

TwentyCi Property & Homemover Report – Q1 2019

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Welcome to the latest edition of the TwentyCi Property & Homemover Report, providing a comprehensive review of the UK property market, created from the most robust property change sources available. Within this report, we provide a real-time review of the UK market, covering 99.6% of all sale and rental property moves. This state of the nation report provides unique insight into the people behind the numbers, creating a picture of the demographic, regional and socio-economic factors impacting the housing market, including:

- ✓ Factual data (not modelled or sentiment-based)
- ✓ Full market coverage
- ✓ Demographic overlay
- ✓ Property sales data
- ✓ Property rental data
- ✓ Real-time data

The TwentyCi National Property & Homemover Report is published quarterly.





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Executive summary

Exchanges still up in a subdued property market

Whilst property exchanges are up, 2019 got off to a subdued start for the property market, consistent with performance in 2018, with lacklustre activity underpinned by an ongoing shortage of properties coming to the market.

Brexit negotiations continue to cast a significant shadow over the whole property market, however the cataclysmic collapse forecast by many has shown no signs of materialising yet.

Given the present political climate, the property market looks set to remain sluggish, regardless of the terms of the UK's final EU withdrawal.

The not-so-magnificent seven

Online agent market share is holding steady at around the 7% mark, accounting for 7.6% of all exchanges in Q1 2019, up from 7.2% at the end of last year. This is still a long way from the heady 20% market share forecast by several online agents on their inception.

Notably, the majority of properties that make up the 7% are lower-value and predominantly in the north of the UK. Unless online agents are able to penetrate the market in the south and engage with higher-value homeowners, their growth and market share will continue to be capped.

Colin Bradshaw, TwentyCi's Chief Customer Officer, notes that, "The lack of properties coming to market combined with the continued hiatus on the outcome of the Brexit process is undoubtedly holding the property market back. The continued deferment of decisions by homeowners to enter the property market is holding back supply and in turn progression throughout the property ladder. Should we achieve an orderly exit from the EU and a two-year transition then consumer confidence may return fuelling an increase in both volume and momentum within the property market".

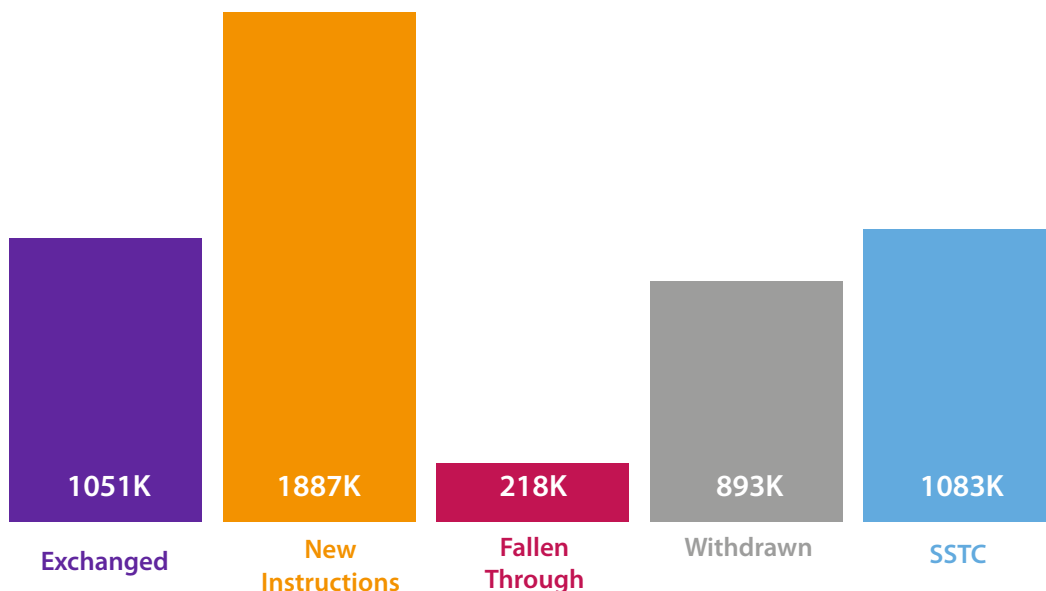
Colin Bradshaw, notes that, "Moving beyond a 7% market share appears to be a major challenge for the online agents in the current property market. A fixed fee structure alone does not appear to be a sufficiently compelling offer to deliver the volume of new instructions. Furthermore, the lack of penetration across the more densely populated conurbations within the south of the UK, which generally have higher value properties, will be a source of concern for the major online agents".

All data is based on Q1 2019 versus Q4 2018 or Q1 2019 for year-on-year comparisons unless otherwise stated. Analysis of property buyers is based on demographic overlay data versus individual property-based data triggers.

UK national trends

Property exchanges have risen 7.4% in Q1 2019 compared to the same quarter last year, suggesting a sustained level of activity in a subdued property market as the year begins.

However, looking at new property instructions, Q1 2019 saw 430k new listings on the market, a 5.3% drop year on year, signifying a continued deficit in supply.



Volume - 12 months to end of March 2019



UK regional trends

Average asking price by region

The only regions in the UK where average asking prices are continuing to grow are the East Midlands, West Midlands and Yorkshire and the Humber.

Following the EU referendum in 2016, prices in the North East and North West continued to grow but have now levelled off.

Average asking prices have remained relatively static in the last year, with areas such as London and the South East seeing a small decline. The relative stability of house prices is indicative of the lack of supply compared to demand, which is enabling sellers to realise close to their listed price.

