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NETWORK.

Prime London update

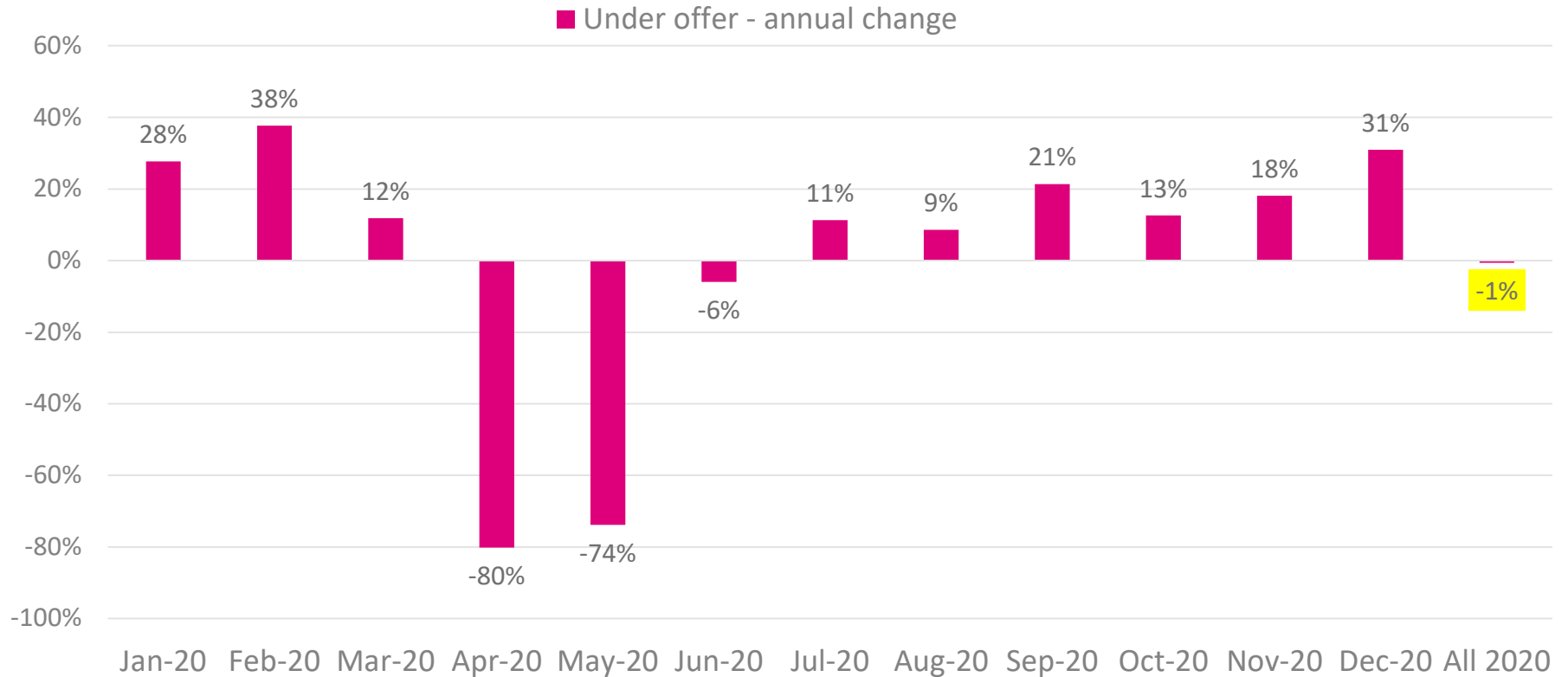
Marcus Dixon – 14 January 2021



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Sales

Pandemic appears to have little impact on overall number of offers accepted last year....

