



Thanet Parkway Station: The Impact on Housing Delivery in Thanet

Final Report

Client: Thanet District Council
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Wessex Economics Ltd
Brewery House, High Street,
Twyford
Winchester, SO21 1RF

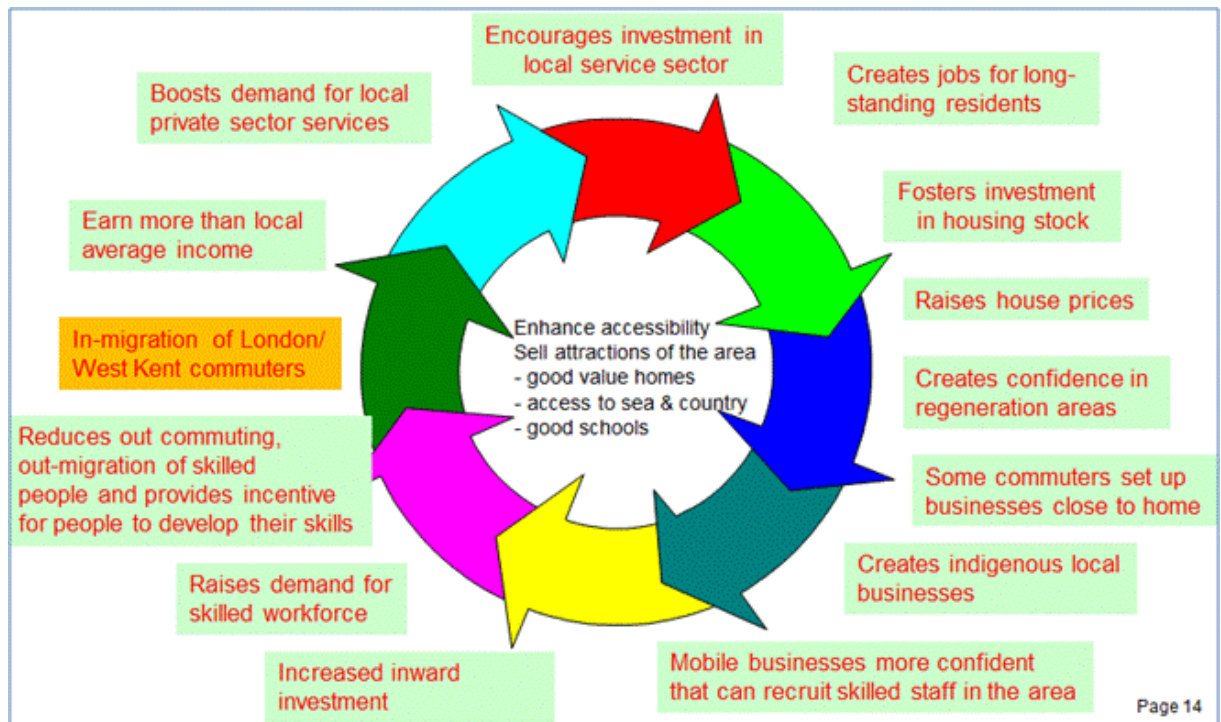
T: 0118 938 0940

Contact: chris.cobbold@wessex-economics.co.uk

Executive Summary

1. This report examines the contribution that the opening of a new Thanet Parkway Station close to Ramsgate will make in terms of improving the viability of housing development and hence the pace of housing delivery.
2. It is expected that the journey time between the new Thanet Parkway Station and London St Pancras will be 67 minutes, compared to the 2015 journey time from Ramsgate Station to London St Pancras of 75 minutes.
3. There is a well-established pattern that most of those people who commute by train into central London by train, live within a 1 hour rail journey time of London termini. The start of services from Thanet Parkway will mean that it becomes realistic for people to commute to London from Thanet.
4. In total, sites for some 9,000 homes are either being developed or identified for development within a 3 mile radius of Thanet Parkway. The commencement of services from Thanet Parkway will provide developers with a valuable tool to market their new developments.
5. Over the period 2013/14 to 2017/18 Thanet has had the lowest delivery rate of new homes, relative to its stock of dwellings of any authority in Kent and Medway except for Gravesham. The key reasons for this are Thanet's peripheral location and its weak economy.
6. The commencement of services to London from Thanet Parkway will help address the issue of peripherality. The reduction in rail journey times from Thanet to London and the differential in new build house prices compared to those in other parts of Kent will stimulate demand for new homes.
7. Other trends in working practices can be expected to stimulate in-migration to Thanet and boost the housing market. These include the fact that increasing numbers of people are able to work remotely and, even if officially based in London, do not need to travel in on a daily basis.
8. It is not only the reduction of journey times between Thanet Parkway and London that will stimulate demand for new homes. The existing stations in Thanet have very limited car parking facilities, and are located in the urban areas which can make access difficult at peak hours.
9. Evidence from elsewhere shows that part of the appeal of Parkway Stations is their ease of access, and the availability of parking. Parkway stations contribute to making the overall journey to work starting from home to office much more straightforward and less liable to unexpected delay.
10. The opening of the Parkway Station will also help to accelerate the development of the 9,000 new homes being built outside the 3 mile radius of the Station. For many residents in new developments on the north side of Thanet, it will be more convenient to travel from the Parkway Station.
11. This reflects the absence of parking at the existing stations in Thanet, the fact the line speeds around the Thanet Peninsula from Margate to the Parkway Station are slow; and the fact that the new developments are located on the south side of the urban area on Thanet's north coast.
12. A previous study for Kent County Council estimated that over a 30 year period the start of services to London from Thanet Parkway would deliver an additional 1,600 to 3,200 homes, calibrated against an uplift in net in-migration. This represents an additional 55-110 dwellings pa uplift.

13. However, a much greater uplift in housing delivery should be achievable if the commencement of services from Thanet Parkway is combined with a range of proactive measures to accelerate housing delivery.
14. Thanet District Council has adopted the Housing and Finance Institute's Housing Business Ready programme to identify a variety of actions to boost housing supply. Housing delivery will be maximised by the meshing together of a variety of interventions that work together to create the conditions for a self-sustaining uplift in housing delivery.
15. The diagram below, taken SELEP's Strategic Economic Plan illustrates the dynamic process that is required to embed year by year increases in the well-being of Thanet District, covering jobs, housing, business growth and well-being.
16. Thanet Parkway has a key role to play in kick starting this virtuous circle by stimulating net in-migration to Thanet, which will boost demand for new homes. With the right supporting interventions this will gather pace, and give confidence to homebuilders to invest in Thanet.



Study Background and Objectives

1. This report examines the contribution that the opening of a new Thanet Parkway Station in North East Kent would make in terms of improving the viability of housing development and hence the pace of housing delivery. The proposed station is to be located between Ramsgate and Minster stations, just to the west of the village of Cliffsend and 2½ miles to the west of Ramsgate Station. Kent County Council expects the Station to open in 2022.
2. A full Business Case was prepared for the Station in 2014. The Study concluded that the Parkway Station is commercially viable with forecast income generated well in excess of the costs of operation. Previous work by Wessex Economics for Kent County Council¹ examined the impacts that the opening of the Station will have on regeneration and economic development over a 30 year period from the start of the Station's operation.
3. This report considers more specifically the extent to which the opening of Thanet Parkway could increase the demand for new homes, improve the viability of new housing development in Thanet, and hence accelerate the pace of delivery of new homes. It draws on additional research published since the 2016 Wessex Economics report for KCC and evidence of housing delivery rates in local authorities with parkway stations.
4. The report also touches on the benefits that the commencement of services to/from the new Parkway Station will have on employment. If the Parkway Station contributes to economic and employment growth, this will have a positive, though indirect, effect on the demand for new homes and hence housing delivery, since it will boost household incomes, and potentially stimulate additional net in-migration of from other parts of the South East.
5. The focus of the study, however, is on the impact of the Parkway Station on housing delivery in Thanet. It should be noted that the Parkway Station is also expected to have positive impacts on the pace of housing development in the northern parts of Dover District particularly around Sandwich and North Deal. To some degree these may compete with new housing developments in Thanet District.

