

Estimated residential land values in Kent & Medway Local Authorities as at 1st April 2017

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Further Information

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This bulletin presents estimated residential land values produced by the Valuation Office Agency (VOA) and published by the Ministry of Housing Communities and Local Government (MHCLG).

The land values provided by the VOA are based on a particular set of assumptions (see annex) and the VOA recommends they are only used for policy appraisal and generalisations.

- The VOA estimate values for 326 local authorities in England. Kensington & Chelsea in South West London had the highest land values. 30 London Boroughs were ranked the highest local authorities in England. The lowest values were in authorities in the Midlands, the North East and the North West of the country.
- Across Kent and Medway the average price ranges from £2,420,000 per hectare in Dover to £8,345,000 in Sevenoaks. In general terms values in West Kent are considerably higher than East Kent.
- In Kent Sevenoaks was ranked 34th out of 326 local authorities and along with Canterbury (ranked 61) was within the top 20% in the country with highest residential land prices. With an estimated residential land value of £2,420,000 Dover district ranked lowest at 157 just above the national mid point.
- Canterbury district saw the highest increase in residential land values since 2014 (+£3,496,000 per hectare).



Introduction

Land Value estimates are produced by the Valuation Office Agency (VOA) and are published by the Ministry of Housing, Communities and Local Government (MHCLG). They present residential land value estimates for 'typical' residential sites in local authority districts in England.

The estimates are produced specifically for policy appraisal purposes and are not suitable for any other purpose. Values of individual sites are highly sensitive to plot-specific characteristics and **the report does not present estimates of market value**. Estimates are based on the assumptions set out in the annexe at the end of this document. They have been produced adopting different assumptions from the Property Market Report previously published by the VOA.

Whilst the model adopted by the VOA is designed to provide a consistent approach to valuations across England's local authorities, it should be noted that residual valuations are highly sensitive to small changes in the inputs. As a result the values of a particular site may vary significantly from the 'typical residential site' value for the local authority that is provided in this document; where land values for a specific site under appraisal are known these should therefore be used over the 'typical values' presented in this document.

The valuations have been undertaken using a truncated residual valuation model. This involves valuing the proposed development and deducting the development costs, including allowances for base build cost, developer's profit, marketing costs, fees, and finance to leave a "residual" for the site value. The purpose of these values is to use in appraising land projects from a social perspective. The values assume nil Affordable Housing provision in order to give pure residential use value, rather than market value. In reality the market value of land would be expected to reflect the cost of affordable housing provision.

Further information can be found on the [MHCLG webpages](#).

The data is released on an adhoc basis with no fixed timetable for update. Data is currently available for 2014 (as at January 1st), 2015 (as at March 1st) and 2017 (as at 1st April).

Analysis

As at 1st April 2017 estimated residential land prices ranged between £2,420,000 per hectare in Dover to £8,345,000 in Sevenoaks.

Sevenoaks and Canterbury districts ranked within the top 20% with highest estimated residential land prices in England.

Dover district had the lowest value in Kent, however this was above the national median of £2,357,500.

Table 1: Residential land prices in Kent & Medway

	2014	2015	2017	2017 National rank (out of 326 local authorities)
Ashford	£1,506,000	£1,940,000	£2,600,000	147
Canterbury	£2,514,000	£5,505,000	£6,010,000	61
Dartford	£3,460,000	£4,065,000	£4,475,000	87
Dover	£1,097,000	£1,275,000	£2,420,000	157
Gravesham	£1,936,000	£2,360,000	£3,365,000	123
Maidstone	£1,593,000	£1,915,000	£3,230,000	129
Sevenoaks	£5,453,000	£6,865,000	£8,345,000	34
Folkestone & Hythe	£1,381,000	£1,770,000	£2,485,000	152
Swale	£1,639,000	£2,000,000	£3,025,000	132
Thanet	£1,084,000	£1,440,000	£2,540,000	150
Tonbridge & Malling	£2,882,000	£3,175,000	£4,020,000	96
Tunbridge Wells	£4,350,000	£3,690,000	£4,380,000	88
Medway	£1,819,000	£2,365,000	£3,470,000	116

Source: MHCLG

Presented by: Research & Evaluation, Kent County Council

Chart 1: Residential land prices in Kent & Medway, 2014-2017



Chart 2 shows Kent and Medway local authorities compared to all other local authorities in the South East Region.

