

MARKET INTELLIGENCE

The spring market is brighter than forecast

It's not what we expected. House-hunters are back, regardless of Brexit, but homes for sale are in short supply

Carol Lewis

March 29 2019, 12:01am, The Times



In Bishop's Waltham, Hampshire, eight-bedroom Palace House is on sale for £2.475 million (Savills)

With the clocks set to spring forward this weekend, there are green shoots of optimism in the housing market. Estate agents are proclaiming that buyers are back, but sellers are still in short supply.

Knight Frank, an estate agency, says that the ratio of new buyers to new homes coming to market has hit an eight-year high, meaning that there are more potential buyers for each property. There were almost ten registered buyers for each new property coming to

market at the agency in January and February this year, compared with almost seven a year ago. The figures are backed by Haart, which says its estate agents saw a 16 per cent jump in buyer registrations in February compared with January, and a 4 per cent rise in new sellers.

Richard Addington, a director of Jackson-Stops in Exeter, Devon, says: “Brexit uncertainty is putting people off selling, but it is not putting people off buying, although they are getting frustrated because there is not much around. This greater competition for what is on the market has firmed up prices, and buyers are not getting the discounts they might expect. Anything that is decent and priced at the right level is being snapped up.”



Six-bedroom Springfield House in Newark, Nottinghamshire, is on the market through Fine & Country for offers of more than £950,000

Sophie Rogerson, the managing director of RFR, a buying agency in central London, says: “Some estate agents are saying that buyers are back because they are fed up with Brexit and waiting, and just want to get on with their lives, but I think these are people who perceive that there are opportunities out there. There is a feeling that the uncertainty is reaching a crescendo and now is a smart time to move, and that there is value for money to be found. The reality is that there are few distressed sellers out there who need to sell. So we have a stand-off. No one wants to overpay for a house and no one wants to sell themselves short.”

The biggest increases in buyer numbers over the past year, according to Knight Frank, have been in central London, with a more than 53 per cent rise in Kensington, 40 per cent in Notting Hill, 30 per cent in South Kensington and 26 per cent in St John’s Wood; Barnes in southwest London also increased 26 per cent.

Rogerson says that house prices in London are considered good value among buyers looking for second homes, and now is a good time to invest.

Data released this week by London Central Portfolio (LCP), a property investment advisory, showed that the average price of a prime central London property was down more than 6 per cent last month (to £1.8 million), and almost 13 per cent over the past three months. The number of sales agreed was down to 66 a week, and property price growth across England and Wales was at its lowest since 2013.

Naomi Heaton, the chief executive of LCP, says: “On a more optimistic note, there is evidence of a pick-up in interest as investors seek to capitalise on extremely soft prices. However, with Brexit rolling on beyond March 29 and neither the prime minister nor EU leaders able to state what is going to happen, investors may wait to see if sterling weakens further.”

Harry Buchanan, a director of Jackson-Stops in Pimlico and Westminster, central London, says: “If your stockbroker called you up and said these shares are pretty near the bottom of the market, they might drop 1-2 per cent more, but now is a good time to buy, you probably would. That’s why people are out looking. Yes, there might be a lull before we reach a final agreement on Brexit, but now is a good time to buy.”

Nick Mead, a director of Sterling Private Office, a buying agency, says: “If we get a Brexit deal we might see an artificial blip of confidence with vendors firming their prices quite quickly, so buyers would be silly to miss out if they find something they like and try to be too clever [with negotiations].”

Outside London, north Hampshire experienced the biggest surge in buyer numbers, increasing by 21 per cent in February compared with the same month last year. In Weybridge, Surrey, the rise was 19 per cent, in Tunbridge Wells, Kent, it was 17 per cent, Stow-on-the-Wold in Gloucestershire rose 16.5 per cent and Henley in Oxfordshire went up by 13 per cent.

Shaun Hobbs, a partner at Knight Frank in Basingstoke, north Hampshire, says: “The lack of stock across the market has meant that applicant numbers spike a considerable amount as soon as we launch anything new. There is a competitive atmosphere and real excitement among potential buyers.”