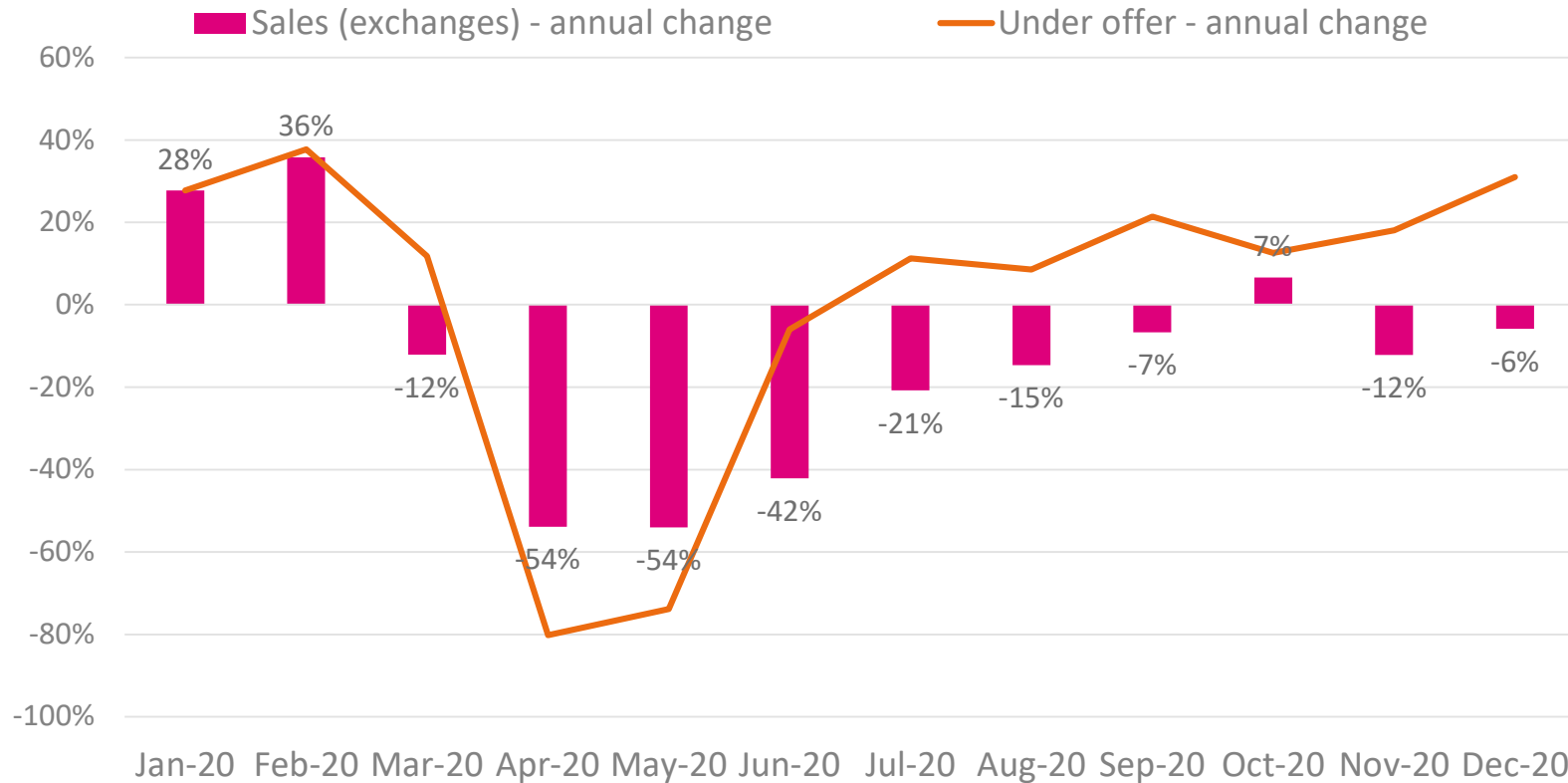


Good start helped

Less here

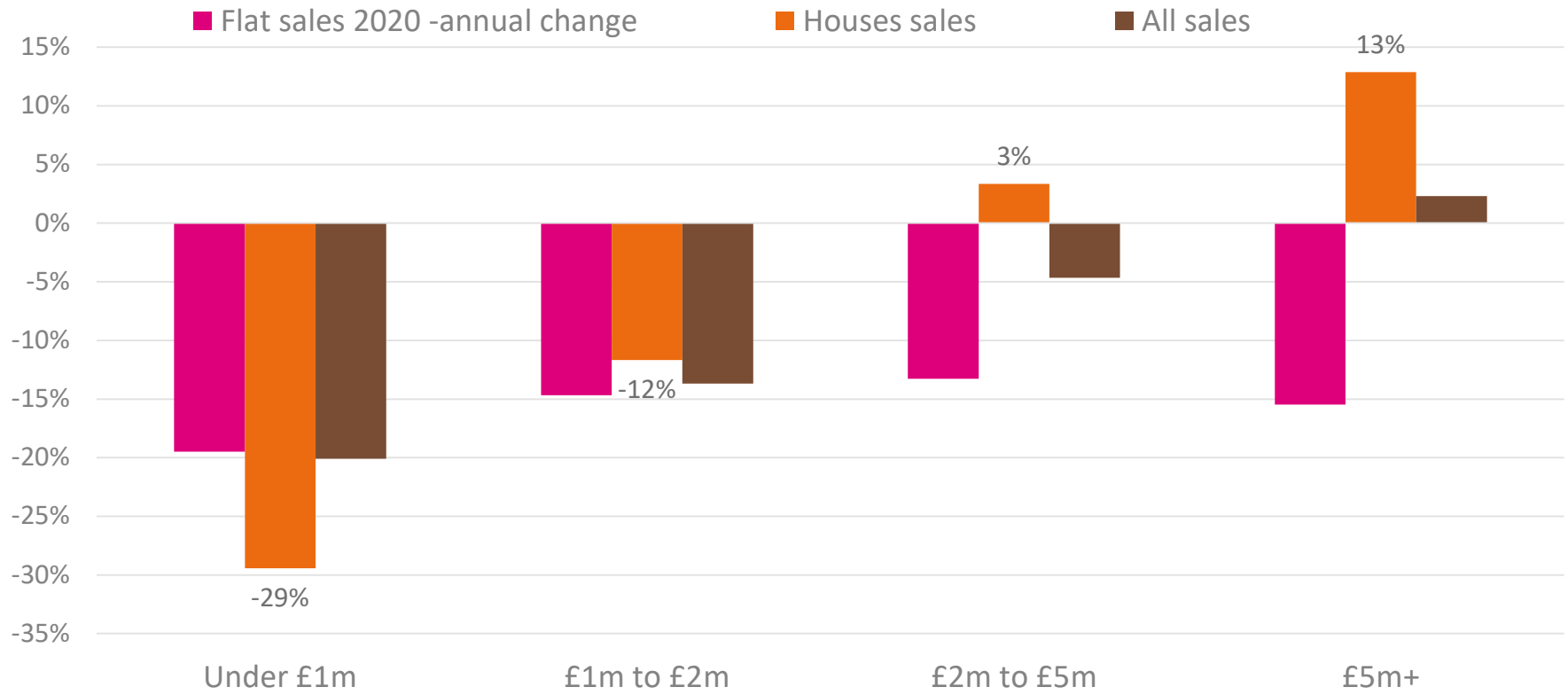
Made up for by more here

Exchanges returning to 2019 levels slowly



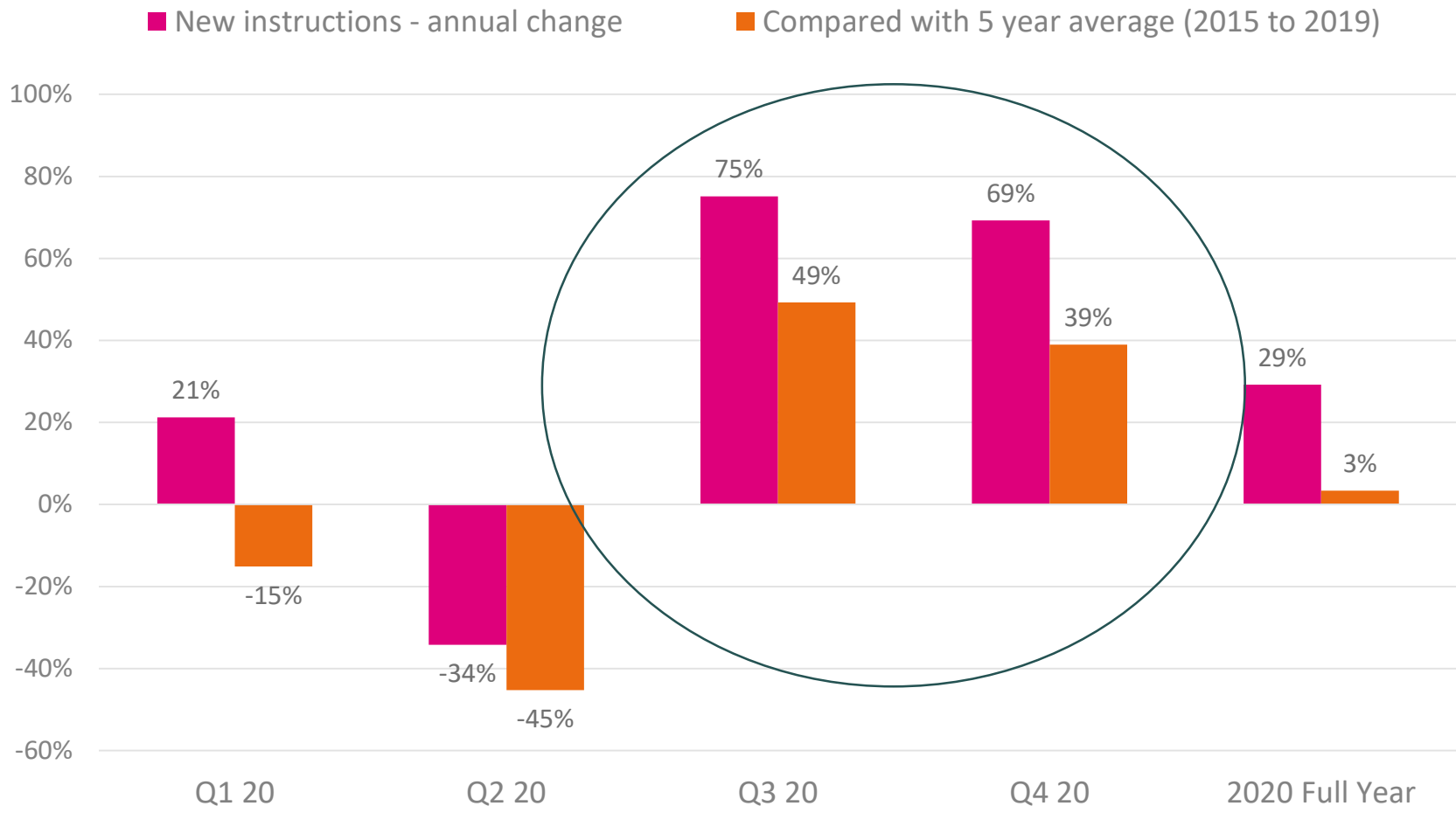
