

\*\*\*FOR IMMEDIATE RELEASE\*\*\*

## Brexit property shortage sees house prices jump

- Transactions, viewings and registrations continue to decline as Brexit uncertainty rumbles on
  - Prices rise across London as the number of properties on the market dries up
    - Number of transactions plummets, down almost 20% on last year

National	October 2016	% change since September 2016	% change since October 2015
Ave UK house prices £ (SSTC)	£227,566	0.5	1.5
Ave FTB house prices £ (SSTC)	£169,773	2.8	5.6
London house prices £ (SSTC)	£548,668	5.7	7.6
House sales (exchange)	49,049	-3.3	-18.8

**Paul Smith, CEO of haart, the UK's largest independent estate agent comments:**

“The nation’s property market is suffering from the ongoing confusion around Brexit and what it will mean for our economy. Homeowners are experiencing a crisis of confidence, with sellers either holding out for better offers or keeping their properties off the market altogether. A Brexit courtroom drama has hardly helped the situation. The government must set out a clear plan for Brexit to help buyers and sellers feel confident and to get housebuilders building again.

“In London, which voted heavily in favour of Remain, the problem is particularly acute, with the number of new properties on the market down by over 10% on last month, and transactions down by over 20% on last year. The current supply shortage has seen a jump in London prices compared to last month, but unlike normal times this isn’t a sign of a ‘hot’, active market. It is a blip undermined by the fall in transactions – in reality nobody is winning in the current market. The ‘Psychology of Brexit’ is holding the market back, and the government must act to avoid this dip becoming a long-term problem.

“The Autumn Statement is the Government’s opportunity to relieve the pressure. Philip Hammond must look to cut stamp duty, especially at the bottom end to help ‘generation rent’ make their move onto the property ladder, which will increase fluidity in the market. We also need to see new incentives to ensure housebuilders continue with planned projects and increase their pipelines to get Britain building again.”

## National Trends

House prices in October rose by 0.5% on the month and by 1.5% on the year. The average UK house price now sits at £227,566.

New buyer demand for homes fell by 2.0% since September, and continues to be down significantly by 22.4% on the year. Additionally, the number of properties coming onto the market has fallen by 5.3% on the month and by 6.1% on the year. With a decrease in stock, the number of buyers chasing every instruction has risen slightly, as there are now nine buyers for every new property that comes onto the market across the UK.

The market has become less efficient this month, as the number of transactions has decreased whilst the number of viewings has risen slightly, meaning that buyers are choosing to look at more properties before they buy.

The average purchase price for first-time-buyers has risen this month by 2.8%, and is up on the year by 5.6%. This comes as the rate at which first-time-buyers are entering the market drops slightly on the month by 1.5%, and by a much larger 30.1% on the year.

In line with the rise in the average purchase price for first-time-buyers, deposits have risen too by 0.1% on the month, however they are down by 2.5% on the year.

GRAPH 1: House Prices (First-Time Buyers vs. All Buyers)

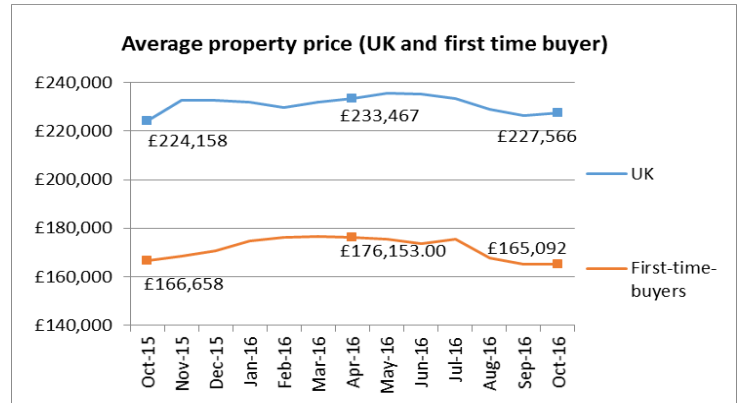


TABLE 2: National All Buyer Activity Analysis

	% change (September 2016 to October 2016)	% change (October 2015 to October 2016)
New buyer registrations	-2.0	-22.4
New properties for sale	-5.1	-6.1
Buyer viewings	0.4	-0.3
No. of sales (exchange)	-3.3	-18.8

TABLE 3: No. of First-time Buyer's (All of UK)

	% change (September 2016 to October 2016)	% change (October 2015 to October 2016)
New first-time buyers	-1.5	-30.1

TABLE 4: First-time Buyer Activity Analysis

	September 2016	October 2016 (% changes to September 2016)	October 2015 (% change to October 2016)
FTBs as a % of all mortgages written	42.9	42.6(0.3)	42.5 (0.4)
Ave deposit (£)	33,179	34,219 (0.1)	34,021 (-2.5)
Ave LTV (%)	80	79.6 (0.5)	79.6 (0.5)
Ave mortgage (£)	131,799	133,701 (-1.4)	133,561 (-0.6)
Ave purchase price (£)	169,773	165,092 (2.8)	160,711 (5.6)
Ave age (years)	31.3	31.7 (-0.4)	31.6 (0.3)