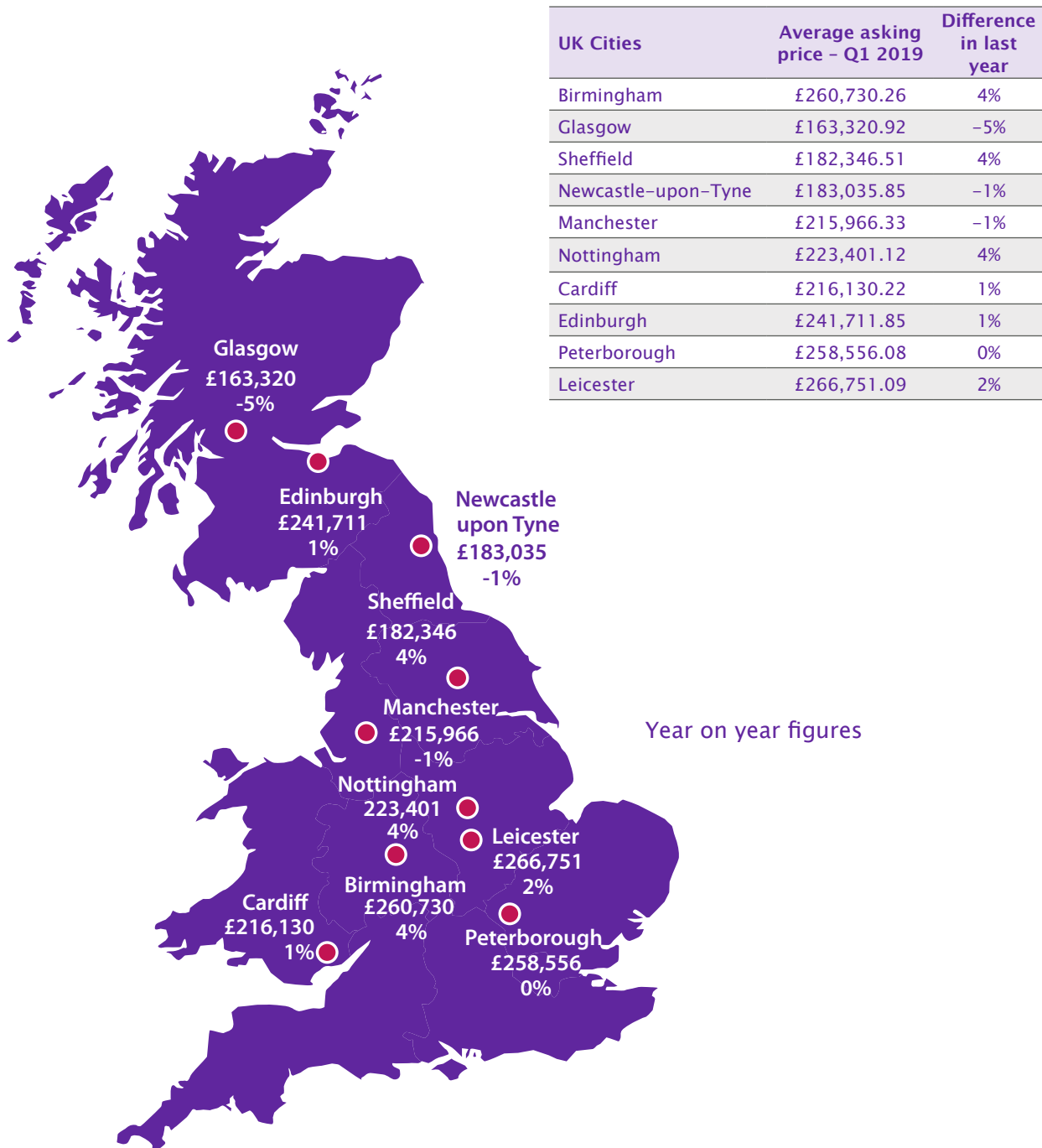


UK region	Average asking price – Q1 2019	Difference in last year
East Midlands	£243,105	2% ▲
East of England	£344,148	-1% ▼
London (M25)	£685,972	-4% ▼
North East	£163,882	-1% ▼
North West	£212,339	-1% ▼
Scotland	£181,764	-3% ▼
South East	£391,445	-4% ▼
South West	£320,221	0% ■
Wales	£207,630	0% ■
West Midlands	£250,325	2% ▲
Yorkshire and the Humber	£205,897	2% ▲

▲ = up
 ■ = no movement
 ▼ = down

Average asking price in the top 10 cities and regions UK-wide and London

When it comes to the UK's major cities, it's a mixed picture. Most have seen a modest increase in average asking price, but in both Manchester and Newcastle-upon-Tyne prices are down 1% while in Glasgow they've fallen by 5%.



Sales vs. rent – top 10 cities UK-wide

National Sales vs Rent Q1 2019

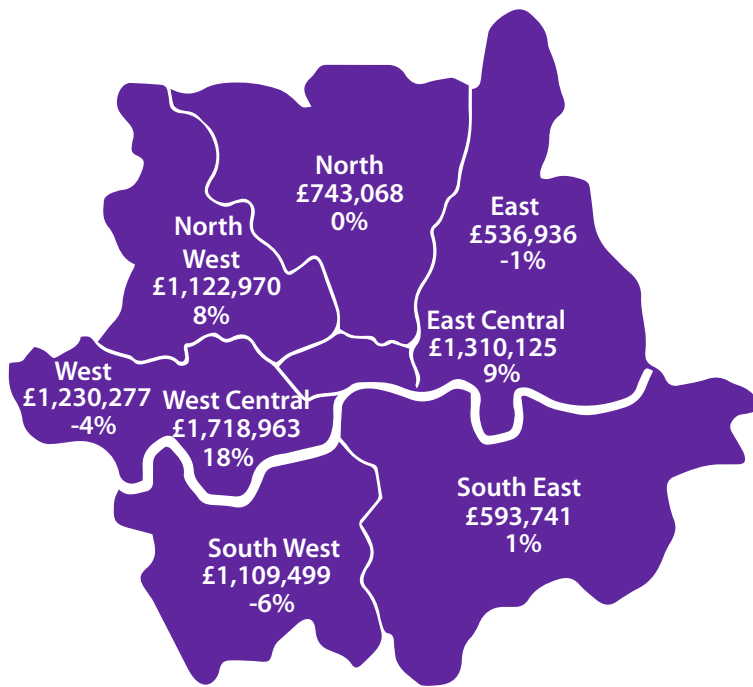


As in previous reports we continue to see a high percentage of properties listed to rent vs those listed for sale in most of the UK's large cities. Once again we assume this is driven by barriers to buying a home.

Year on year, Glasgow and Edinburgh have seen the greatest increase in rental activity, as supply begins to balance demand and these cities become more rental prominent. Conversely, cities such as Sheffield and Nottingham have seen an increase in sale activity year on year.



London trends



Average asking price

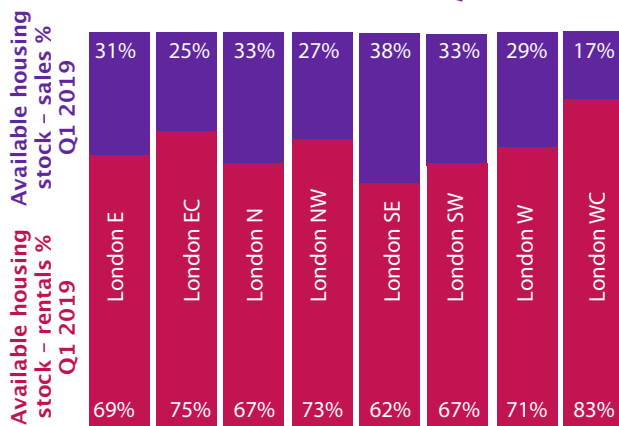
Year on year, the picture is mixed across the capital, with some regions seeing a fall in average asking prices, most notably in SW postcodes. This is consistent with Q4 2018 and is likely to be the result of price recalibration after a period of excessive inflation, the impact of Brexit and a decline in the level of foreign investment.