The 2016 Thanet Parkway Regeneration and Wider Economic Impacts Study

6. In 2015 the shortest rail journey times between Thanet and London St Pancras International (LSPI) were as follows:
 - Ramsgate to LSPI via Canterbury West: 75 minutes
 - Broadstairs to LSPI via Canterbury West: 81 minutes
 - Margate to LSPI via Canterbury West: 87 minutes
 - Sandwich to LSPI via Dover Priory: 89 minutes
7. The 2016 Thanet Parkway Regeneration and Wider Economic Impact Study entailed in-depth analysis of the impact of the commencement of rail services from the new Thanet Parkway Station. The study reported that the anticipated journey time from Thanet Parkway to London St Pancras International upon opening would be 67 minutes, and 61 minutes to Stratford International compared to a 2015 journey time of 75 minutes from Ramsgate Station.
8. The report explains that the reduction in journey time between Thanet and London were to delivered in part by improvements in line speeds and operational efficiencies between Ashford

¹ Thanet Parkway Station: Regeneration and Wider Economic Benefits, Wessex Economics, February 2016

and Ramsgate, which have now been delivered; and in part would be attributable to the development of the Parkway Station itself.

9. The report noted that many studies² of the regeneration and wider economic benefits linked to investment in rail services and stations highlight that the wider economic benefits of investing in rail services are maximised when there are opportunities for major development in close proximity to stations. Improved rail services can change perceptions of an area as a place to live and to work.
10. The report concluded that the development of the Parkway Station would support the development of between 1,600 and 3,200 additional homes in the 30-year period following the opening of the station over and above that which would otherwise have been developed. The uplift was linked to an increase in net in-migration to the Study Area. A copy of the Executive Summary of the Thanet Parkway Station 2016 Report is attached at Appendix 1.

How Does a Parkway Station Contribute to Housing Delivery?

11. It is important to spell out the process by which a Parkway Station (and other rail improvements) generate increased demand for new homes. In the context of London and the Greater South East, there is a long established pattern of people living outside of London, and commuting into London to work. This is replicated on a more modest scale around other cities in the UK.
12. For the last 20 years the great majority of commuters into London, and particularly those commuting into central London, have lived within about an hour's journey of their place of work. Improvements to the speed of rail services into London, and the opening of new stations and railway lines, have pushed the boundary of the '1 hour commuter belt' further away from central London in terms of mileage from central London.
13. In recent years, there has also been growth in the numbers of people who commute more than an hour to work, particularly by train. A number of factors have contributed to this trend:
 - It has become more practical to work on trains as internet connections have improved. On many routes new rolling stock with increased seating capacity have been introduced, and track improvements on some routes have improved the 'ride'.
 - Many more employed people now have a degree of flexibility about their working arrangements, in terms of working at home, or working part-time. Rail journeys of more than an hour are more acceptable if one does not need to travel every day.
 - House prices and rents in the central areas of London have increased significantly over the past decade; a household can save money, or live in a larger home, if it is willing to live further from the centre of London, even taking into account travel costs.
14. Lloyds Bank have undertaken analysis of the differential between Central London house prices and those found in commuter towns within a 60 minutes rail journey of Central London. The one Kent authority identified, Sittingbourne, has a fastest journey time to Central London of 59 minutes, which is likely to be only 8 minutes shorter than the journey time from Thanet Parkway to London St Pancras International.

² For example, see the report 'The Value of Station Investment, Research on Regenerative Impacts, Steer Davies Gleeve, November 2011

Figure 1: The Most Affordable Commuter Towns within 60 minutes of Central London

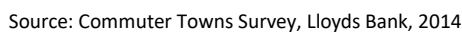
Commuter Town	County	Average Price July 2018 ¹	Average Annual Local Earnings ²	House Price to Average Local Earnings	House Price to Average Earnings in Travelzone 1 & 2 ³	Difference in Affordability	Fastest Rail journey time to Central London Minutes
Wellingborough	Northants	£212,367	£34,563	6.1	4.4	-28%	50 mins
Peterborough	Cambs	£218,713	£31,404	7.0	4.5	-35%	51 mins
Kettering	Northants	£223,725	£31,791	7.0	4.6	-34%	58 mins
Rugby	Warwickshire	£242,410	£38,986	6.2	5.0	-19%	52 mins
Chatham	Kent	£243,068	£36,926	6.6	5.0	-24%	55 mins
Northampton	Northants	£251,008	£33,352	7.5	5.2	-31%	46 mins
Luton	Beds	£261,725	£40,313	6.5	5.4	-17%	30 mins
Sittingbourne	Kent	£267,557	£34,298	7.8	5.5	-29%	59 mins
Witham	Essex	£271,541	£37,161	7.3	5.6	-23%	48 mins
Basildon	Essex	£271,567	£37,927	7.2	5.6	-21%	36 mins

Source:

Lloyds Bank, A 60 minute commute can save nearly 50,000 in house prices, October 2018

15. Figure 2 shows in pictorial form the same analysis undertaken by Lloyds Bank but related to 2014. The headline figure is that a household could save 59% on the purchase of a home in commuter towns within a 45 to 70 minute journey time of central London, compared to the purchase price of a home in Zones 1 & 2 in London. A commuter buying a home in Sittingbourne would save £445,400 compared to buying a home in Zones 1 & 2 in London, but only have incur an additional cost of £4,600 pa in buying an annual season ticket.
16. The area shaded yellow in Figure 2 is the area within a 70 minute rail journey of London's Central Activities Zone (CAZ) – the travel destination of most long-distance commuters. Were the chart to be replicated for the position once Thanet Parkway is built, then Thanet would be included within the 70 minute journey time of central London. It should be noted though that most of the existing railway stations will have a longer journey time to central London though not all rail services from Thanet Parkway will necessarily achieve the journey time.

The capital's satellites



17. It is instructive to examine the pattern of house price change across Kent and Medway, since this reflects to a significant extent actual and perceived accessibility to London. Data has been analysed from June 2007, the year prior to peak of the housing market (2008). Figure 3 ranks the authorities in Kent with the largest absolute increases in house prices over the period 2006-2018. Broadly, this pattern of absolute price increase would indicate that in Kent and Medway there are two key determinants of house price differentials between local authorities.