Overall Sevenoaks had the second highest estimated residential land value in the region. Ashford, Thanet, Folkestone & Hythe and Dover had some of the lowest values in the area.

All Kent and Medway authorities with the exception of Sevenoaks and Canterbury have residential land values below the estimated regional median value of £4,810,000.

Chart 2: Residential Land Prices in South East local authorities

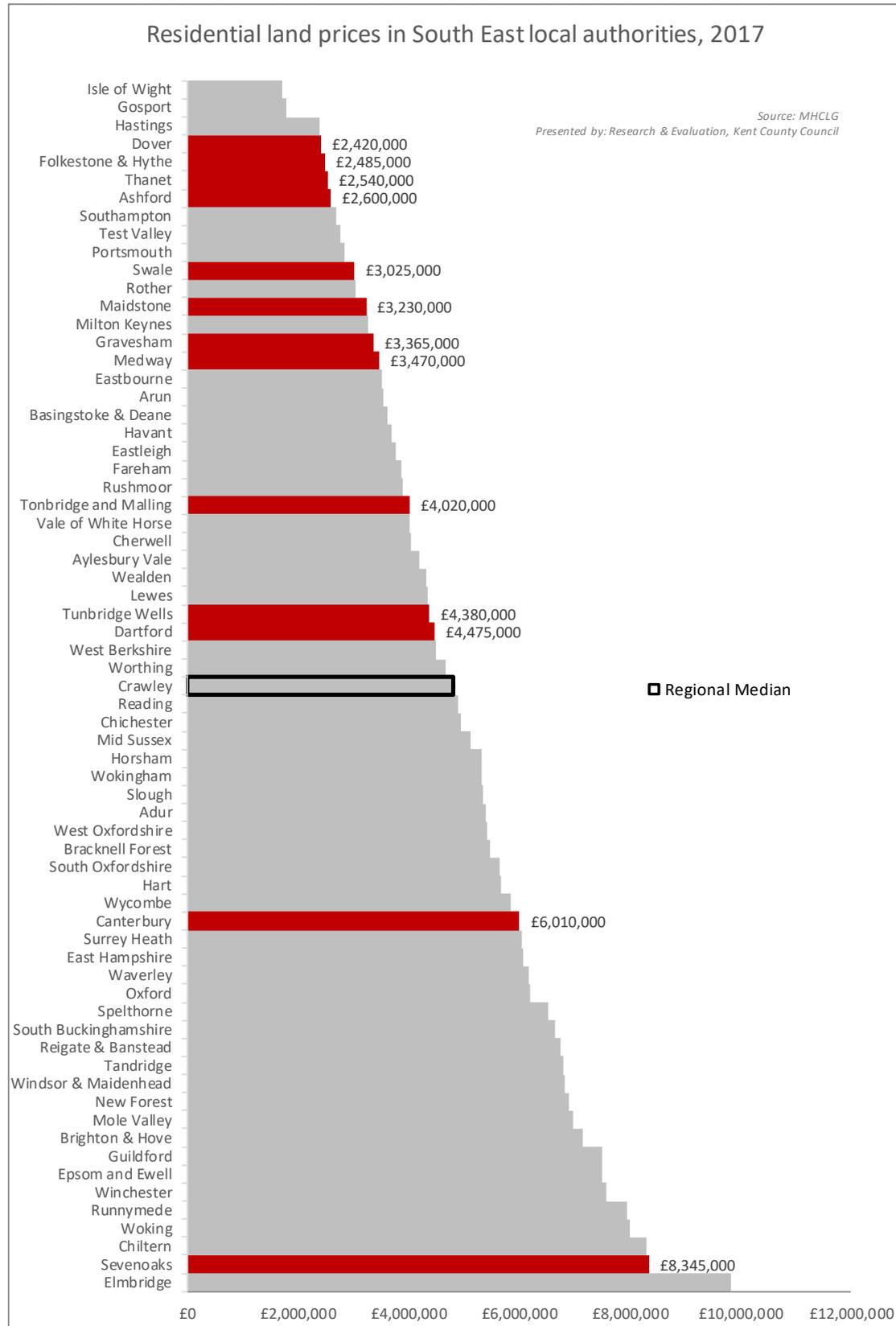


Table 2 shows the change in estimated residential land prices in Kent and Medway since 2014.