In other areas of the capital the availability of new housing stock (predominantly apartments) at a lower price point has also reduced average asking prices.

*Sales percentages for London EC and London WC represent 53 and 24 properties respectively

Sales vs. rent

London Sales vs Rent Q1 2019



In Q1 2019, nearly 70% of all London listings were for rental properties compared with an average of 50% in all other major UK cities. The rental market is being fuelled as consumers are priced out of the buying process in a trend that has continued from previous quarters.

*Sales percentages for London EC and London WC represent 53 and 24 properties respectively

Online agents

Market share by region

	Q1 2019	Q1 2018	Difference in last year
Scotland	7.52%	4.92%	52.75%
North East	5.79%	5.44%	6.47%
North West	9.12%	8.64%	5.51%
Yorkshire and the Humber	10.54%	10.11%	4.33%
East Midlands	9.72%	9.50%	2.27%
Wales	9.05%	8.89%	1.76%
West Midlands	10.32%	10.26%	0.52%
South West	4.86%	4.98%	-2.36%
South East	5.18%	5.72%	-9.47%
Outer London	5.62%	6.52%	-13.80%
East of England	4.36%	5.09%	-14.36%
Inner London	5.20%	6.59%	-21.16%

Year on year, the largest growth for online estate agents has been in Scotland, the North East and the North West of the UK. This continuing trend appears to show that online agents appeal more to consumers selling lower-priced properties, more of which are found in these areas.

Gaining traction in southern regions including London continues to be a challenge for online agents. Given the larger percentage saving to be made on fees when selling a higher value property, it is perhaps surprising that those selling more expensive homes are staying loyal to the High Street model.

Market share by price band

	Q1 2019	Q1 2018	Difference in last year
Less than £200,000	9.04%	8.04%	12.47%
£200,000 – £350,000	7.13%	7.31%	-2.46%
£350,000 – £1,000,000	4.63%	5.30%	-12.54%
£1,000,000+	0.85%	1.12%	-24.31%

Supporting the above theme, growth for online agents continues to be strongest for properties valued below £200k. Equally, the figures show far less market share of more expensive properties, of which there are generally more in the south.

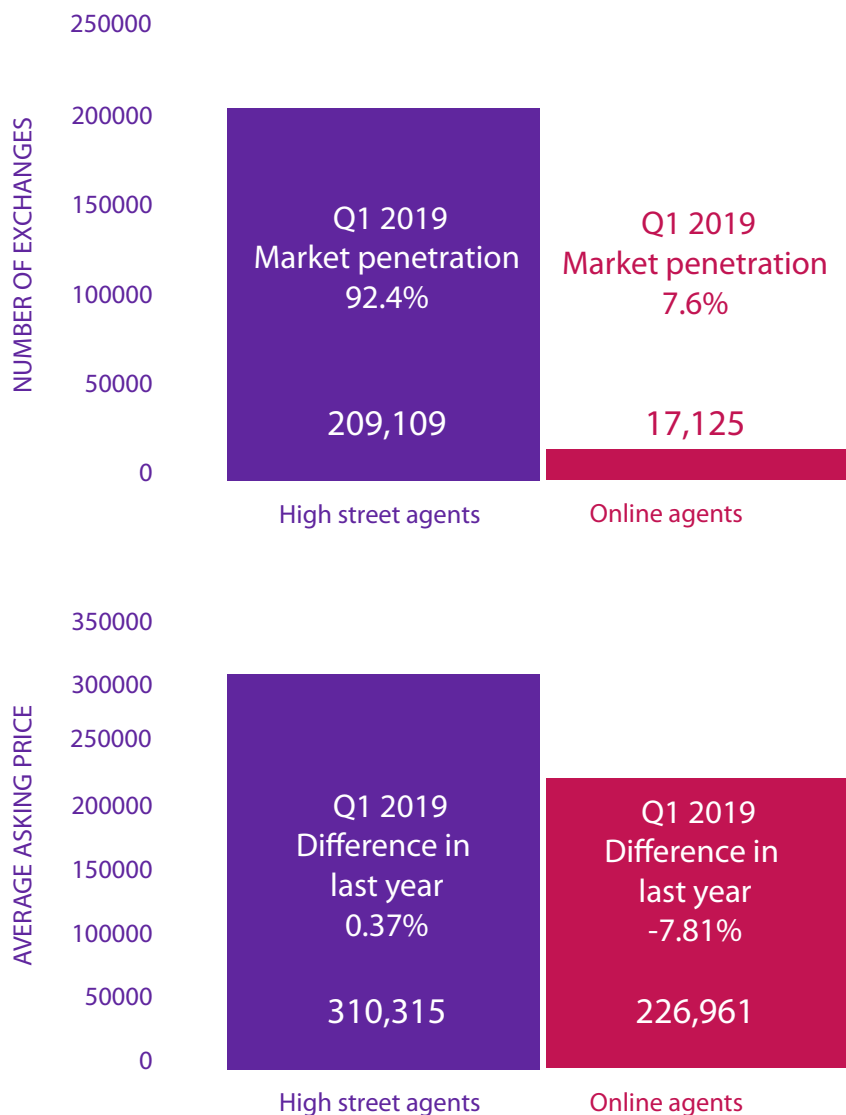


High street agents vs. online

The market share of online agents is consistently hovering around the 7% mark. In Q1 2019 their market share of exchanges was 7.6%.

Exchanges as a total volume for both high street and online agents are down on last quarter, reflecting a slower-moving market at the start of this year. Exchanges for both online and high street agents though are up year on year by 7.4%.