# London Focus

North West	
<b>House Price October 2016</b>	<b>£472,508</b>
% change since September 2016	2.8%
% change October 2015	3.4%
<b>Transactions October 2016</b>	
% change since September 2016	3.9%
% change October 2015	-15.6%

All of London	
<b>House Price October 2016</b>	<b>£548,668</b>
% change since September 2016	5.7%
% change October 2015	7.6%
<b>Transactions October 2016</b>	
% change since September 2016	-5.1%
% change October 2015	-23.7%

North	
<b>House Price October 2016</b>	<b>£794,679</b>
% change since September 2016	16.0%
% change October 2015	35.0%
<b>Transactions October 2016</b>	
% change since September 2016	-2.6%
% change October 2015	-19.6%

West	
<b>House Price October 2016</b>	<b>£533,608</b>
% change since August 2016	2.4%
% change September 2015	-5.4%
<b>Transactions October 2016</b>	
% change since August 2016	0.0%
% change September 2015	71.0%



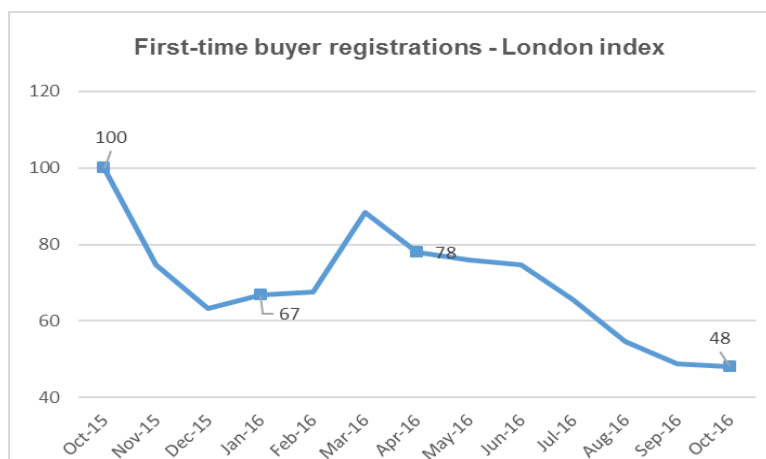
East	
<b>House Price October 2016</b>	<b>£426,685</b>
% change since September 2016	0.4%
% change October 2015	-4.2%
<b>Transactions October 2016</b>	
% change since September 2016	5.4%
% change October 2015	-2.8%

South West	
<b>House Price October 2016</b>	<b>£548,954</b>
% change since September 2016	3.9%
% change October 2015	1.2%
<b>Transactions October 2016</b>	
% change since September 2016	2%
% change October 2015	19%

South East	
<b>House Price October 2016</b>	<b>£515,580</b>
% change since September 2016	4.3%
% change October 2015	0.9%
<b>Transactions October 2016</b>	
% change since September 2016	-13.2%
% change October 2015	26.6%

The average property price in London has jumped back up this month by 5.7%, pushing up annual growth to 7.6%. This is higher than the annual growth seen across the UK. However, this comes as demand for properties has fallen this month by 0.3%, and is 36.4% down on the year. At the same time, the number of properties for sale has decreased by 10.6% on the month, and a huge 17.9% on the year. Sale transactions also continue to drop, at 5.1% on the month and 23.7% annually.

	% change (September 2016 to October 2016)	% change (October 2015 to October 2016)
No. of new buyers	-0.3	-36.4
No. of new first-time buyers	1.2	-39.6
No. of new properties for sale	-10.6	-17.9
No. of buyer viewings	-7.4	-22.6
No. of sales (exchange)	-5.1	-23.7



GRAPH 2: London first-time buyer index

TABLE 5: London Buyer Activity Analysis

	September 2016	% Change (September 2016 to October 2016)	% change (October 2015 to October 2016)
Ratio of new buyer demand to property supply	21.2:1	40.2	-2.9

TABLE 6: Registrations per Property for Sale (All London)

## The Lettings Market

TABLE 7: National Lettings Activity Analysis

UK	% change (September 2016 to October 2016)	% change (October 2015 to October 2016)
Demand (number of new tenants)	-2.6	-13.4
Supply (number of new properties available to rent)	-9.9	-
Average rent £1,385	-1.6	-

TABLE 8: London Lettings Activity Analysis

London	% change (September 2016 to October 2016)	% change (October 2015 to October 2016)
Demand (number of new tenants)	6.8	-13
Supply (number of new properties available to rent)	-10.3	-
Average rent £1,961	-1.4	-