Sales in 2020 down 14% on 2019

Demand for houses increases activity at upper end



Houses accounted for 27% of sales in 2020 but 50% of total spend

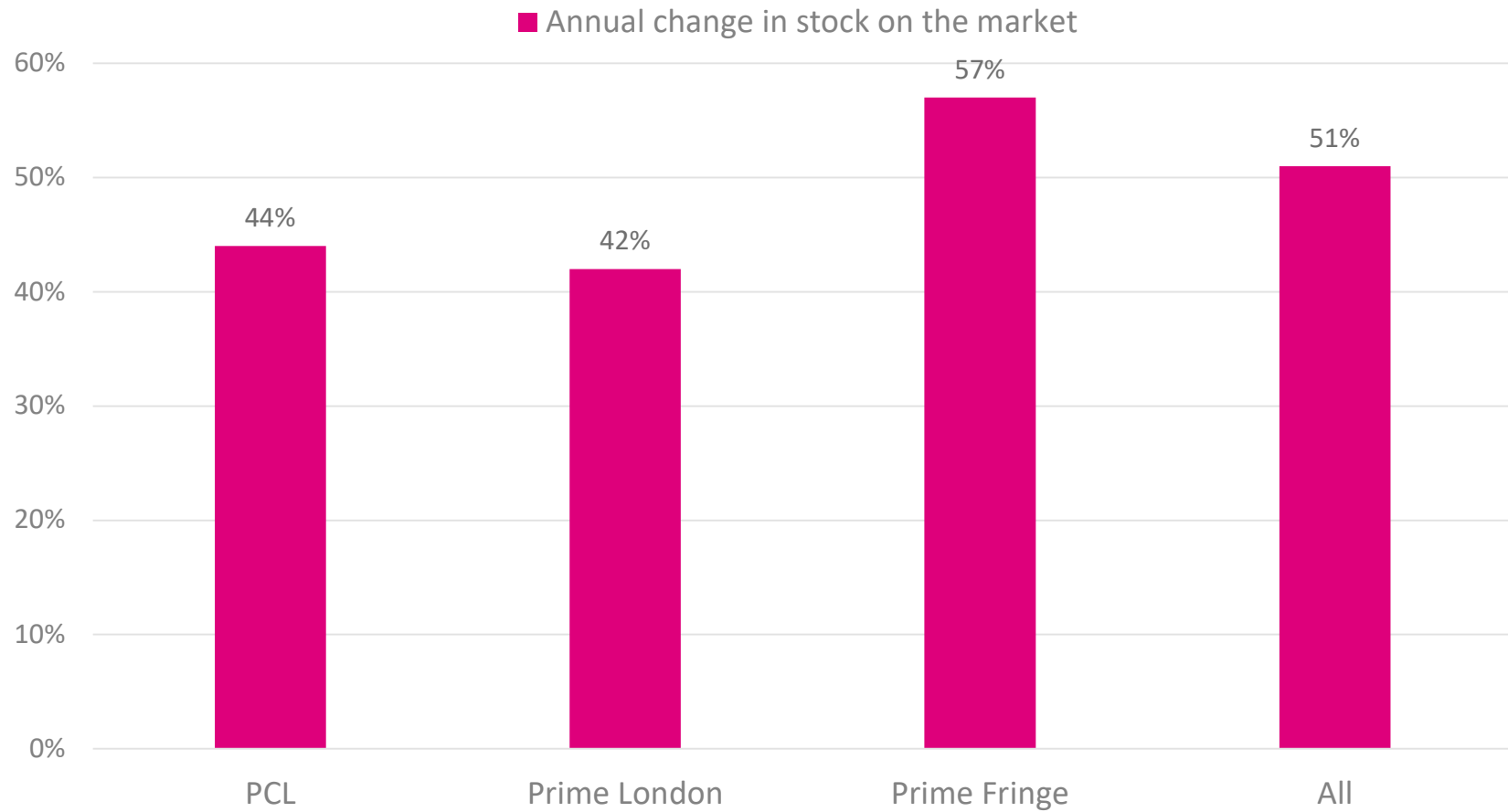
New instructions match long run average, but skewed to H2 2020