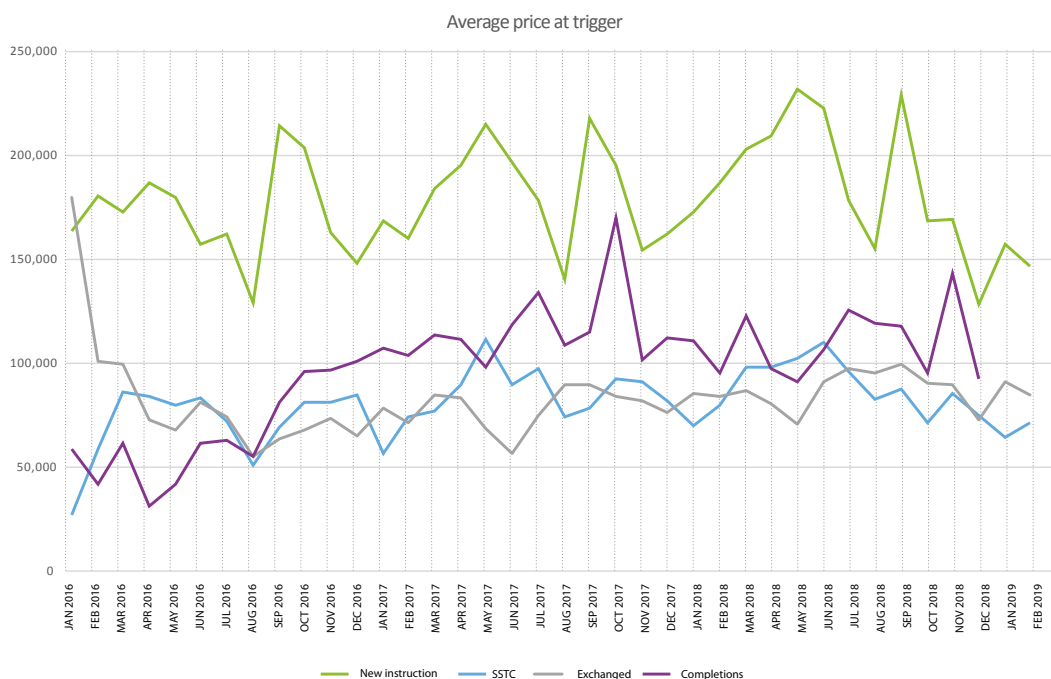
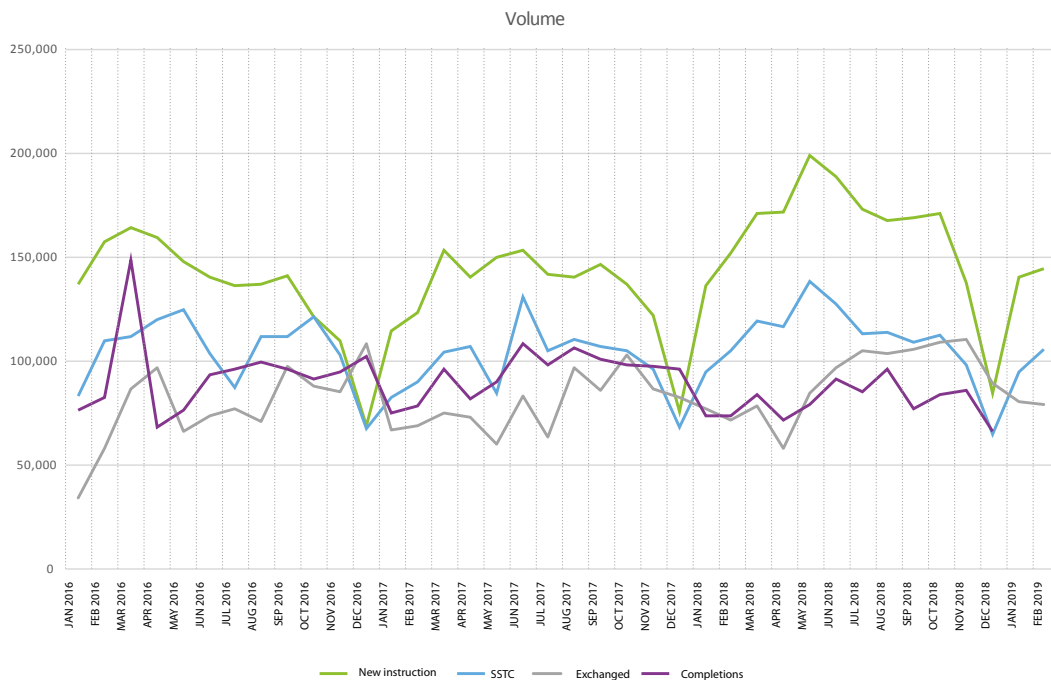
While market share for online agents is on the up, their transactions are leaning towards lower-value properties. This is reflected by a lower average listing value (down 7.81% year on year) than their high street counterparts.



Special Feature: Brexit impact

Three-year trend analysis

Reviewing the key property market statistics over the last three years – from the EU referendum in 2016 to a potential Brexit this year – there is a fairly consistent picture across the country. There is no significant impact of Brexit as a national story; the market is subdued, as it has been since the financial crisis of 2008 but there is still some growth. We do note though that there continues to be a lack of properties on the market, consistent with the subdued landscape.