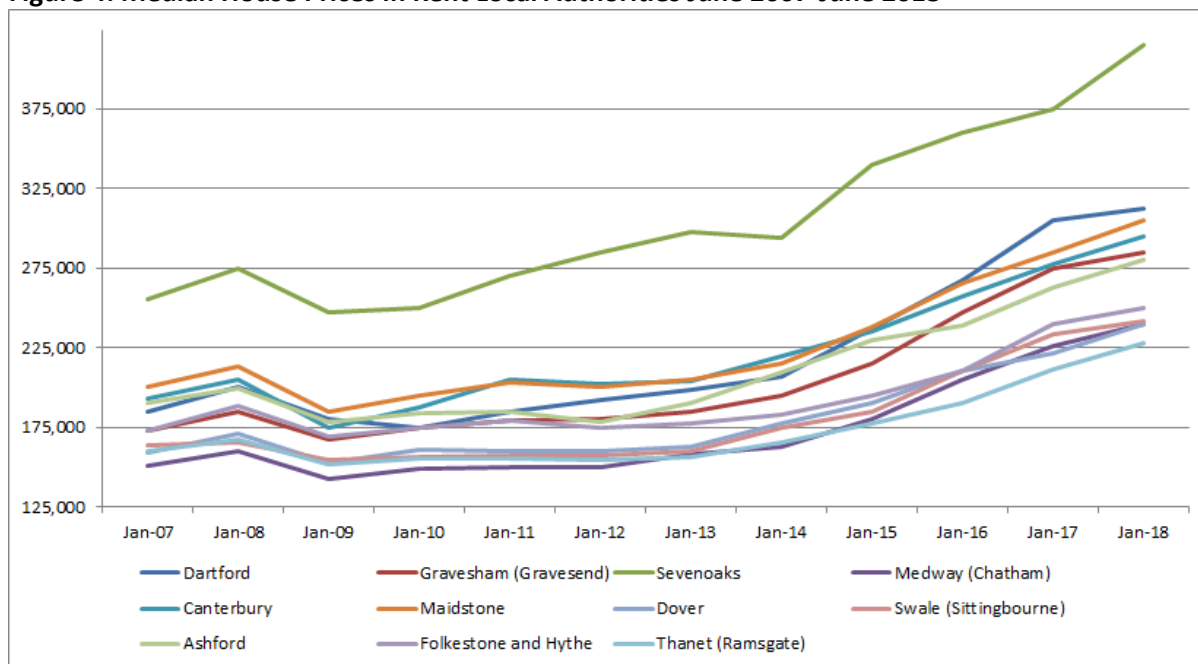
- The ease of access to London, particularly by train. Those localities that have shorter rail journey times into London have experienced larger absolute increases in house prices than those with longer journey times to London termini.
 - The intrinsic appeal of these different localities which reflect the character and mix of housing in an area, access to major centres of business and employment, and the culture, amenities, history and access to high quality countryside.
18. Thus Sevenoaks, Maidstone and Canterbury have all seen larger absolute increases in house prices than the more industrial towns such as Sittingbourne in Swale, and Medway. Ashford is found to be in the middle of the range – having good accessibility, but not a town which compares well with, say, Canterbury in terms of history, culture, heritage and well-paid employment.
19. Thanet is ranked lowest of the Kent and Medway authorities in terms of the absolute increase in house prices since 2006-18, and in the percentage increase in house prices in the period 2006-18. This reflects the fact that Thanet is disadvantaged by its distance (in miles and rail journey time) from London, has a comparatively weak local economy; and is recognised as an area in need of regeneration, though much has been achieved in recent years.

Figure 3: The Increase in Median House Prices in Kent Local Authorities June 2007-June 2018

Median House Prices in £	Absolute Increase	% increase
Sevenoaks	160,000	63%
Dartford	126,975	69%
Maidstone	105,000	53%
Canterbury	102,000	53%
Gravesham (Gravesend)	112,000	65%
Ashford	90,005	47%
Folkestone and Hythe	77,500	45%
Swale (Sittingbourne)	78,000	48%
Medway (Chatham)	89,000	59%
Dover	81,000	51%
Thanet (Ramsgate)	68,000	43%

20. Figure 4 presents the data set out in Figure 3 as a chart. It highlights the fact that Medway and Swale have seen greater increases in house prices than Thanet, despite starting from a lower price base than Thanet in 2006. This is very likely to be associated, at least in part, with the shorter journey time from Sittingbourne and Chatham into London, and supported by significant building of new homes.
21. This analysis serves to establish just how important accessibility to central London is to the housing market in Kent. Given the dominance of employment in central London, rail journey time into London from towns outside of London is important factors determining the demand for new homes. While rising house prices may not be deemed desirable, they are linked in part to delivery of higher quality new homes, and, in relatively low demand areas contribute to improving viability, which enables delivery of greater numbers of new homes.

Figure 4: Median House Prices in Kent Local Authorities June 2007-June 2018



How Does a Parkway Station Increase Housing Delivery?

22. The way that the opening of a Parkway Station affects the pattern of housing delivery is all about enhanced accessibility, but there are three components to this enhanced accessibility.
 - The first component of enhanced accessibility is any reduction in the duration of the journey from the station to the passenger's ultimate destination
 - The second component is the reduction in the time it takes for a person to get from home (in the case of commuters) to the station, and from the station to home
 - The third component is the ease of the overall journey in terms of it being hassle free; delays are exceptional; transfer time between travel modes are minimal, etc.
23. Each of these three aspects of accessibility are important, because for commuters or regular travellers what matters is the total time taken to get from their home to their final destination, and the predictability of the overall journey time. This is particularly important when assessing the anticipated impact of the new Thanet Parkway Station on housing delivery.
24. In the case of Thanet Parkway, the ability to drive to the station and park, or to be dropped off at the station³ without hassle; and then the ability to drive straight home or be picked up at the end of the day represents a significant improvement in accessibility for any Thanet residents who need to travel daily or regularly to London or intermediate stations.
25. Development in the vicinity of the Parkway Station will also make the overall journey to London or intermediate destinations much easier by allowing people to cycle or walk to the station; effective co-ordination of bus services to connect train departure and arrival times could also change perceptions of Thanet as a place to live; though the reliability of making the desired connections is critical if buses are to be used by those travelling via Thanet Parkway Station.

³ Sometimes referred to as Kiss and Ride, as distinct from Park and Ride

26. The ease of access to the Parkway station and the predictability of the journey to the station is the key dimension of the improvement in accessibility because of the urban structure of Thanet and the location of the current railway stations in Thanet. The railway network was developed in an era when the dominant means of accessing the station was on foot, by bike, or by bus, and therefore the principal stations in the UK's rail network were built in city or town centres with a network of suburban stations in the larger cities.
27. Because the railway network was developed prior to the age of mass ownership of cars, the stations in Thanet have limited provision of parking space; and are relatively inaccessible by car at peak hours, because of the volume of vehicles in the main urban settlements of Thanet as people get to work.
28. The urban area of Thanet does not have the typical form of most towns and cities, which are characterised by having a historic town centre with progressively lower density development as the distance from the urban core increases. In contrast, the urban areas of Thanet entailed initial linear development along the coast giving the first residents views out across the sea.
29. Subsequent development in Thanet has added new housing developments on the landward side of urban area, developing the agricultural hinterland for new homes. As a result the distance new homes have been developed progressively further from the sea, and by implications from the railway stations, which in Thanet are located in the 19th century developments as close as possible to the core of the historic seaside communities which grew up close to the sea.
30. Thus, the historic urban areas wraps around the coast, with subsequent phases of urban development being added to the interior of the Thanet peninsula. This particular pattern means that there is a particular benefit to be derived from the development of Parkway Station on the southern side of the peninsula at Cliffsend.
31. Recent and planned developments are, compared to the developments of the Victorian and Edwardian era, relatively distant from the existing stations, and the stations are poorly provided in terms of long stay parking. Each wave of development over recent years has been further from the centres of the historic town centres, and further from the railway stations.
32. TDC estimate that around 9,000 of the new homes to be provided in the Local Plan period will be within a 3 mile radius of the new Thanet Parkway Station. Another 9,000 homes are to be delivered outside this 3 mile radius, these comprising the large allocations on the edge of the urban area on northern side of Thanet.
33. However, the new developments on the edge of the urban area on northern side are also accessible to the Parkway Station by car because people can drive from the north to the south across the middle of the peninsula without having to go through any of the existing urban areas of Thanet, thereby avoiding the most congested parts of the older urban areas, where the existing stations are located.
34. Developers can be expected to use the start of services from Thanet Parkway to market new developments in Thanet to those for whom St Pancras International or Stratford International (which is starting to get established as a significant employment hub) are their preferred London terminal/station.
35. The commencement of services from Thanet Parkway Station will also encourage those who work in the centre of Canterbury, Ashford, and in future to those working at Ebbsfleet International to use rail services instead of driving to their place of work; and will also encourage in-migration to Thanet as a result of the differential in house prices in Thanet and these other local authority areas (see Figure 4).