Canterbury saw the biggest increase with values rising from £2,514,000 in 2014 to £6,010,000 in 2017. This was an increase of £3,496,000 or 139.1%. It had the 5th highest percentage increase in England.

Thanet and Dover districts were also among the top ten percent of authorities in England with highest percentage increase in land prices ranking 7th and 8th respectively.

At the other end of the scale Tunbridge Wells saw very little increase in residential land values with an increase of £30,000, an increase of 0.7% which ranked it 258 out of 326 local authorities.

Sevenoaks had the 4th lowest percentage increase in Kent and Medway but in terms of actual value had the second highest increase of £2,892,000 per hectare.

Table 2: Change in residential land prices in Kent and Medway

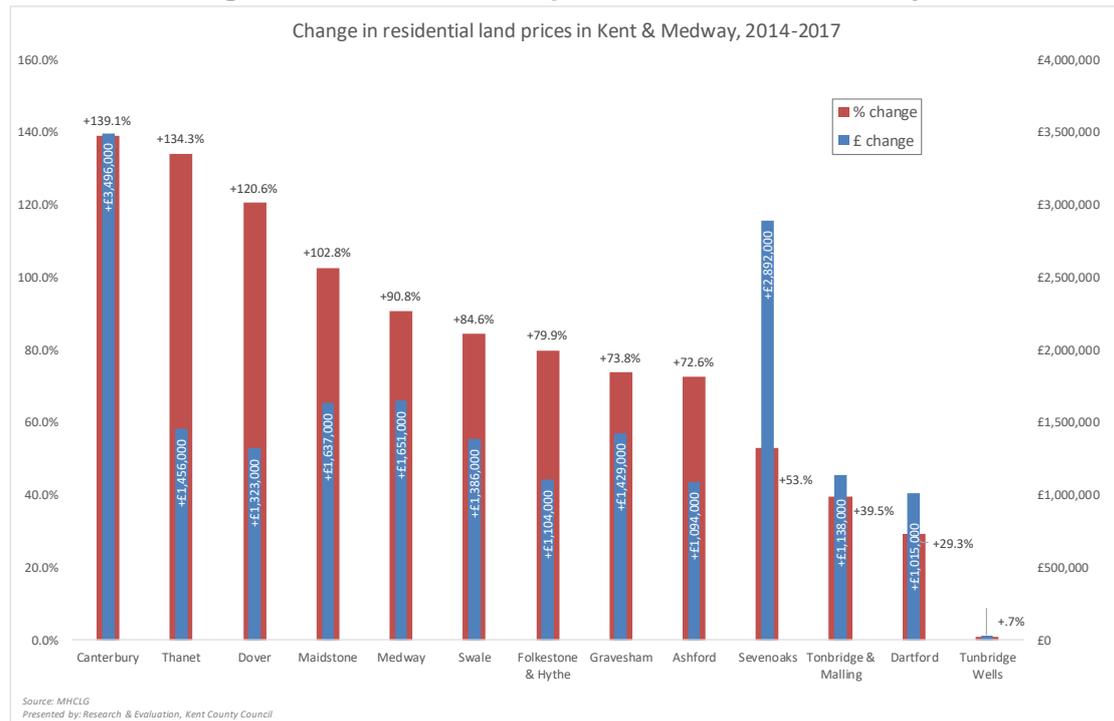
	Change 2014-2017		National rank of change (out of 326 local authorities)
Ashford	£1,094,000	72.6%	44
Canterbury	£3,496,000	139.1%	5
Dartford	£1,015,000	29.3%	171
Dover	£1,323,000	120.6%	8
Gravesham	£1,429,000	73.8%	40
Maidstone	£1,637,000	102.8%	13
Sevenoaks	£2,892,000	53.0%	94
Folkestone & Hythe	£1,104,000	79.9%	31
Swale	£1,386,000	84.6%	26
Thanet	£1,456,000	134.3%	7
Tonbridge & Malling	£1,138,000	39.5%	142
Tunbridge Wells	£30,000	0.7%	258
Medway	£1,651,000	90.8%	21