Key areas of support for remain and leave

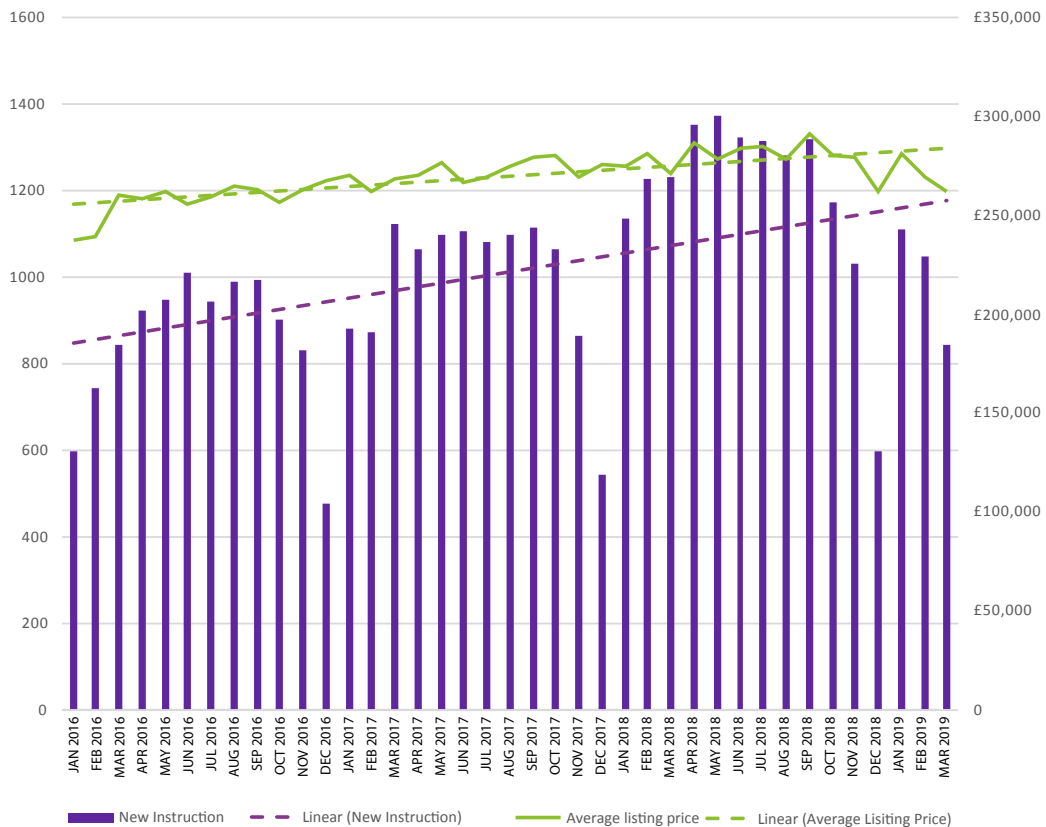


Looking at the top remain and leave voting towns and cities, there is a visible split in property trends at this more granular level.

In particular, the London market shows a slight dip in property prices. This likely reflects a reluctance to invest during a period of uncertainty combined with potential buyers anticipating price recalibration after a decade of inflation.

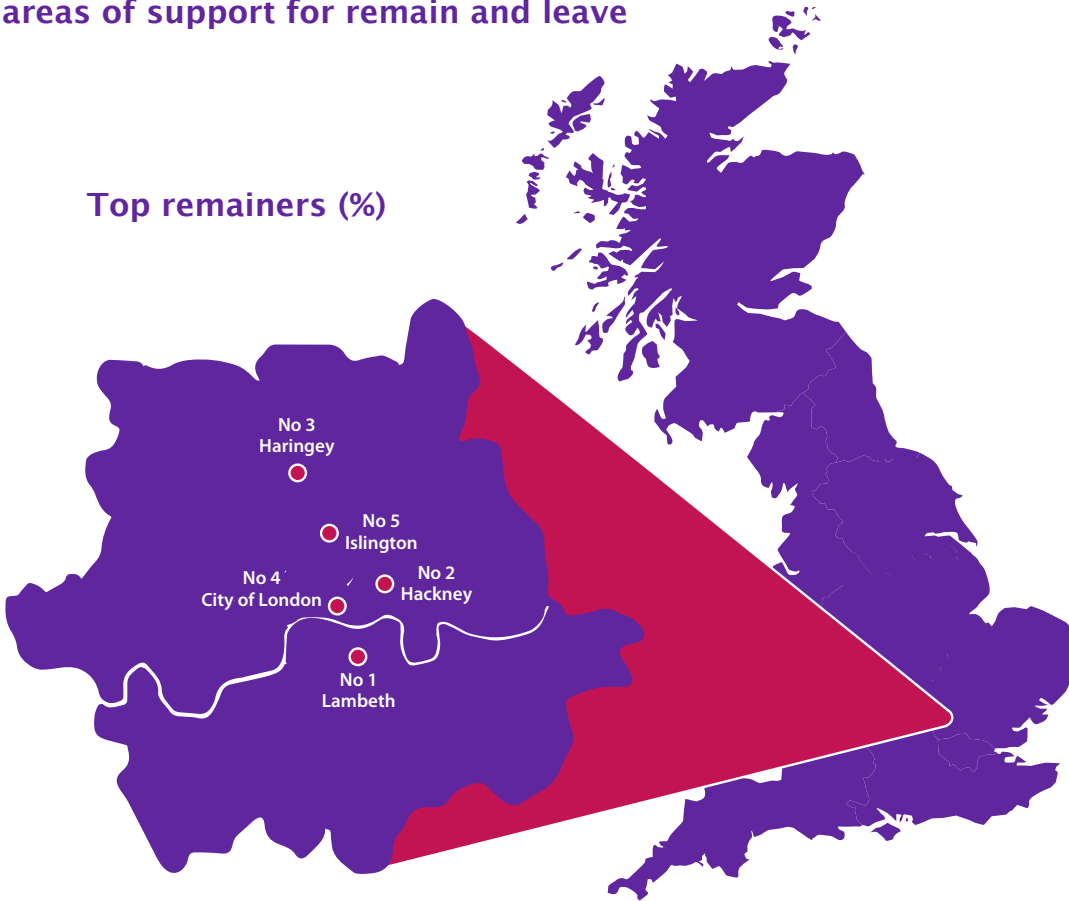
Top leavers (%)

Top leavers (%)

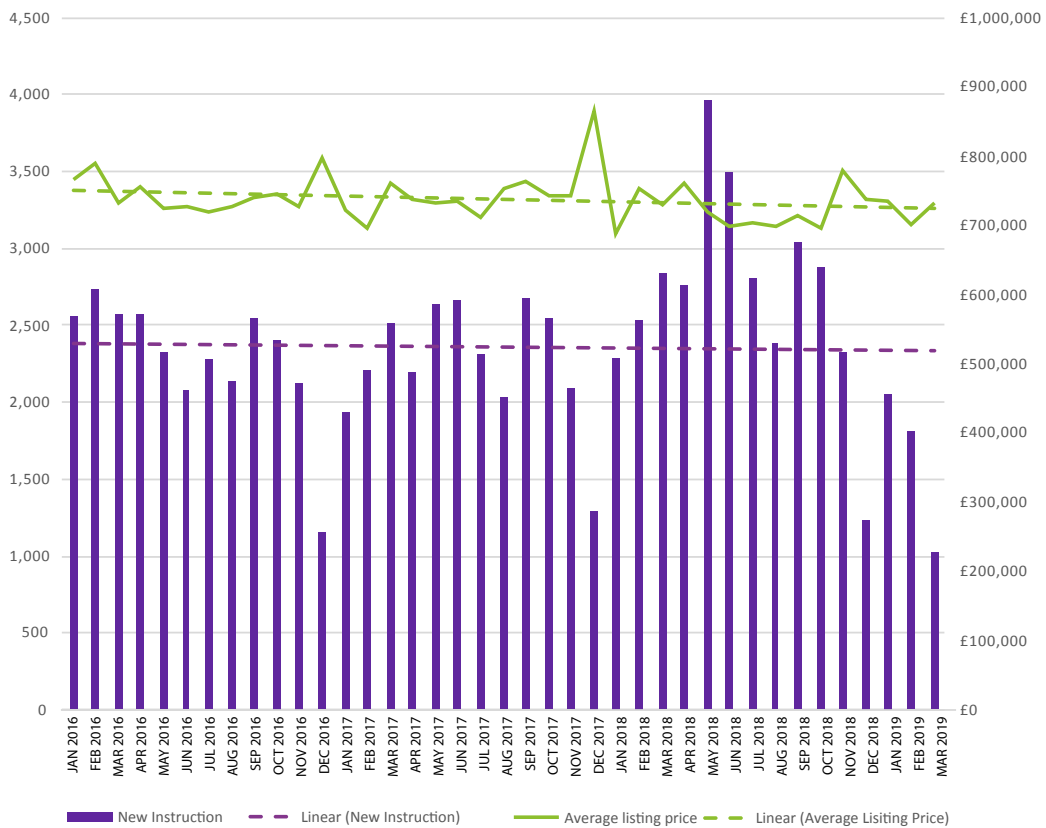


Key areas of support for remain and leave

Top remainers (%)