## Landlord purchases

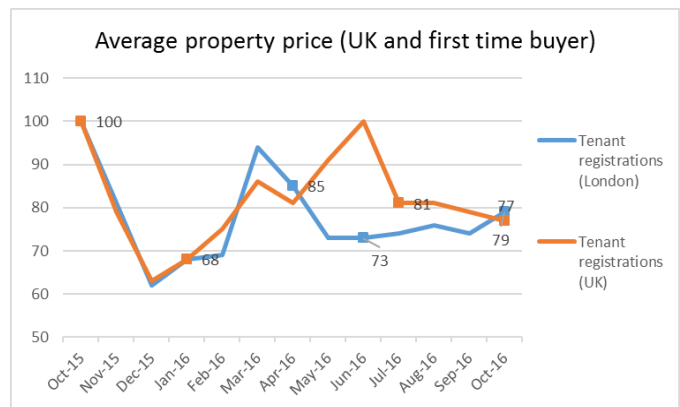
TABLE 9: London Landlord Activity Analysis

UK	% change (September 2016 to October 2016)	% change (October 2015 to October 2016)
New landlords registering to buy	5.4	-25.8
Number of sales	-2	-28.6
Sale price	-3.5	-3

TABLE 10: National Landlord Activity Analysis

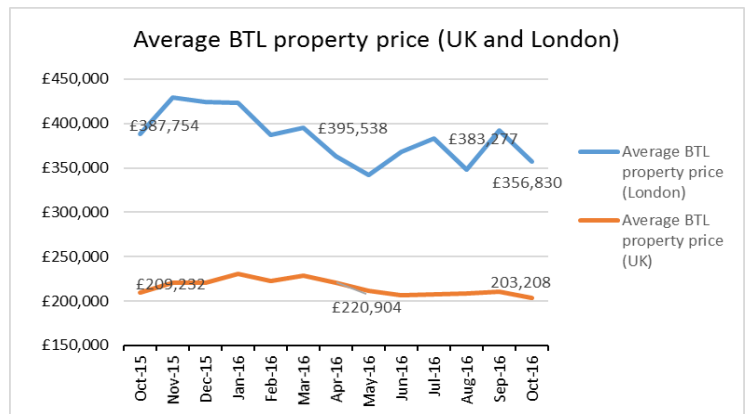
London	% change (September 2016 to October 2016)	% change (October 2015 to October 2016)
New landlords registering to buy	7.0	-60.1
Number of sales	-15.5	-54.6
Sale price	-9	-8

GRAPH 3: Tenant registrations (UK registrations vs London registrations)



The number of tenants entering the market has fallen by 2.6% on the month, and by 13.4% annually, decreasing the rate of demand. This has pushed down rents marginally, as the average rent now sits at £1,385 across the whole of the UK. On the other hand, demand is back up again in London, by 6.8% on the month, however is still down on the year. The average rent has fallen and now sits at £1,961.

GRAPH 4: Average BTL property price (UK prices vs London prices)



Landlords continue to return to the market this month, as numbers registering to buy increase by 5.4% on the month across the UK, and by a larger 7% in London. However growth remains down annually. Despite an increase in demand, sale prices have fallen, by 3.5% on the month across the UK and by 9.0% in London. The number of transactions remain down on the month and on the year in London, and on the month across the UK. However annually, we are seeing a 28.6% increase in transactions across the UK.

## **FOR FURTHER INFORMATION**

For further information and press enquiries contact Instinctif Partners:

James McEwan: 020 7427 1408 / [James.McEwan@instinctif.com](mailto:James.McEwan@instinctif.com)

Emma Marshall: 020 7427 1403 / [Emma.Marshall@instinctif.com](mailto:Emma.Marshall@instinctif.com)

## **Methodology**

All figures and analysis contained in this report have been taken from haart's own database, compiled from management reports from over 100 branches nationwide. The number of sales and other values have been scaled up (or down) where appropriate to reflect national values. Monthly rental prices are based on a two bedroom apartment. The scaling is based on haart's relevant market shares of national figures as reported in ONS and Council for Mortgage Lenders statistics. All trends and percentage changes are unaffected by this scaling up, these fully reflecting haart's market experience.

## **About haart**

haart is part of Spicerhaart, the UK's largest independent estate agency group. Founded in 1999, haart is a family run lettings and estate agency with 25 years' experience and local knowledge. Haart covers the full spectrum of the property sales and lettings market from studio flats to large country homes. For more information visit [www.haart.co.uk](http://www.haart.co.uk)

## **About Spicerhaart**

Spicerhaart was founded over 25 years ago by father and son Alick and Paul Smith with three branches of Spicer McColl in East Anglia. Today, the Spicerhaart Group encompasses six estate agency brands – Chewton Rose, Darlows, Felicity J Lord, haart, Haybrook and Spicer McColl – together with a range of professional services. For more information visit [www.spicerhaart.co.uk](http://www.spicerhaart.co.uk).

## **About Just Mortgages**

All mortgage data is provided by Just Mortgages.

Just Mortgages was created to provide simple, straightforward mortgage and protection advice to people of all ages and backgrounds. Part of Spicerhaart, the UK's largest independent estate agency group, Just Mortgages is an appointed representative of Openwork Limited, one of the leading financial services network providers in the UK. For more information about Just Mortgages visit [www.justmortgages.co.uk](http://www.justmortgages.co.uk)

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