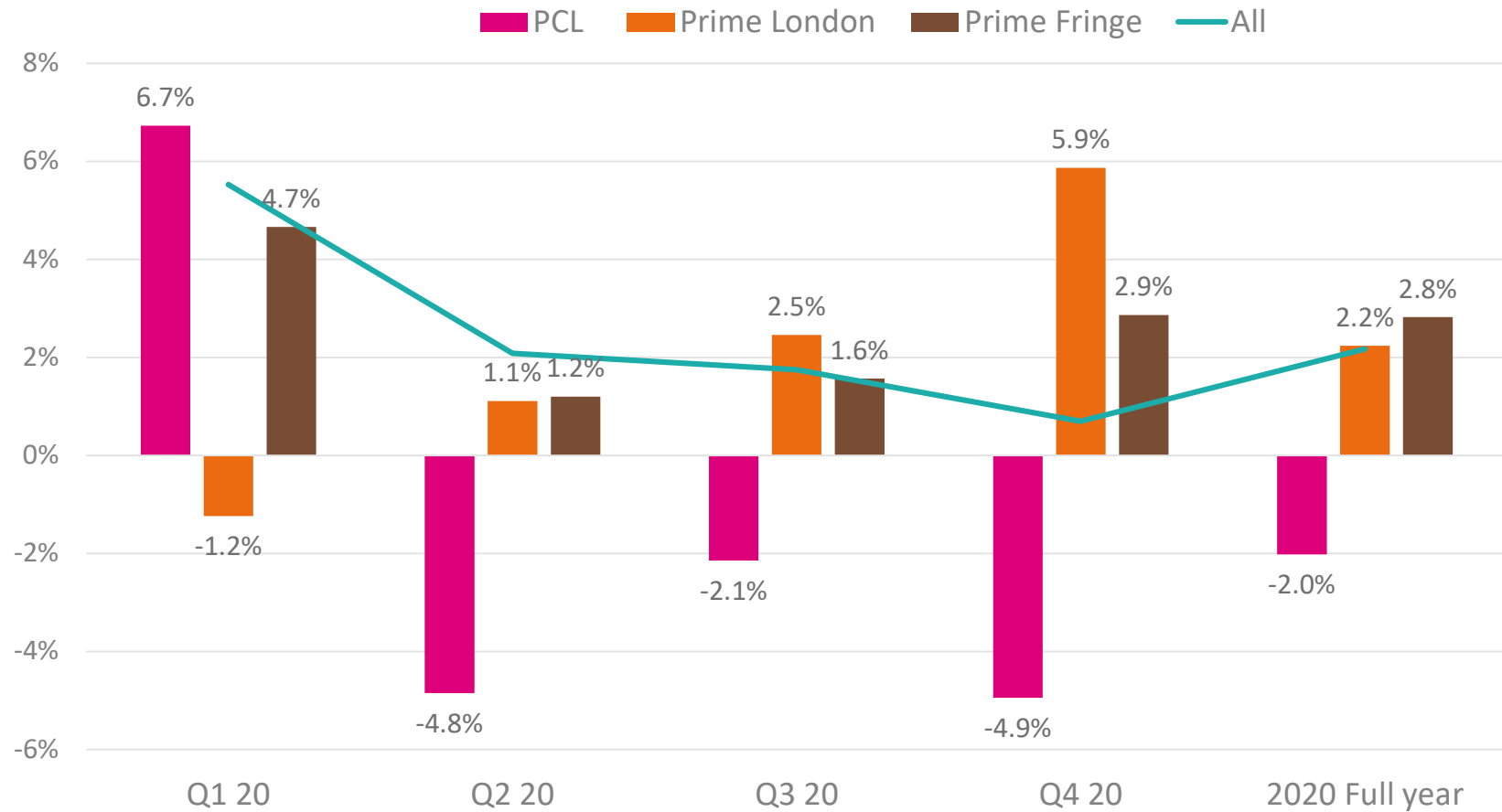
Plenty looking to move

Source: LonRes

Meaning 50% more on the market vs. Jan 2019



Price falls in PCL but growth elsewhere



Source: LonRes (Annual change in achieved prices)