Case Studies of the Impact of Parkway Stations

36. There is a relative paucity of research on the actual impacts of Parkway Stations in the UK. Across the UK there are some 30 'Parkway' Stations, which vary greatly in scale and context. A full list of Parkway Stations in the UK is listed at Appendix 2.
37. For this study it is particularly valuable to identify the characteristics of those stations that are in some way comparable to Thanet Parkway, in terms of location, anticipated scale of use, and local development context; and to focus on Parkway Stations where some research has been undertaken on their impact.
38. The most valuable evidence of the impact of Parkway Stations relevant to Thanet Parkway is a recent (January 2018) research study commissioned by the Department of Transport Rail Group entitled '*Economic impacts of new or improved rail lines*'. The study was commissioned precisely because '*there is currently a lack of robust ex-post evaluation which demonstrates the economic impact of rail investments*'.
39. The research study examines the economic impact of 6 rail improvement schemes. Of the 6 schemes only three have some relevance for this report, since three schemes do not involve new infrastructure, but rather are linked to changes in service frequency, faster journey times/capacity increases, and/or are quite different in terms of their location and function.
40. The three case studies examined that are most relevant to the assessment of the impact of Thanet Parkway are:
 - Corby: the development of a new passenger rail line and station, completed in 2009.
 - Oxford Parkway : the development of a new station completed in the period 2015-16 and provision of new route providing a direct service from Oxford via the Parkway Station and Bicester to London Marylebone
 - Leamington Spa: delivery of a faster journey times to London and Birmingham
41. **The Corby Scheme:** The Corby scheme has entailed improvement of a former freight-only line for use as a passenger rail line, and development of a new station, providing an hourly service from Corby via Kettering, Wellingborough, Bedford, Luton and to London St Pancras. The service has a journey time to London of around 70 minutes, which is similar to the journey time from the proposed Thanet Parkway to London St Pancras.
42. The impact of the opening of the new station and start of services to London St Pancras has been a significant increase in rail patronage by those living in Corby, when compared with those in the town of Daventry (the comparator area), which does not have a local station. Around 8% of users of the station started to travel by train because of the opening of the station while another 54% increased their usage of rail services.
43. In recent years, Corby has been the fastest growing town in England in terms of population, though this pre-dates the opening of the rail station. Around 27% of Corby residents say that the existence of a rail service was an important factor in their decision to move to Corby. Access to rail services is also an important factor in why 21% of Daventry residents moved to that town, though the town does not have a railway station.
44. The research reports that businesses indicate that the rail service has been an important factor in choosing where to locate (20% of Corby businesses compared to 19% of Daventry businesses); 30% of businesses in Corby say that rail services are important for clients or suppliers visiting their

site (17% in Daventry); and 25% of businesses in Corby say that the rail service is important for receiving customers (12% in Daventry).

45. The researchers report that some sectors of business have grown since the station in Corby opened and rail services commenced, but others have declined. The availability of rail services has supported a larger population of outbound commuters, but it is not clear that this has yet led to an overall increase in economic activity in Corby itself.
46. **Relevance to Thanet:** The case study indicates that there is clearly a relationship between the opening up of a new passenger railway service in a town and attracting people who regularly use the rail service to move to the town. This supports the growth in the population of the town. Thanet is obviously different to Corby in already benefiting from having existing high speed services to London, whereas Corby previously had no services. The Parkway Station will deliver a similar journey time to London St Pancras as the Corby service.
47. **Oxford Parkway Station:** Services via Oxford Parkway Station commenced in October 2015, and the additional link to Oxford Station was completed in December 2016. The Parkway Station is located around 4 miles to the north of Oxford City Centre.
48. The fastest journey time from Oxford Parkway to London Marylebone station (the terminus of the service – which lacks immediate access to the London Underground) is 55 minutes, with an average time of 72 minutes. The comparable time from Oxford Station is 61 minutes, with an average time of 78 minutes. These journey times are similar to the GWR services to Paddington but the services from Parkway run at a lower frequency (two times per hour, compared to GWR's 6 trains per hour).
49. The service on this route to London is therefore comparable to that anticipated from Thanet Parkway in overall journey time to a London terminus, but it must be borne in mind that Oxford is a much larger urban settlement, and has a much stronger economic base. The research finds that rail usage has increased above trend, with some new trip generation from people living to the north of Oxford.
50. In terms of Oxford Parkway passengers, 41% said they previously made their trip from Oxford; 30% stated they made their trip (principally to London) from another station; and 19% of passengers are using the service to make trips not previously made. The researchers hypothesize that, over time, the opening of Oxford Parkway may encourage new businesses to locate close to the Parkway Station, though there is not yet evidence of this, and the researchers suggest that this might depend on further public sector intervention, such as promoting development in proximity to the station.
51. **Relevance to Thanet:** The Oxford Parkway case study highlights that there is no guarantee that new rail services or a new station will generate positive impacts in terms additional jobs or the development of new homes. Much depends on the alignment of local authority development plans to encourage development in the vicinity of a new station.
52. **Leamington Spa Station:** Improvements to rail services to/from Leamington Spa to London and Birmingham, have delivered a 20 minute journey time saving between Leamington and London Marylebone, reducing the journey time to London to 71 minutes. This has increased rail usage by 5.6%, but this is somewhat lower than Rugby, the comparator area; Rugby has rail services that have a significantly shorter journey time to London.
53. The improvements to rail services appear to have had a greater impact on the number of journeys to Birmingham stations than journeys to London. The journey time to Birmingham Moor Street is only 29 minutes following service improvements. This suggests that Leamington Spa is much more oriented towards Birmingham than London; and the researchers indicate most working

residents work in either in Warwick or Coventry. The result is that the investment has helped the town maintain its economic position, rather than having generated much in the way of additional economic benefits.

54. **Relevance to Thanet:** The case study shows that reducing journey times through service improvements do not necessarily make a great change to patterns of movement, or to economic conditions. A great deal relates to the strength or otherwise of the existing local economy, and the scale of different centres of employment. London is so dominant a centre of employment, and the cost of housing so important in the South Eastern context that comparisons with a Midland town like Leamington, even though it has a similar journey time from London as Thanet, does not provide many insights for Thanet.

House Prices and the Viability of Housing Delivery

55. A significant factor in the delivery of new homes is the pattern of house prices in an area, and how this affects viability. It is generally accepted that current prices paid for existing homes exercise some constraint on the prices that can be secured for new homes for sale. If an area is characterised by low house prices, then this can constrain the delivery of new homes, since it may not be viable to build new homes.
56. Figure 5 shows the average prices paid for new and older properties in 2017 for each of the Kent and Medway authorities; and the average differential between new and old homes. Thanet has the lowest average price paid of all the Kent and Medway authorities. On average, new homes in Thanet only achieve a 8.4% premium over older properties, though this does not take into account the size mix of new homes, nor the premium that applies to homes close to the sea, which often command a premium.

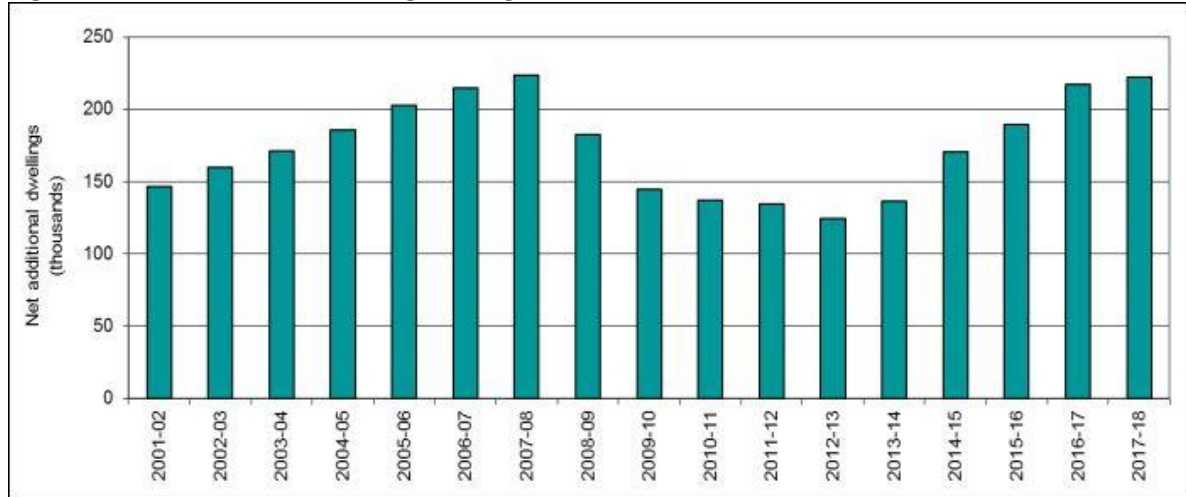
Figure 5: New Homes Premium by Authority in Kent and Medway