Top remainers (%)

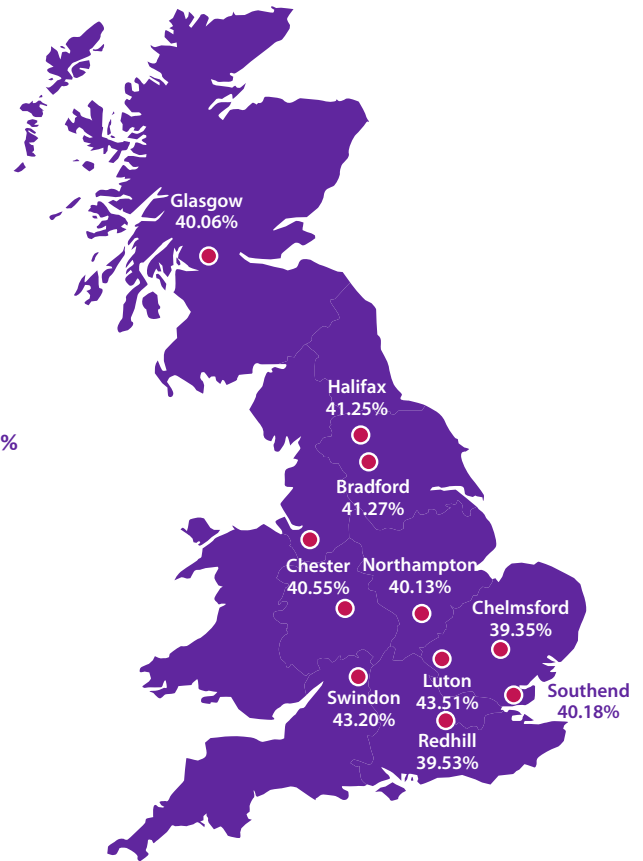


Areas by percentage with mortgage

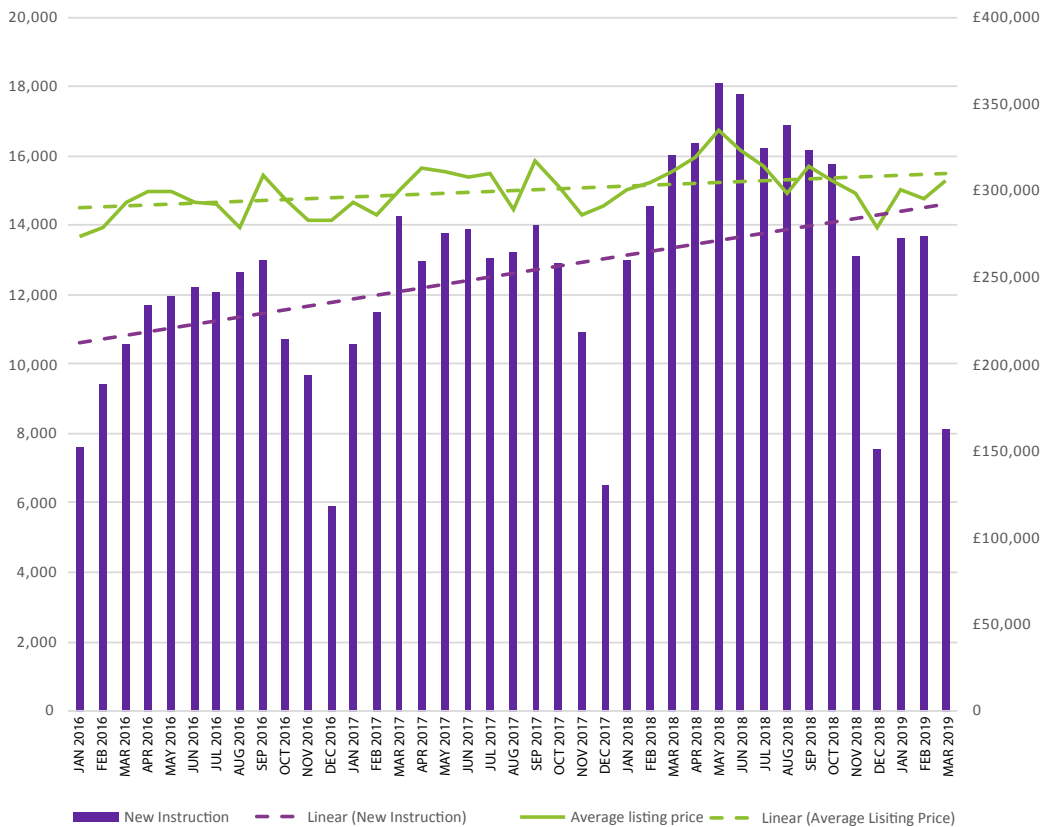
There has been consistent house price growth in areas of the UK where people buy with a mortgage. Conversely, areas of the country with fewer mortgages have fared less positively over the last three years.

In London, where fewer properties are mortgaged, the impact of Brexit, price recalibration and the likely lack of foreign investment is having an effect.