Hobbs’s colleague Rupert Sturgis, in the Cirencester, Gloucestershire office, says: “After 92 viewings in a six-week period, and 12 parties offering, we sold a historic country property at nearly 40 per cent more than the guide price. This is one of a number of examples of competitive bidding. A lakeside development opportunity had 39 viewings and 10 parties offering, before selling at about 15 per cent above the guide price.”

However, Mead, who is based in Henley, Oxfordshire, sounds a note of caution. “There are quite a lot of buyers, but many are tyre kicking. Actual buying activity has fallen off a clip since the vote in mid-February, when everything about Brexit became a bit muddy. People are maintaining a watching brief.”

He adds, though, that the market is incredibly varied. “In Henley there is not much stock and if you want to buy you will need to compromise, and prices are holding up. Ten miles away in Beaconsfield there is a large amount of stock across all price ranges and it’s not nearly as competitive.”



Uploders Place in Bridport, Dorset, has four bedrooms and is with Savills for £1.55 million

Camilla Elwell, an associate director in Savills’s country house department, says: “There is an element of people being bored with Brexit and wanting to get on with their lives. People are starting to come out of London to look for houses in the country. Previously house prices were going up in London and they didn’t want to miss out, but that’s not the case now. Although they are frustrated by the lack of stock and surprised that they are in competition. We had three to four bids on a house that had been on the market for three years and it went in excess of its most recent guide price. Sellers don’t need to accept the first offer they get, but they do need to price sensibly.”

According to the national house price index published last week, across the UK there was a 1.7 per cent increase in property prices in January compared with the same time last year, but a 0.8 per cent fall compared with the previous month. However, in Scotland prices increased by 0.6 per cent on the previous month.

Evidence that the Scottish market is outperforming the rest of the UK came yesterday when Savills forecast average house price growth of 18.2 per cent over the next five years in Scotland, compared with 14.8 per cent for the UK. Prime properties in Edinburgh are selling particularly well. Sales of homes costing £1 million-plus reached 128 in 2018, the highest since 2007 and nearly 20 per cent more than 2017.

Ben Fox of Savills in Edinburgh says: “Our office has the highest rate of new inquiries per property of all Savills’s UK offices, more than five times the national average. With supply still relatively low, motivated buyers are prepared to offer premium prices to secure the right property.”

However, Savills’ findings show that the greatest growth in sales activity has been in Glasgow, where viewing numbers are up 15 per cent in the first three months of this year compared with the same time last year, and sales agreed 86 per cent. There were 89 sales of properties costing more than £800,000 in Greater Glasgow last year, the highest since 2008. Most were in Glasgow’s West End and Park, and also Pollokshields and Newlands in the south side.



This country house in Dunsfold, Surrey, has seven bedrooms and comes with two cottages. It is on sale with Savills for £5 million

Cameron Ewer, the head of residential sales at Savills, based in Glasgow, says: “The number of buyers registering in Glasgow rose by 13 per cent in the first three months of this year compared with the same period last year, and viewing numbers are up by 15 per cent. But these viewers are not just window shoppers — they are committed buyers.”

Wherever you are buying in the UK, spring has traditionally been the most popular time to sell a home, with houses looking their best and buyers more willing to spend time out and about looking at properties.

Analysis from Knight Frank has shown that more properties go under offer in May than any other month, with peak buying season from March to June. Almost 10 per cent of homes in the UK are sold in May, compared with under 6 per cent in December, the quietest month.

Analysis by Springbok Properties, an estate agency, shows that the prices properties sold for rose £1,461 with each degree centigrade extra registered on the thermometer. In winter last year the average sold price was £291,810, increasing to £293,347 as spring arrived. This rose further to £301,321 over the summer season before falling to £289,833 in the autumn.

Shepherd Ncube, the chief executive of Springbok Properties, says: “With spring now officially sprung, we should start to see the Brexit price growth freeze thaw, but for those that remain on the fence until a higher degree of certainty returns to the market, holding out until summer could see them achieve that little bit extra as temperatures continue to rise.”