	Overall average price paid	*New Properties	Older Properties	% difference between New and Old average price
England & Wales	£292,151	£345,300	£286,003	17.2%
South East**	£371,404	£386,835	£369,687	4.4%
Kent	£323,591	£355,357	£319,571	10.1%
Ashford	£307,726	£316,710	£306,194	3.3%
Canterbury	£318,620	£389,359	£315,084	19.1%
Dartford	£320,030	£346,756	£309,694	10.7%
Dover	£259,356	£281,316	£256,736	8.7%
Gravesham	£308,762	£353,745	£306,898	13.2%
Maidstone	£324,684	£355,833	£318,798	10.4%
Sevenoaks	£497,725	£431,399	£505,639	-17.2%
Folkestone & Hythe	£272,279	£321,984	£265,845	17.4%
Swale	£262,073	£317,978	£256,220	19.4%
Thanet	£242,355	£263,899	£241,692	8.4%
Tonbridge & Malling	£391,248	£419,215	£387,107	7.7%
Tunbridge Wells	£458,063	£566,071	£451,217	20.3%
Medway U.A.	£257,292	£279,995	£255,338	8.8%

Source: KCC Business Intelligence Statistical Bulletin Property Prices and Sales in Kent 2017 (May 2018) using Land Registry price paid data

57. The relatively low value of existing homes in Thanet, compared to other parts of Kent and Medway is without doubt a significant factor in the modest pace of development in Thanet over the 10 years since the commencement of HS1. Figure 6 shows the dramatic impact that the Global Financial Crisis (GFC) of 2008 had on the pace of housing development nationally and how housing delivery fell for 5 years in a row before recovery began in 2013/14.

Figure 6: Net Additional Dwellings in England, 2001/02 to 2017/18

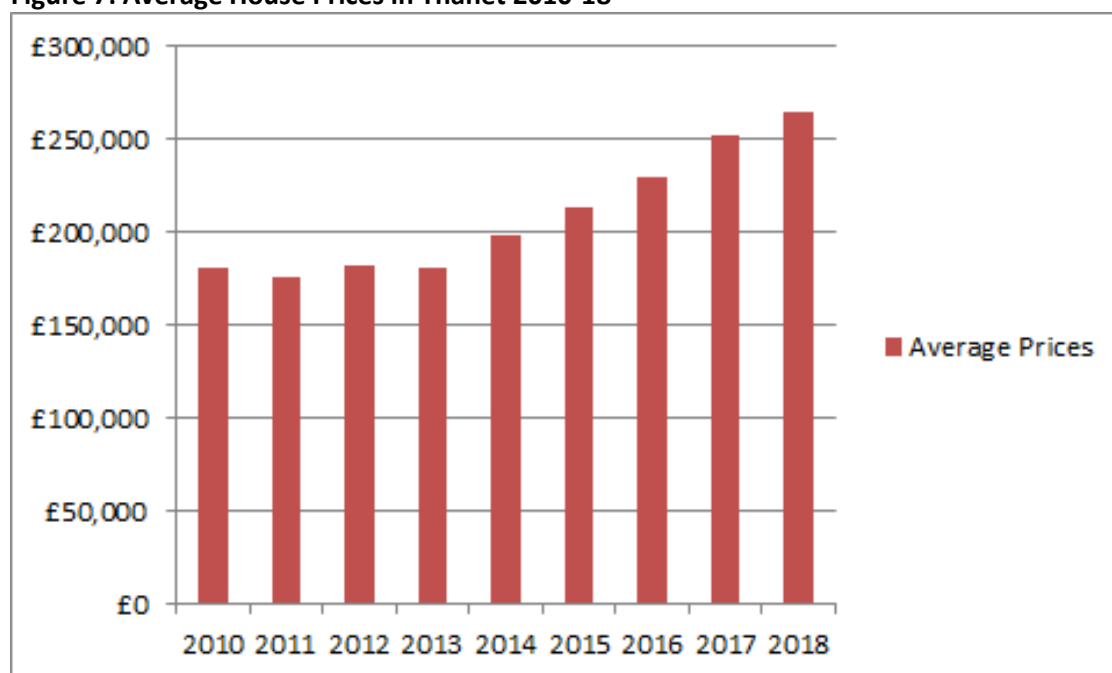


Source: MCHLG

58. The impact of the Global Financial Crisis on the UK housing market is undoubtedly a major factor in why the introduction of the new HS1 services in late 2009 have not had the scale of impact hoped for in Thanet. Areas with the weakest housing markets are always the ones that suffer most in terms of reductions in housing delivery when there is recession, because they are the markets where viability is most stretched, and where the economy is generally hardest hit.
59. Coastal communities, because they are at the 'end of the line', are typically among those are hardest hit in recessions, because on any number of economic and social indicators they underperform compared to areas close to major employment hubs, especially employment hubs with high value industries and jobs.
60. Developers also point out that the catchment area for new homes sales is smaller in coastal communities than inland communities. A developer building in a town in central England may look to sell homes to buyers within, say, a 15 mile radius of its development. In Thanet, as in other coastal communities, much of the area in that 15 miles radius is sea. So the market for new homes is smaller than in areas with equivalent population located more centrally in the country.
61. Thanet is not unique in having only a modest premium for new homes relative to the sales values of older properties. In Kent, Sevenoaks has a reverse premium with existing homes commanding a higher value on average than new homes, while Ashford, Tonbridge and Malling, and Medway all have a new homes premium of less than 10%.
62. In both Sevenoaks and Ashford the modest new build premium may because both authorities have a large stock of larger, high value, dwellings in their rural areas. In Medway, the quantum of new supply, and a bias to delivery of smaller homes suited to first time buyers may be a factor in the modest new homes premium.
63. Clearly, the nature of the existing stock and the market demand for properties significantly affects the new build premium. It is important to delve deeper by examining the price differential between dwellings of a similar size, and to consider the character of the housing stock in terms of age and quality.

64. Hometrack data provides much more insight into the pattern of house prices in Thanet, though TDC's subscription does not enable comparisons to be made with changes in house prices in the rest of Kent and Medway or further afield.
65. Figure 7 shows that house prices in Thanet have risen by around 46.5% since 2010. Figure 8 shows the pattern of house price growth by dwelling size (number of bedrooms) between 2013 and 2018. With the exception of 2-bed flats, property prices in Thanet have increased by over 44% of each of the remaining property types.

Figure 7: Average House Prices in Thanet 2010-18



Source: Hometrack, based on sales and valuations in December each year

Figure 8: Average House Prices by Property Size in Thanet 2010-18

	Dec-13	Dec-18	% increase 2013-18
1-bed flat	£79,831	£124,648	56%
2-bed flat	£132,737	£170,894	29%
2-bed house	£154,839	£225,415	46%
3-bed house	£180,452	£266,900	48%
4-bed house	£262,555	£377,056	44%

Source: Hometrack, based on sales and valuations in December each year

66. Figure 9 presents data on the average prices of second hand and new build flats over the period 2014-2018 and the new build premium on flats and houses on a year by year basis. The analysis shows that the new build premium for new houses in Thanet is relatively modest (2% to 19%). This may be because of the appeal of existing homes, many of which will be closer to the seafront and cliffs, and a substantial stock of larger, old dwellings.
67. In contrast the new build premium for flats is significantly greater for flats than houses. This may be because of the large stock of existing relatively low quality flats in Thanet; and the appeal of new build flats to older buyers. It may also be that it is easier to deliver new flats in proximity to the sea frontage, and the traditional retail centres in Thanet, which may be more sought after than the post 1945 suburban development.