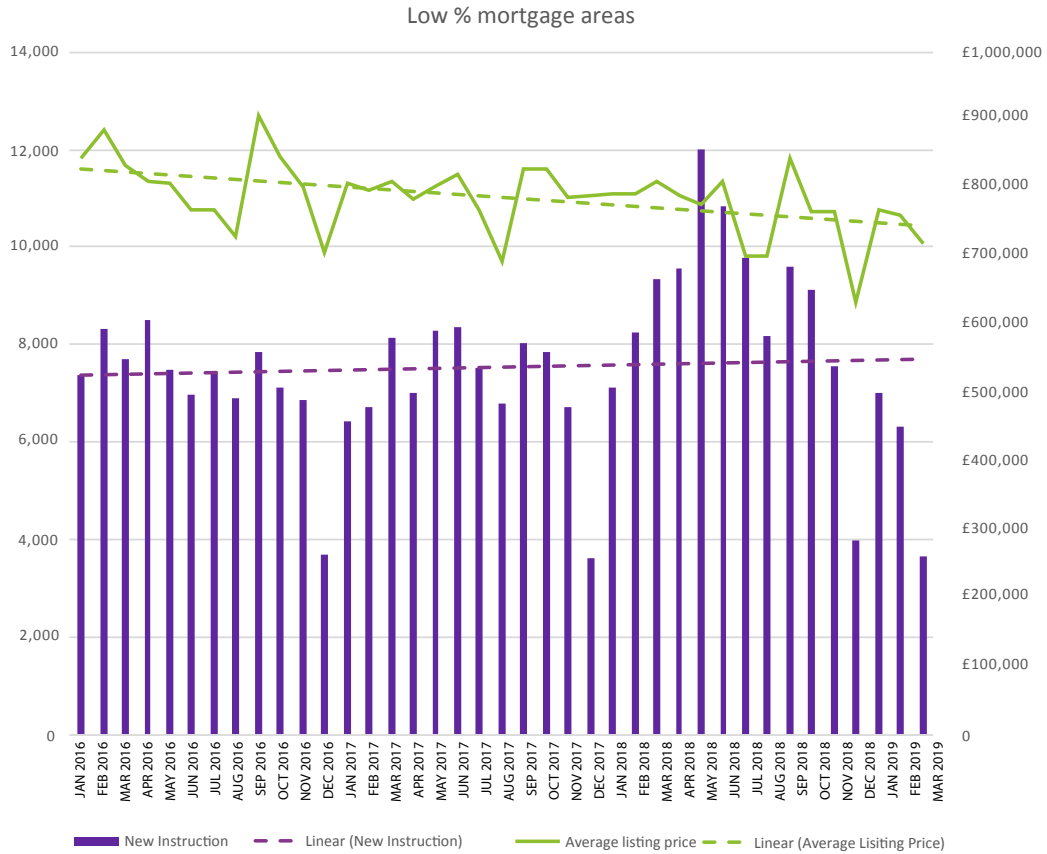
Areas with a high % with mortgage



High % mortgage areas



Areas by percentage with mortgage



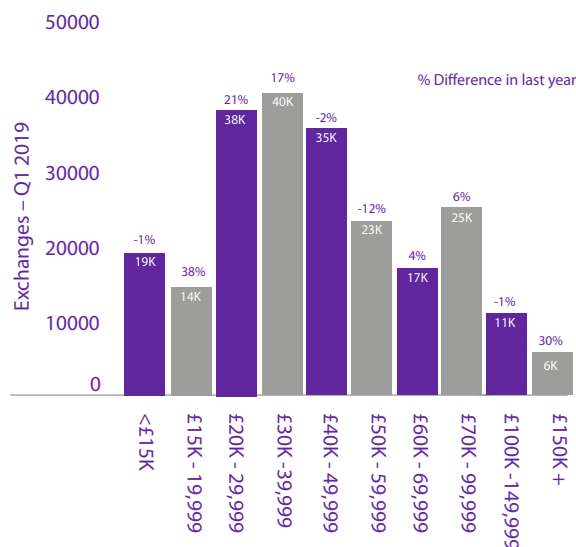
Q1 2019 exchanges

Household Income Band

Year on year, we have seen high levels of growth in home moves from lower income households (£15–£40k). This suggests an increase in availability of more affordable housing options, including the government’s Help to Buy initiative.

Households earning £50–£60k have seen the greatest fall in property exchanges.

Number of Exchanged Properties by Household income band Q1 2019

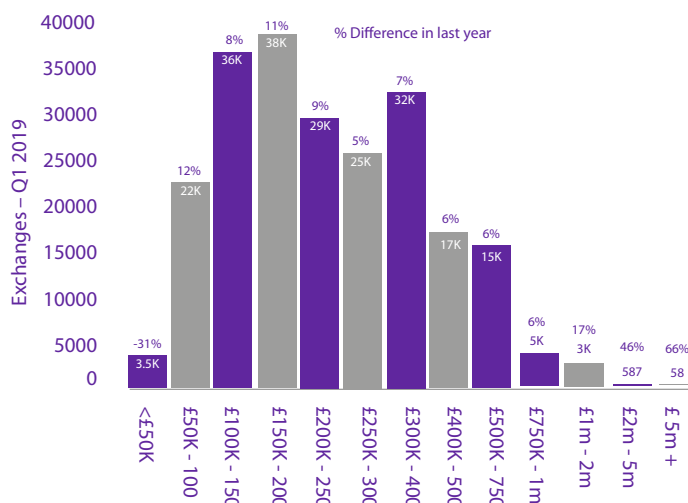


Property price band

In the last year there has been an increase in exchanges in all property values with the exception of those worth less than £50k.

At the other end of the scale, the largest proportion of growth has been in properties valued above £1m, with a significant lift for those valued at over £2m.

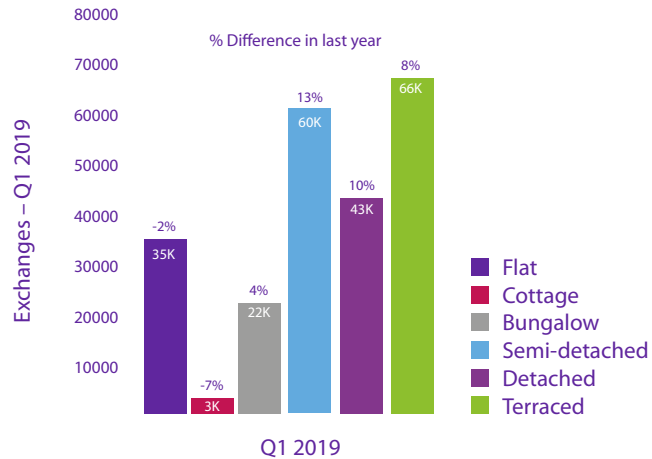
Number of Exchanged Properties by Property price Q1 2019



Property type

Year on year, semi-detached and detached houses have seen the greatest levels of growth.

