-14686963/Seaside-house-prices-tumble-end-WFH-era-lures-buyers-city-suburbs.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[3]](https://insideconveyancing.co.uk/news/uk-cities-where-house-prices-falling-quickest-slowest-2023/), [[4]](https://www.thisismoney.co.uk/money/mortgageshome/article-13082495/Where-UK-house-prices-officially-fell-2023-areas-bucked-trend.html)
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* Paragraph 6 – [[1]](https://www.dailymail.co.uk/money/mortgageshome/article-14686963/Seaside-house-prices-tumble-end-WFH-era-lures-buyers-city-suburbs.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[1]](https://www.dailymail.co.uk/money/mortgageshome/article-14686963/Seaside-house-prices-tumble-end-WFH-era-lures-buyers-city-suburbs.html?ns_mchannel=rss&ns_campaign=1490&ito=1490)
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## Bibliography

* <https://www.dailymail.co.uk/money/mortgageshome/article-14686963/Seaside-house-prices-tumble-end-WFH-era-lures-buyers-city-suburbs.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
* <https://www.express.co.uk/news/uk/1848718/house-prices-falling-uk-poshest-seaside-town> - Salcombe, often referred to as Britain's 'poshest' seaside town, has experienced a significant decline in property prices. Data from the Land Registry indicates that in the 12 months leading up to October 2023, the average house price in Salcombe's TQ8 postcode fell by over £200,000, a 23.3% decrease from the previous year. This marks the largest drop of any postcode district in Devon, highlighting a broader trend of declining property values in coastal areas.
* <https://insideconveyancing.co.uk/news/uk-cities-where-house-prices-falling-quickest-slowest-2023/> - An analysis of UK cities in 2023 revealed that Cheltenham experienced the steepest decline in house prices, with an 8.7% drop from January to February. Other cities with notable declines include Milton Keynes and Durham. In contrast, Solihull and Maidstone saw significant increases, with Solihull's house prices rising by 8% and Maidstone by 7.9% during the same period. These trends underscore regional disparities in the housing market.
* <https://www.thisismoney.co.uk/money/mortgageshome/article-13082495/Where-UK-house-prices-officially-fell-2023-areas-bucked-trend.html> - In 2023, London's housing market faced significant challenges, with average house prices falling by 4.8% over the year. The City of London, Westminster, and Kensington and Chelsea experienced declines of 17.8%, 16.1%, and 13.7%, respectively. Conversely, areas like West Lancashire and Rossendale in the North West saw house prices rise by 9.8% and 7.9%, respectively, indicating regional variations in the property market.
* <https://www.gov.uk/government/statistics/uk-house-price-index-for-september-2023/uk-house-price-index-england-september-2023> - The UK House Price Index for September 2023 provides detailed data on property prices across England. Notably, Hastings experienced a 9.7% decline in average house prices, dropping from £295,000 to £266,000. This decline reflects broader trends in coastal areas, where property values have been affected by changing buyer preferences and economic factors.
* <https://www.gov.uk/government/statistics/uk-house-price-index-for-august-2023/uk-house-price-index-england-august-2023> - The UK House Price Index for August 2023 offers insights into regional property price movements. Hastings saw a 10.4% decrease in average house prices, from £291,000 to £261,000. This decline is part of a broader pattern of falling property values in coastal regions, influenced by factors such as changing work patterns and economic conditions.
* <https://www.reuters.com/markets/europe/english-house-prices-grew-more-unaffordable-2023-ons-data-shows-2024-12-09/> - In 2023, English house prices became increasingly unaffordable, with an average price requiring 8.6 years of household income (£298,000), up from 8.4 years in 2022. London saw the worst affordability, with average homes out of reach for all income deciles. In contrast, Northern Ireland remained affordable for average households. Prime Minister Keir Starmer calls for 'brave' measures to build 1.5 million new houses in England within five years. Analysts predict house prices in Britain will rise faster than inflation but expect affordability to improve for first-time buyers due to falling interest rates. In London, low-income households face severe affordability challenges, needing nearly 35 years of income to buy an average home. Housing affordability showed a slight improvement in 2024 based on different metrics from Halifax. The most affordable regions in England were the north east and Yorkshire and the Humber.