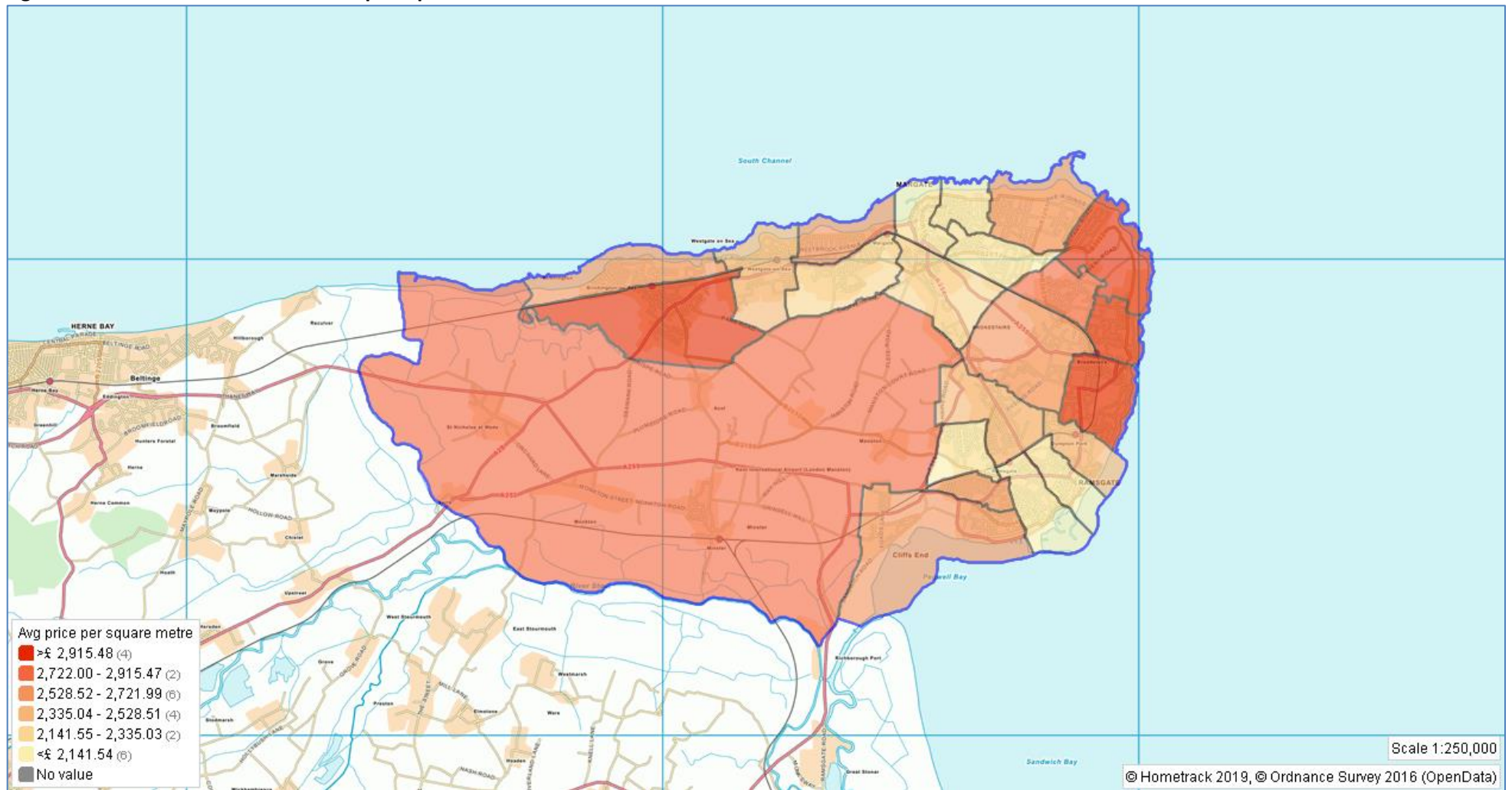
Figure 9: Prices of Second Hand Properties Compared with New Build Properties and the New Build Premium

Year	SH Flat	NB Flat	SH House	NB House	New Build Premium (Flat)	New Build Premium (House)
2014	£119,868	£190,766	£213,020	£227,728	59%	7%
2015	£122,752	£183,957	£226,158	£268,443	50%	19%
2016	£137,516	£173,743	£257,469	£287,475	26%	12%
2017	£150,374	£178,182	£275,428	£279,879	18%	2%
2018	£161,862	£214,233	£294,600	£314,793	32%	7%

Source: Hometrack, based on sales and valuations in December each year

68. Figure 10 shows the pattern of prices measured on the basis of price per sqm across Thanet. The figure shows that the highest value properties are to be found in Broadstairs – the coastal community to the farthest east, and the inland part of Birchington-on-Sea; followed by the less densely built area comprising the interior of the Isle of Thanet. There are significant areas of comparatively low value homes around Margate and Ramsgate.

Figure 10: The Pattern of House Prices per sqm in Thanet District



Source: Hometrack

Absorption Rates

69. Absorption rates are common tool used to compare the quantum of new homes delivered by different local authorities. The absorption rate expresses the number of new homes delivered in a year, as a percentage of the housing stock at the start of the year in question. It is a useful technique to compare the pace of housing delivery in different local authority areas, taking into account the different scale of each authority in terms of their overall stock of housing.
71. Figure 11 compares absorption rates across the Kent and Medway area. The approach taken by Wessex Economics uses the average annual number of new homes delivered by each authority assessed over a 5 year period (2013/14 to 2017/18). Assessing housing delivery over a five year period allows a more robust comparison of housing delivery across a number of authorities. Thanet had the second lowest absorption rate of any of the Kent authorities in this period, with only Gravesham delivering a lower percentage of new homes relative to its stock of housing.

Figure 11: Absorption Rates in Kent and Medway 2013/14 to 2017/18

	2013/14	2014/15	2015/16	2016/17	2017/18	5 Year Average
Dartford	1.4%	1.3%	2.3%	2.6%	2.3%	2.0%
Tonbridge and Malling	1.1%	0.9%	1.8%	1.6%	2.2%	1.5%
Maidstone	0.6%	0.9%	0.8%	1.7%	1.8%	1.2%
Ashford	0.3%	0.8%	2.0%	1.3%	1.1%	1.1%
Kent	0.6%	0.7%	1.0%	1.1%	1.2%	0.9%
Swale	0.6%	0.9%	1.0%	0.9%	1.0%	0.9%
Canterbury	0.8%	0.5%	0.4%	0.6%	1.7%	0.8%
Dover	0.4%	0.7%	1.4%	0.8%	0.8%	0.8%
Shepway	0.2%	0.6%	0.6%	1.3%	0.9%	0.7%
Tunbridge Wells	0.0%	0.7%	0.9%	0.9%	0.9%	0.7%
Sevenoaks	0.5%	0.4%	0.9%	0.7%	0.8%	0.6%
Thanet	0.5%	0.6%	0.5%	0.6%	0.4%	0.5%
Gravesham	0.3%	0.6%	0.4%	0.4%	0.6%	0.5%

Source: Wessex Economics Analysis of Net Additional Dwellings by Authority, MCHLG Table 122

72. Figure 11 should not be interpreted as a failure on behalf of TDC to deliver new homes. As noted previously, on many metrics, Thanet has the weakest new homes market in Kent and Medway as indicated by the sales value of new homes, relative to the prevailing values of existing residential properties. The peripheral nature of Thanet contributes to relatively weak demand for new homes, and has an impact on development viability.
73. Figure 12 examines absorption rates in local authorities with Parkway Stations that are important in terms of rail services into London Terminals. It is apparent from Figure 12 that these authorities have much higher rates of housing delivery than currently achieved in Thanet; but all of these stations, with the exception of Corby are located in areas of high economic activity and strategically linked to London and to the rest of the country.
74. East Kent, in common with parts of coastal East Anglia, do not enjoy the same degree of connectivity with the rest of England, Wales and Scotland as cities and towns to the west and north of London. In the context of Great Britain as a whole, East Kent is relatively remote. London is reasonably accessible from East Kent, but every journey to the rest of the country essentially requires getting round London.
75. The relative inaccessibility of East Kent, and Thanet in particular, is a significant handicap in economic development terms, and in terms of securing high levels of investment in the development of new homes. This emphasises the relative important of Thanet Parkway as a means of increasing the demand for new homes, and attracting businesses to Thanet and Dover Districts.