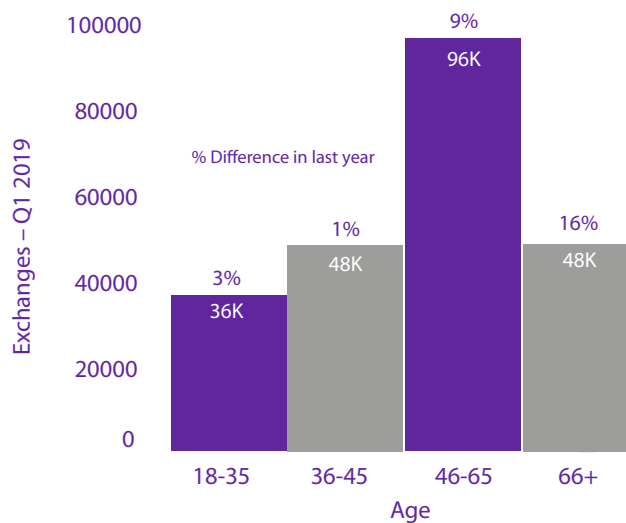
Number of Exchanged Properties by Property type Q1 2019



Lifestage

The Silver Economy is still showing good levels of growth year on year, with 16% more property exchanges in Q1 2019 compared to Q1 2018. There is growth across the board though, albeit at a slower rate for the younger demographics.

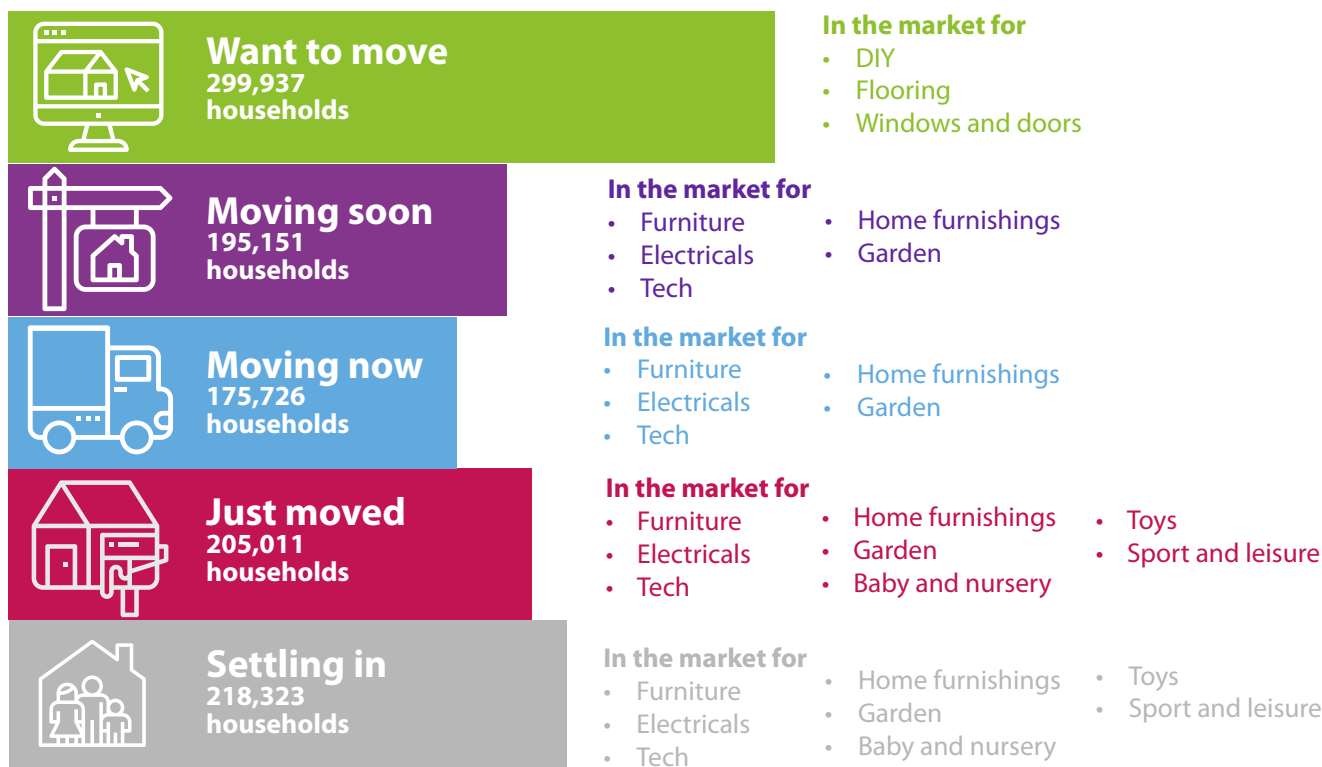
Number of Exchanged Properties by Lifestage Q1 2019



The homemover wave

Our data tracks homemovers as they make their way through the property buying or renting process. Known as the homemover wave, this journey can last several months and is broken down into the specific stages below and triggered by activity such as online property searches, surveys and EPC reports.

Homemover cycle segments Q1 2019



Homemovers: a captive audience for retailers

Homemovers are the largest prime audience group for retailers selling big-ticket items, from beds and sofas to white goods, tech and electricals.

Harnessing this homemover data for targeted marketing campaigns can yield huge gains and strong return on investment, particularly in a market with the potential disruption of Brexit looming.

Unusual property features... Did you know?

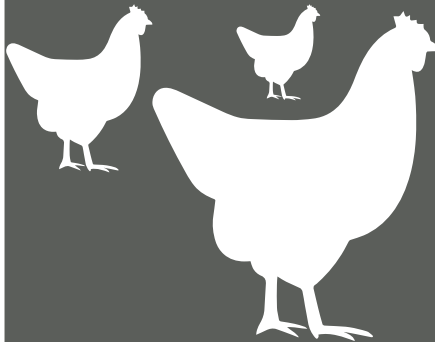
Our comprehensive property data covers all 30.6 million residential addresses in the UK, giving us a fascinating insight into unusual property features.

With warmer weather on the way, we spotted a few that might put a spring in your step.



Warm up and wind down

Thaw out after a long winter with your own private sauna – now a feature in one in 52 UK homes.



Fresh from the farm

Fancy a fresh supply of eggs for that al fresco breakfast? Move to one of the 712 homes in the UK with a chicken coup.



Curl up with a book

On chillier spring days, where better to while away an afternoon than in your very own library? 209 homes in the UK are a bibliophile's dream.

About TwentyCi

TwentyCi is a life event data company that provides intelligence into the events in consumer lives that act as purchase triggers, such as moving home, having a baby, buying a car or retiring. TwentyCi has been managing data for major advertisers like HJ Heinz, ATS Euromaster and many leading estate agents for over 15 years. TwentyCi holds the UK's biggest and richest resource of factual life event data, including the largest, most

comprehensive source of homemover data compiled from more than 29 billion qualified data points. It works with advertisers and their agencies to create contextually targeted marketing programmes that cut through by reaching consumers at the exact moment that they need a company's product or service, through the best media channel for that individual. For more information, visit [twentyci.co.uk](https://www.twentyci.co.uk).

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