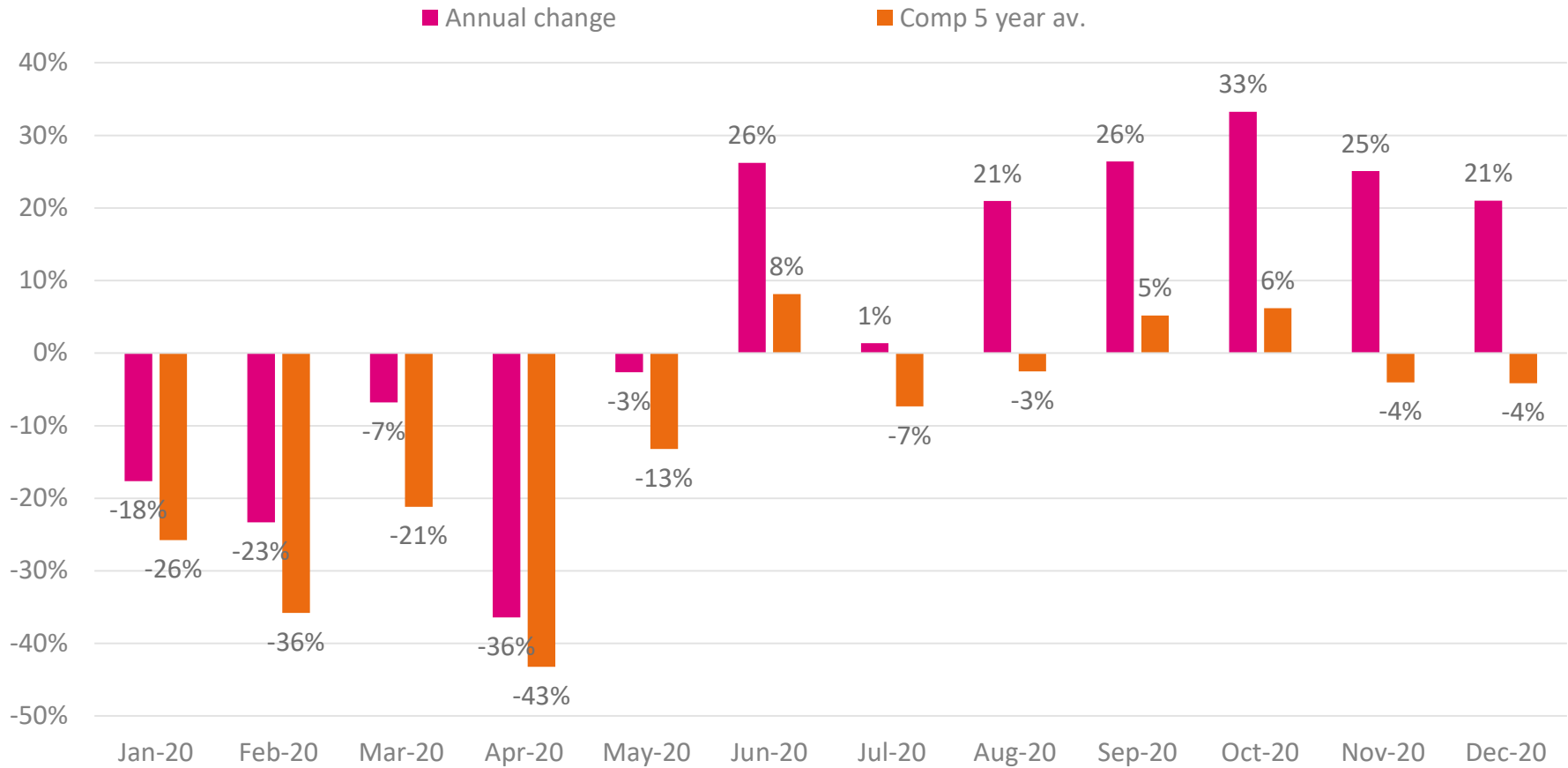
Domestic vs.
overseas and house
vs. flat?