Figure 12: Absorption Rates for Local Authorities with Parkway Stations

Station	2013/14	2014/15	2015/16	2016/17	2017/18	5 Year Average		No. of Parking Spaces
Corby	1.2%	1.4%	1.3%	1.3%	2.1%	1.5%	New Station	60
Warwick	0.4%	1.0%	1.0%	1.7%	1.4%	1.1%	Warwick Parkway	713
Aylesbury Vale	1.3%	1.9%	1.6%	1.7%	1.8%	1.7%	Aylesbury Vale Parkway	501
Cherwell	0.7%	1.6%	2.3%	1.8%	2.2%	1.7%	Oxford Parkway	830
South Cambridgeshire	1.0%	1.4%	1.0%	0.8%	1.1%	1.1%	Whittlesford Parkway	383
Vale of White Horse	1.1%	1.6%	2.1%	3.0%	2.8%	2.1%	Didcot Parkway	1,127
South Oxfordshire	0.9%	1.1%	1.0%	1.2%	1.5%	1.1%	Didcot Parkway	

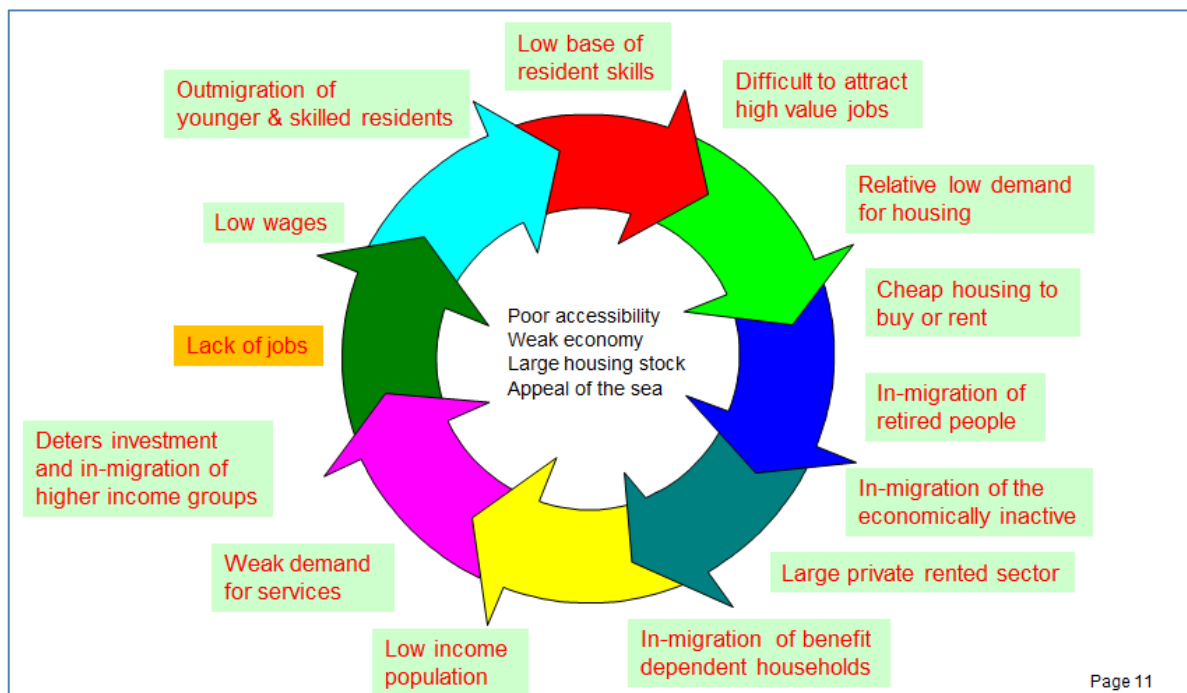
Source: Wessex Economics Analysis of Net Additional Dwellings by Authority, MCHLG Table 122

Conclusions

76. Previous work by Wessex Economics undertaken for Kent County Council identified the potential to deliver a 67 minutes journey time from a new Thanet Parkway Station to London St Pancras, with the possibility of achieving a 65 minutes journey time associated with short dwell times at Canterbury West.
77. Thus, once Thanet Parkway is built and operational, rail journeys from Thanet to London will be close to the 1 hour journey time that has in the past been regarded as the maximum time limit that daily commuters into London will regard as acceptable.
78. With the growth of flexible working patterns and increased ease of working on trains, Thanet will become a more attractive place for those working in London or needing to travel to London regularly to live. This can be expected to boost the demand for new homes.
79. The Parkway Station is important in encouraging increased net in-migration of working people, because commuters/flexible workers also factor into their decision of where to live the overall journey time to work, including time taken to get to a station. Developers will use the opening of Thanet Parkway in their marketing of new homes they are building in Thanet; proximity to the new station will be a feature that will differentiate developments from other developments in Kent.
80. The provision of a Parkway Station on the southern side of Thanet will generally be more convenient for people buying new homes in Thanet to access than existing railway stations, all of which have a longer journey time to London than services from the future Thanet Parkway station, and have limited parking facilities.
82. Other things being equal, the development of the Parkway Station can be expected to boost the demand for new homes in Thanet, and accelerate the pace of housing delivery. Growth in employment opportunities in Thanet itself, and regeneration of the existing urban areas will also contribute to increasing the demand for new homes.
76. There is no simple way to assess the scale of the uplift in housing delivery will be associated with the start of services from Thanet Parkway. However, Wessex Economics estimated in its 2016 report for Kent County Council that over a 30 year period it would be reasonable to expect that between 1,600 and 3,200 additional homes could be delivered on top of what might be delivered in the absence of the Parkway Station. This translates into an average of between 55 dpa and 110 dpa additional dwellings over a 30 year period.
83. The reality is that Thanet Parkway can only be a part of the solution to increasing housing delivery in Thanet. There are a range of actions that TDC itself can take to boost housing delivery. These are set out in the TDC document '*Improving Access to and Supply of Housing*'. TDC have used the Housing Finance Institute's Housing Business Ready programme to identify interventions and strategies that the Council could undertake to increase housing delivery.

84. There are other actions particularly with regards to economic development that will contribute to increasing housing delivery. Actions by TDC to boost economic development, to increase the number of jobs in the District, and to attract high value businesses, which in turn would boost resident's incomes, will all contribute to increasing demand for new homes.
85. The ongoing regeneration of Thanet's coastal towns is also important to attracting the entrepreneurs and self-employed to live in Thanet, and thereby boost its talent pool. Thanet Parkway will also boost the tourism sector in Thanet, providing a convenient pick-up point and drop-off point for visitors. Tourism is important to the ongoing regeneration of the coastal communities, and creating the diversity that is valued by potential home buyers from outside the area.
86. The wider picture of how to boost the economy and the housing market of Thanet is well encapsulated in two pictures (see Figure 13 and 14) from 2014 SELEP's Strategic Economic Plan describing the challenge of the South East's disadvantaged Coastal Communities, and the route out of disadvantage. Figure 13 shows the vicious circle that Thanet has been trapped in for a number of decades. Figure 14 (page 18) illustrates the way out of the vicious circle and how to ebb a self-sustaining virtuous circle of regeneration and growth. Thanet Parkway is an important part of the process of embedding the virtuous circle shown in Figure 14.

