

Too early to call it...

It's far too early to make any serious predictions for 2019. Whilst the residential market typically finds its stride towards the end of January/ mid-February, we suspect activity and spirits will remain dampened due to the continuing uncertainty surrounding Brexit, which reached a crescendo last week. We shall now sit tight and see what this afternoon brings.

What is certain is that we will see a further fall in transaction volumes whilst we wait for the hiatus to pass. Meanwhile, official data tends to lag at least three months behind the point of transaction and is typically too generic to be applied meaningfully to determine current values. For value and liquidity, performance is very property specific, with the finest properties outperforming the worst by as much as 50%.

As ever, some agents are suggesting that with uncertainty comes opportunity and perhaps we might look back and reflect upon a golden buying opportunity. There is no doubt that there are some opportunities in the market place to capitalise on sentiment and adopt a starker negotiating position, particularly if there is a hint of distress or the stock is in some way compromised. However, there remains little room for manoeuvre when it comes to the very best properties and we would guard against fixating on average discounted rates and focus on understanding true market value, asset quality and future liquidity.

RFR's Themes & Variations for Q1

- ◆ Values and volumes will remain very property specific and buyers should be wary of asking/guide prices and focus on market value.
- ◆ The supply of good quality properties will remain constrained and many key trades are likely to take place discreetly and off-market. Ability to access/ unearth these properties will be more important than ever.
- ◆ The search and transactional processes will take longer and buyer diligence will be more thorough.
- ◆ The new build sector will remain polarised between best-in-class super-prime apartments and the mass cookie-cutter market where values have been in freefall.
- ◆ Demand for good quality, high value rental properties will continue.

If you'd like any advice or wish to discuss the market in more detail, please do get in touch with us.



Richard Rogerson
CEO
020 3871 5814
richard@rfrproperty.com



Sophie Rogerson
Managing Director
020 3871 5807
sophie@rfrproperty.com