Source: MHCLG

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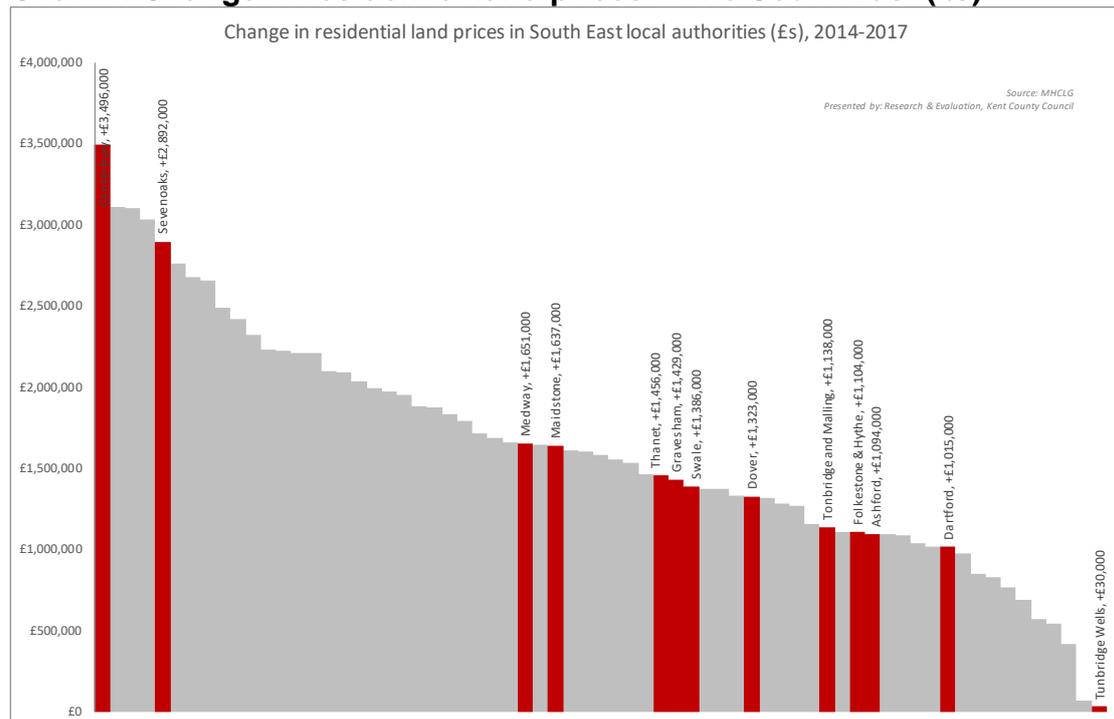
Chart 3 shows the percentage and actual value increase in estimated residential land prices in Kent and Medway between 2014 and 2017.

Chart 3: Change in residential land prices in Kent & Medway



When compared to other local authorities in the South East, Canterbury saw the biggest increase in residential land values. Tunbridge Wells saw the smallest increase in the region.

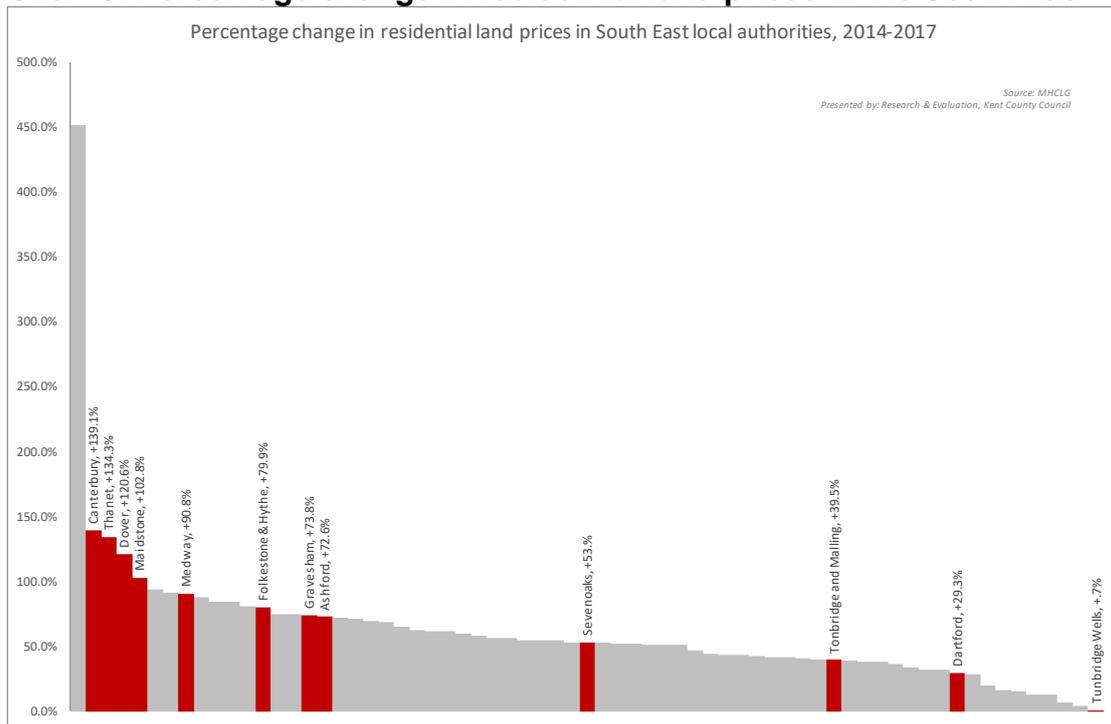
Chart 4: Change in residential land prices in the South East (£s)