Figure 13: The Vicious Circle of Historic Patterns of Selective Migration in the Coastal Towns of the Greater South East



Source: South East LEP Strategic Economic Plan, 2014

Figure 14: The Virtuous Circle Arising from Selective Migration Stimulated by Improved Accessibility



Source: South East LEP Strategic Economic Plan, 2014

Appendix 1: Executive Summary of the Thanet Parkway Station Regeneration and Wider Economic Benefits Study 2016

1. Kent County Council is promoting the development of a new Thanet Parkway Station in North East Kent. The proposed station is to be located between Ramsgate and Minster stations, just to the west of the village of Cliffs End and 2½ miles to the west of Ramsgate Station. The target date for the start of services to and from Thanet Parkway Station is 2019.
2. A full Business Case was prepared for the Station in 2014. The Study concluded that the Parkway Station is commercially viable with forecast income generated well in excess of the costs of operation. This study examines the impacts that the opening of the Station will have on regeneration and economic development over the first 30 years of the Station's operation (2019-2049).
3. The assessment is undertaken for a Study Area comprising all of Thanet District and the three northern-most wards in Dover District, including Sandwich. With the exception of four wards on the northern side of Thanet, the Study Area maps onto the area of the East Kent Assisted Area, an area designated by the UK Government as being in need of economic regeneration.
4. The regeneration impacts associated with Thanet Parkway Station all stem from the improvement in accessibility delivered by the Station and associated rail services. There are two dimensions to this improvement in accessibility; a reduction in journey times by train to/from London and intermediate stations; and the fact that it will be much more convenient for a high proportion of rail users in the Study Area to access the Parkway Station when compared with existing stations.
5. The anticipated journey time from Thanet Parkway to London St Pancras International in 2019 is expected to be 1 hour 7 minutes, compared to a current (2015) journey time of 1 hour 15 minutes from Ramsgate Station. The journey time from Thanet Parkway to Stratford International in 2019 will be 1 hour, 1 minute. A journey time of around an hour is widely regarded as a critical threshold for those people who intend to commute to work in central London.
6. The reduction in the current journey time between London and Thanet Parkway is delivered in part by the recently completed and planned improvement in line speeds and operational efficiencies between Ashford and Ramsgate; and, in part, it is attributable to the development of the Parkway Station itself.
7. Many studies⁴ of the regeneration and wider economic benefits linked to investment in rail services and stations highlight that the wider economic benefits of investing in rail services are maximised when there are opportunities for major development in close proximity to stations. Improved rail services can change perceptions of an area as a place to live and to work.
8. The new Parkway Station will be easily accessed from all the major employment sites in the Study Area; and all the major areas identified for future housing development in the period up to 2032. In general it will be much easier for those living or working in these locations to use the Parkway Station than existing stations. The Parkway Station will make the Study Area a more attractive place to live and do business.
9. Development in the years after 2032 is also likely to be located with good access to the Parkway Station. This reflects the urban geography of Thanet with the established development

⁴ For example, see the report 'The Value of Station Investment, Research on Regenerative Impacts, Steer Davies Gleeve, November 2011

concentrated around the coast, and undeveloped land in the centre of the District. The location of the Parkway Station is also likely to be a consideration in the designation of future sites for development.

10. It is to be expected that the accessibility improvements associated with the Parkway Station will accelerate the pace of housing development in the Study Area. In the period 2019-49 it is expected that Parkway Station will support the development of between 1,600 and 3,200 additional homes. The Government and the South East LEP have made housing delivery a priority, so the Parkway Station contributes directly to achieving strategic policy objectives at national and regional level.
11. This level of additional house building will generate an additional GVA of £93 – £186 million over the period 2019 to 2049 and 2,400 - 4,800 person years of construction employment. The additional GVA associated with the increase in the working population of the Study Area linked to this level of additional house building is estimated at between £78 million and £156 million by 2049.
12. Additional housebuilding stimulated by the improvement to rail services between the Study Area and London can also be expected to make a positive contribution to economic development, by attracting higher skill working residents to the area. The Study Area has a lower representation of residents with higher level skills and this has been a constraint on economic development in the past.
13. Stronger representation of high skill working residents in the Study Area, combined with better rail connections to London will make the Study Area more attractive to inward investors. Inward investment in the Study Area has increased significantly since March 2013, with Discovery Park, a designated Enterprise Zone, capturing a large proportion of the inward investment projects in the area.
14. There are a number of strategic employment sites in the Study Area. The most important of these are well located in relation to Thanet Parkway Station. Discovery Park is a key site, and still has a large volume of existing floorspace available, as well as scope for new build development. There remains substantial scope for further development at Manston Business Park and at the EuroKent site.
15. The new owners of the former Manston Airport site (Stone Hill Park Ltd) have put forward plans for large scale development of business floorspace on the site (270,000 sq m of B class floorspace), as well as proposals for residential and leisure development. Stone Hill Park Ltd has indicated their intention to submit a planning application in April 2016. The benefits of the Parkway Station to the Stone Hill Park development will be substantial in terms of attracting buyers for new homes, and creating an attractive business location.
16. It is estimated that, as a result of the Parkway Station, between 400 and 800 additional jobs will be created in the Study Area in the period 2019-2049, with potential for acceleration of growth as the Study Area gains a critical mass of business activities. This estimate is based on conservative assumptions regarding the combined impact on inward investment of improved accessibility associated with Thanet Parkway, and the improvement in the resident skills base of the Study Area.
17. The opening of Thanet Parkway Station should be regarded as of great importance to the future regeneration and economic development of the Study Area. To maximise the opportunities created by the Parkway Station, the local planning framework will need to reflect the opportunities created by the Station for housing and economic development; and public and private

organisations will need to be proactive in marketing the area to attract inward investment and to create the right market conditions for regeneration and development.

Appendix 2 Parkway Stations in Great Britain

SOUTH, SOUTH EAST AND EAST

- [Aylesbury Vale Parkway](#)
- [Cambridge Science Park station](#)
- [Didcot Parkway railway station](#)
- [Ebbfleet International railway station](#)
- [Haddenham and Thame Parkway railway station](#)
- [Luton Airport Parkway railway station](#)
- [Oxford Parkway railway station](#)
- [Southampton Airport Parkway](#)
- [Whittlesford Parkway railway station](#) (serving equally [Duxford](#))

EAST AND WEST MIDLANDS

- [Alfreton railway station \(formerly *Alfreton and Mansfield Parkway*\)](#)
- [Birmingham International railway station](#)
- [Coleshill Parkway railway station](#)
- [East Midlands Parkway railway station](#)
- [Stratford-upon-Avon Parkway railway station](#)
- [Sutton Parkway railway station \(named after Sutton-in-Ashfield\)](#)
- [Tame Bridge Parkway railway station](#)
- [Warwick Parkway railway station](#)
- [Wednesbury Parkway tram stop](#)

NORTH-EAST AND YORKSHIRE

- [Apperley Bridge railway station](#)
- [Callerton Parkway \(Tyne and Wear Metro\)](#)
- [New Pudsey railway station](#)

NORTH-WEST

- [Buckshaw Parkway railway station](#)
- [Horwich Parkway railway station](#)
- [Liverpool South Parkway railway station](#)

SCOTLAND

- [Edinburgh Park railway station](#)
- [Newcraighall railway station](#) Park & Ride (near Edinburgh)

SOUTH-WEST

- [Bodmin Parkway railway station](#)
- [Bristol Parkway railway station](#)
- [Lelant Saltings railway station](#) (Park and Ride for [St Ives](#))
- [Tiverton Parkway railway station](#)

WALES

- [Ebbw Vale Parkway railway station](#)
- [Port Talbot Parkway railway station](#)

PROPOSALS AND WITHDRAWN PROPOSALS

- [Gloucestershire Parkway railway station](#)
- [Portway Parkway railway station](#)
- [Rushden Parkway railway station](#)
- [Thanet Parkway railway station](#)
- [Worcester \(Norton\) Parkway railway station](#)

Source: Wikipedia

