

Market Sensitivity to Coastal Erosion



**Results of Questionnaire
sent to Estate Agents
Annex 7**

for
North Norfolk District Council



RPA

August 2008

***Market Sensitivity to Coastal Erosion:
Results of Questionnaire sent to Estate Agents***

Annex 7

prepared for

North Norfolk District Council

By

Edwin Watson Partnership
3 The Close, Norwich, Norfolk
Tel: 01603 761524 Fax: 01603 760202
Email: management@wph.org.uk

in association with

Risk & Policy Analysts Limited,
Farthing Green House, 1 Beccles Road, Loddon, Norfolk, NR14 6LT
Tel: 01508 528465 Fax: 01508 520758
Email: post@rpaltd.co.uk

RPA REPORT – ASSURED QUALITY	
Project: Ref/Title	J610/NNDC
Approach:	In accordance with the Brief and Contract
Report Status:	Annex 7
Report Prepared by:	Nigel Morgan, Edwin Watson Partnership
Report approved for issue by:	John Ash, Technical Director
Date:	27 August 2008

Market sensitivity to coastal erosion threat

Evidence of market and price sensitivity to the threat of erosion is largely by word of mouth.

It may be that much more detailed work will be needed to demonstrate the linkage. This paper, however, summarises the responses received from eleven estate agents operating along the north-east Norfolk coast in February 2008 to the attached survey. Thirty questionnaires were sent out representing a 37 per cent response rate.

Question 1

The eleven respondents, between them, covered all the parishes identified with the exception of Waxham. Five were predominantly concentrated to the west of Cromer encompassing some of the parishes least affected by coastal erosion.

Question 2

Of the eleven responses, eight (73 per cent) had experienced purchasers expressing concern over coastal erosion in the previous twelve months. The three who had not, all operate predominantly to the west of Cromer and one exclusively to the west of Sheringham.

Question 3

Of the eight agents indicating that purchasers had expressed concern over erosion, five said that this had impacted on prices during the previous twelve months (62.5 per cent).

Question 4

Nine of the eleven respondents said that coastal parishes as a whole are seen as having a problem with coastal erosion (82 per cent).

Question 5

No respondents considered that the problem extends to parishes not having shoreline frontage.

Question 6

Four out of the eleven respondents (36 per cent) were aware of properties close to coastal locations becoming neglected because owners do not consider them worthy of maintenance. Interestingly, this response was spread along the whole coast including the western portion.

Question 7

Five out of eleven (45 per cent) considered that residential properties shown within the area likely to be lost in the next 100 years in the Shoreline Management Plan have sold for less than would have otherwise have been the case during the past twelve months.

Question 8

Only four of the five responding positively to question 7 gave a proportion in percentage terms which ranged from 3 per cent to 15 %. The average is an 11.4 % price reduction.

Question 9

There was no Question 9.

Question 10

Three out of eleven (27 per cent) of respondents considered that there was also a negative impact on sale prices outside the area shown as likely to be lost (but still within the affected coastal villages).

Question 11

All three positive respondents indicated a reduction in value of 10 per cent.

Questions 12 and 13

Only three of the respondents had dealt with non-residential property in the past twelve months. Of those, two had experience no negative reaction to the Shoreline Management Plan in the context of non-residential properties but the third spoke of this issue being “a significant factor in property at Mundesley being discounted in order to achieve sale”.

Commentary

These responses should be taken as indicative only. Nonetheless, they seem to confirm a significant degree of awareness of a problem even several years after the publication of the Shoreline Management Plan, in the absence of its comprehensive adoption and in a strong residential property market. Were the plan to be formalised, (and particularly if there is evidence of its effect in terms of actual erosion) and in an even marginally less buoyant market, it would be reasonable to expect a more pronounced response than that obtained here.

There is strong support for the proposition that any market and price impact extends beyond the area of land actually identified as being vulnerable to loss. So it is potentially all properties in the affected coastal parishes to which policy needs to be addressed.

The number of agents with non-residential properties is too small to make any detailed deduction. It should, however, also be borne in mind that the number of properties being handled by those agents is likely also to be very small – possibly no more than a dozen or two along the whole of the coastal strip in the twelve month period to which the questionnaire relates with many of those in areas not at threat – for example the towns of Cromer and Sheringham. In that framework, that even a single agent speaks of significant problem with just one property may well be consistent with a quite extensive problem underlying the non-residential market and this is an area which may particularly warrant more detailed investigation.