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Lettings

New instructions higher than 2019 but in line with long run average



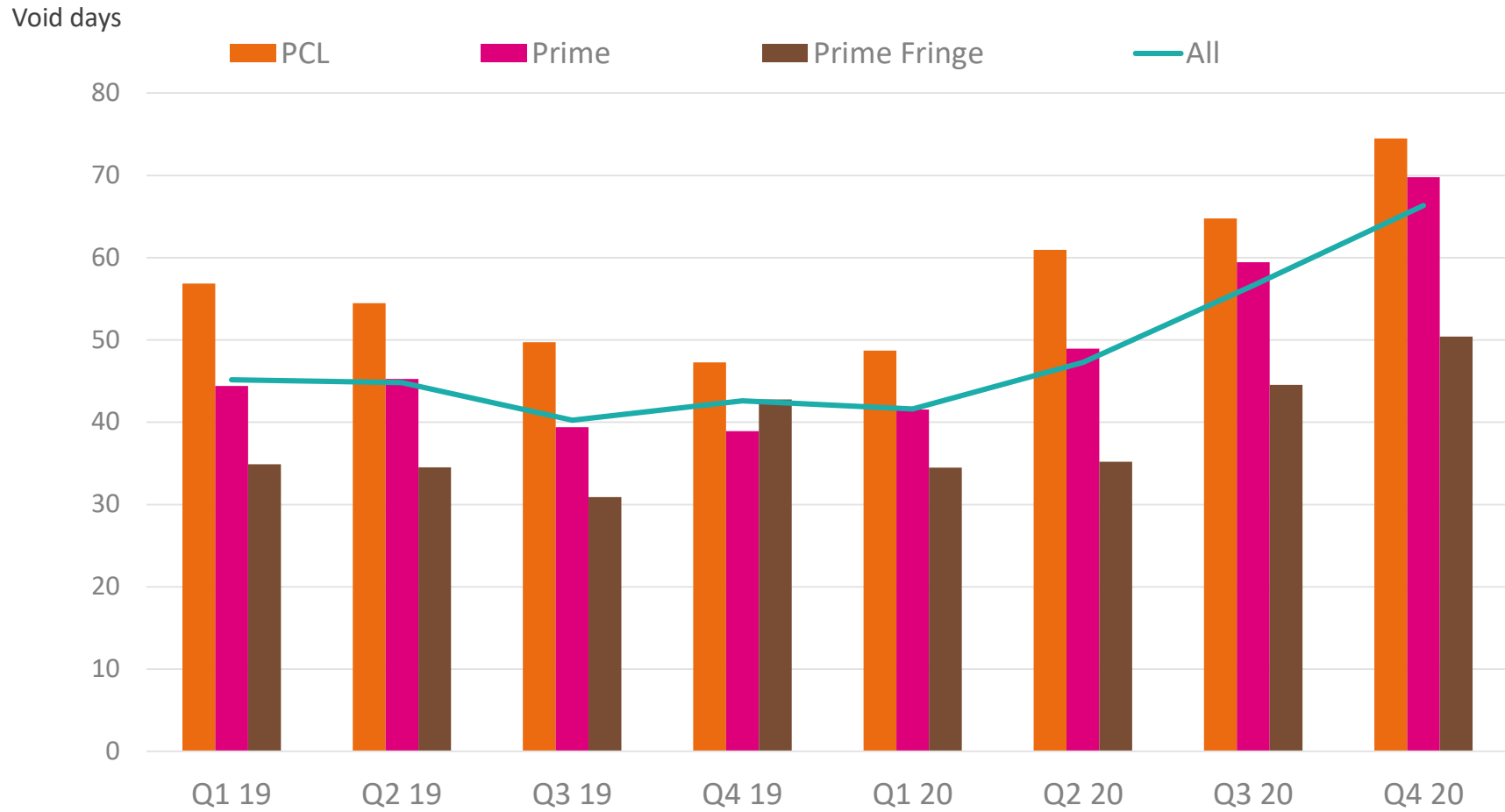
New instructions in 2020 up 4% on 2019 but 11% lower than 5-year average