Looking at percentage change in the South East four Kent districts were among the top five with highest percentage increase in residential land values. Rother district in East Sussex saw the highest percentage increase of all authorities in the South East (+451.7%). Canterbury (+139.1%), Thanet (+134.3%), Dover (+120.6%) and Maidstone (+102.8%) saw the next highest increases.

Tunbridge Wells saw the smallest increase in the region with an increase of 0.7%.

Chart 5: Percentage change in residential land prices in the South East



Annexe

Assumptions applying to residential land values

1. The valuations have been undertaken desk based without inspections of the locality.
2. All sites are assumed to be freehold with vacant possession.
3. It is assumed that the land and its value are unaffected by any statutory notice or proposal or by any matters that would be revealed by a local search and replies to the usual enquiries, and that neither the proposed construction of the new property will be unlawful or in breach of any covenant.
4. Residential land values have been produced both assuming nil affordable housing provision and assuming 100% private housing. These are analysed per hectare.
5. The figures provided assuming nil Affordable Housing provision are hypothetical and in the majority of local authorities. It is likely that such a scheme would not obtain planning consent. The figures on this basis, therefore, may be significantly higher than could reasonably be obtained for land in the actual market.
6. Similarly, if tenure mix is varied from policy compliance the resultant land value will also vary (sometimes considerably).
7. Any liability for the Community Infrastructure Levy, even where it was chargeable as at 1 January 2014, has been excluded.
8. It has been assumed that full planning consent is already in place; that no grants are available and that no major allowances need to be made for other s106/s278 costs.
9. Valuation Office Agency's local valuers have identified sites considered to be 'typical' for the local authority area based on their own knowledge and experience of that area.
10. The figures provided are appropriate to a single, hypothetical site and should not be taken as appropriate for all sites in the locality.
11. In a number of cases schemes that do not produce a positive land value in the model. A 'reserve value' (£2,470,000 for London and £370,000 elsewhere) has been adopted to represent a figure at less than which it is unlikely (although possible in some cases) that one hectare of land would be released for residential development. This has been taken on a national basis and clearly there will be instances where the figure in a particular locality will differ based on supply and demand, values in the area, potential alternative uses etc. and other factors in that area.
12. The Valuation Office Agency assumed that each site is 1 hectare in area, of regular shape, with services provided up to the boundary, without contamination or abnormal development costs, not in an underground mining area, with road frontage, without risk of flooding, with planning permission granted and that no grant funding is available; the site will have a net developable area equal to 80% of the gross area.
13. For those local authorities outside London, the hypothetical scheme is for a development of 35 two storey, 2/3/4 bed dwellings with a total floor area of 3,150 square metres.
14. For those local authorities in London, the hypothetical scheme is for a multi storey development of 269 units comprising 1,2,3 & 4 bed flats with a gross building area of 23,202 square metres and a net sales area of 19,722 square metres.

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15. These densities are taken as reasonable in the context of this exercise and with a view to a consistent national assumption. However, individual schemes in many localities are likely to differ from this and different densities will impact on values produced.