Stock levels remain high

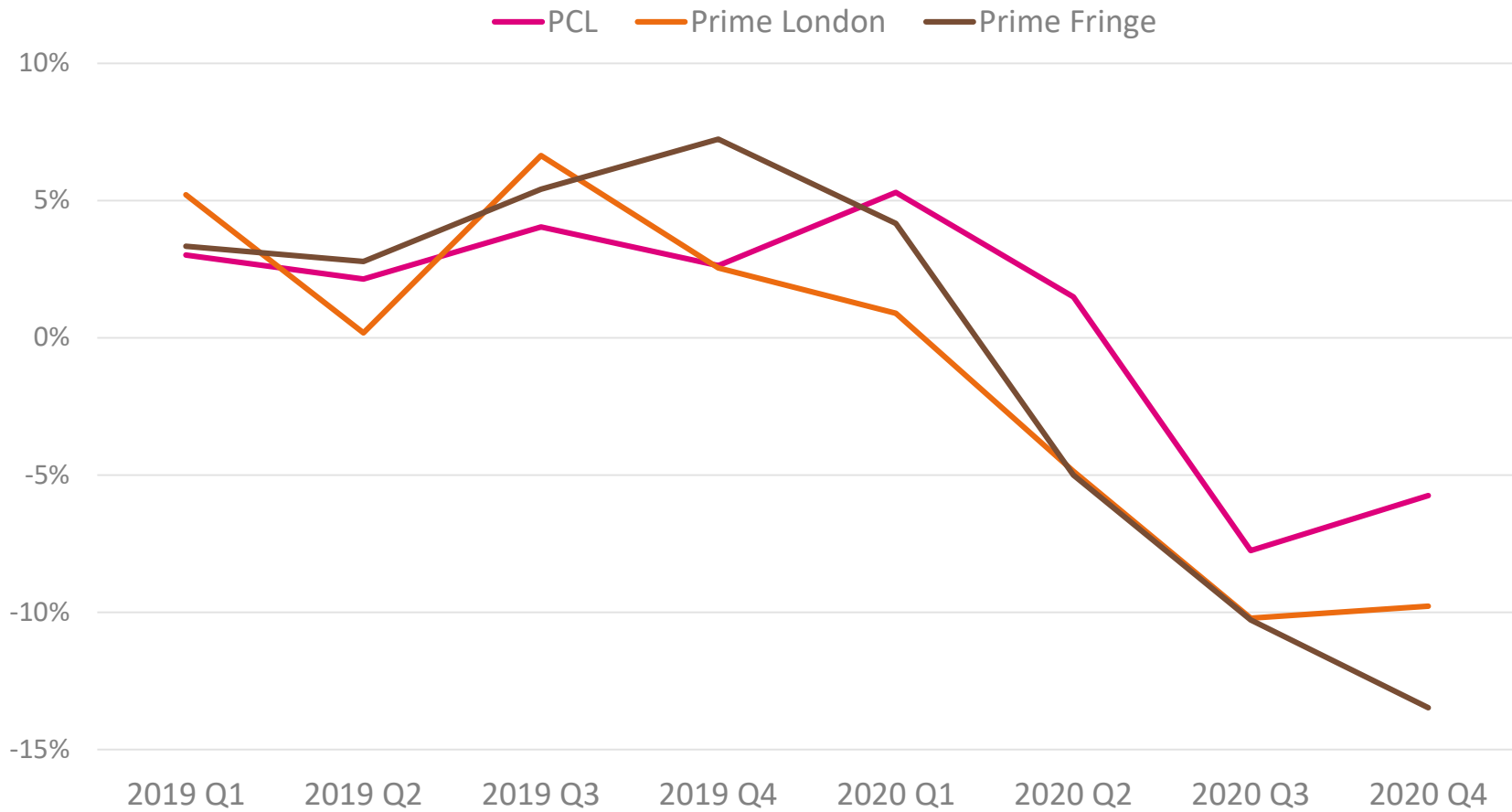


Up 83% across all three areas in Q4

Which means voids increase



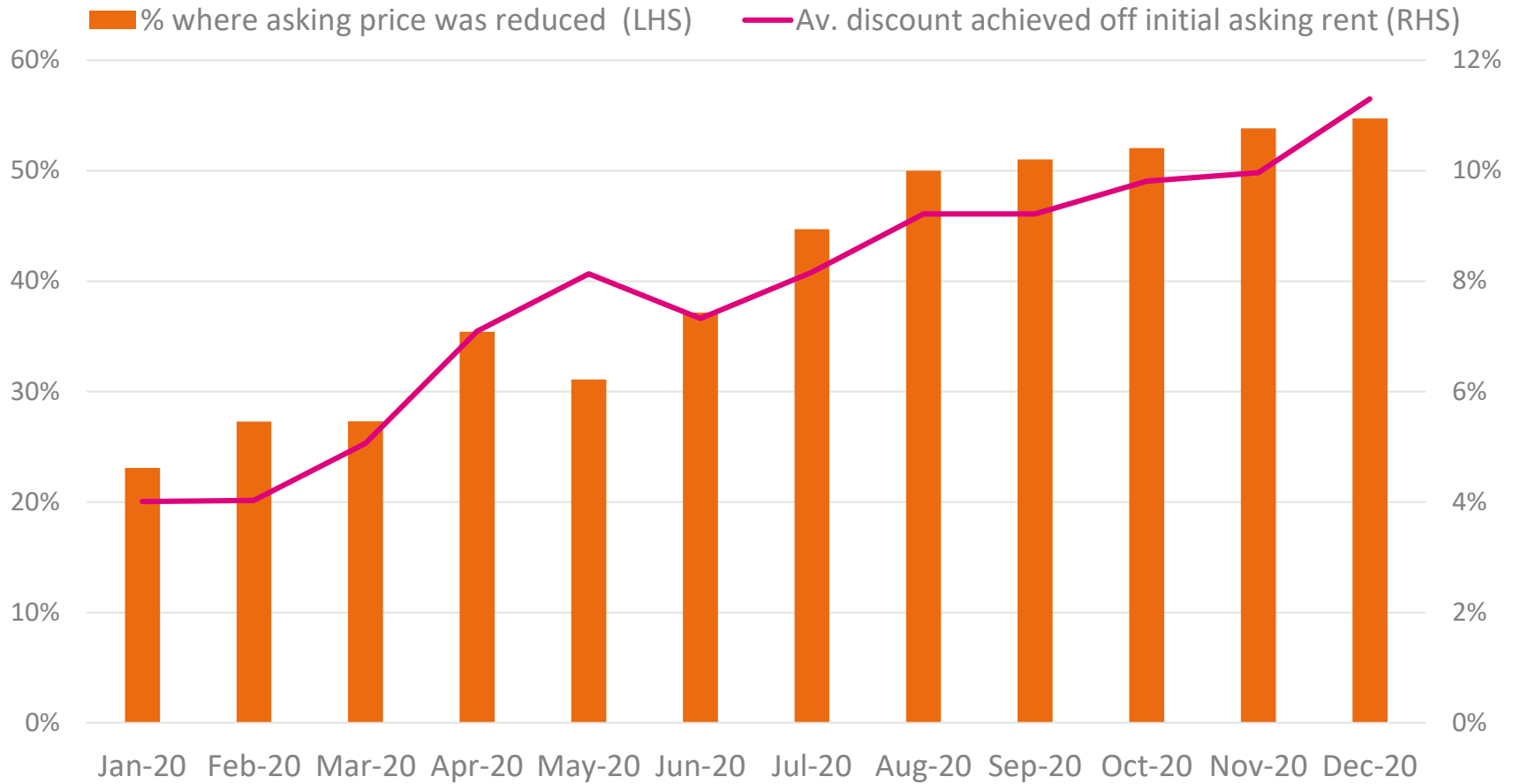
Achieved rents fall in all markets



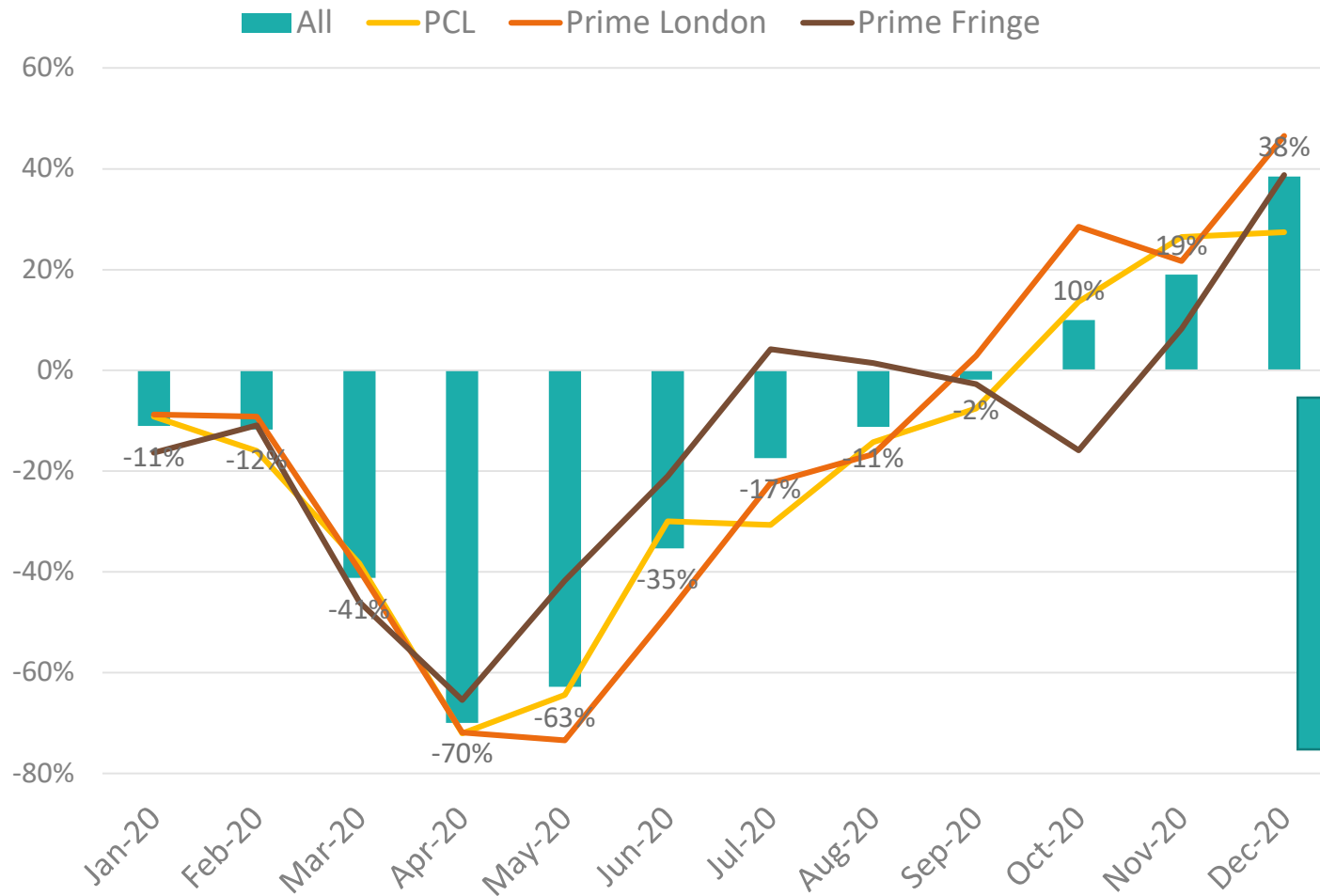
Source: LonRes

Rents agreed in Dec 2020 down 14.2% on Dec 2019

competition means more price reductions



But better news as new lets rise



New lets busier than usual in Q4 (4% higher than 5-year average)

2020 new lets down 17% on 2019 and 27% down on 5-year average



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What's next?

The data dilemma...again

News ▶ Property ▶ Property News

Coronavirus 'car crash' causes UK's biggest house price fall in 11 years

Nationwide Building Society said it was the largest monthly fall since February 2009

Nationwide UK index ended 2020 7.3% up a six-year high


Housing market

UK house prices fall at fastest rate since 2009 amid coronavirus crisis

Biggest monthly drop since financial crash as potential buyers delay for six months

Julia Kollewe
Tue 2 Jun 2020 08:05 BST


430



▲ The average UK house price fell by 1.7% month on month in May to £218,902, according to Nationwide.
Photograph: Alex Segre/Photo

House prices across the UK fell at the fastest rate last month since the financial crisis, as prospective buyers said they would wait six months before returning to the housing market.

The average price of a home dropped by 1.7% in May from the previous

www.theguardian.com/business/2020/jun/02/uk-house-prices-fall-coronavirus-nationwide

ONS temporarily suspends house price index

By Leah Milner | 7th May 2020 10:09 am

The Office for National Statistics is temporarily suspending publication of its house price index as a result of low transaction numbers.

The next release covering the month of March is due to be published on May 20 and will go ahead as planned, however April's data will not be published on its scheduled date in June.

The ONS says: "The impact of covid-19 is expected to greatly reduce the amount of housing transactions that took place in April 2020, making it very difficult to produce a measure of UK house prices that would be representative of any true transaction activity within the housing market.

"We will continue to closely monitor the flow of transaction data with the view to reinstating the UK HPI as early as is practicable."

The ONS plans to set out further detail of its plans in its May release.

It comes after figures from Halifax today showed that prices slipped by 0.6 per cent between March and April, but the lender warned that low transaction volumes mean the data is volatile and may not be a true reflection of market values.

Reason to be bearish

Virtual working damages London?

Stock levels vs. demand

Will/ can overseas buyers return this year?

Global impact on HNWI



Reasons to be bullish

People want to move

A resilient market- buyers saw value in Q1 20 and are still seeing it now

Prime attractive to lenders– cash (or low LTV) is king

Prime traditionally leads

Post Brexit chill or heatwave?