

TwentyCi Property & Homemover Report – Q3 2018

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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.

It provides a real time review of the UK market, covering 99.6% of all property moves (both sales and rentals). 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.



Executive summary for Q3 2018

Demand outstripping supply

With property exchanges up over 11% year on year, more homemovers are reaching completion than this time a year ago. New instructions are up 2.5% year on year, remaining relatively subdued; should this persist, the lack of available housing stock coming to market will frustrate buyers, which in turn may start to push house prices up from the modest 1.9% increase seen in the last 12 months.

Online estate agents

The market share of online estate agents has fallen back to 7.2% of all exchanges – a fall of 6% from Q2. Is the high street agent increasingly able to compete and differentiate their proposition from their online counterparts? With the spotlight firmly on the estate agency sector, the merger of eMoov and Tepilo, the closure of Hatched by the Connells Group and the re-financing of the Countrywide Group, we can be sure that further change is inevitable.

Colin Bradshaw, TwentyCi's Chief Customer Officer, notes that, "Given the significant and continuing investment in advertising by the pure play online agents, one might have expected their market share growth to have continued to climb, so this fall in the number of exchanges is unexpected. We are also seeing some movement to focus on traditional approaches with Connells Group concluding their online offering with the closure of Hatched. A blip in the road or bellwether signs of structural market change? Only time will tell."

Colin Bradshaw, TwentyCi's Chief Customer Officer, notes that, "2018 has seen a significant increase in the number of home buyers & sellers finalising their transaction. Whilst this is good news for those in the home moving journey the lacklustre volume of properties coming to market has the potential to thwart demand. This in turn has the potential to push up prices as demand outstrips supply, particularly with the most desirable properties and within the most desirable areas. Equally of course, with the uncertainty over prices and the ability to purchase post Brexit as people bide their time to see how the markets react we could equally see demand falling away leading to a fall in prices."

The property ladder

Terraced and semi-detached houses make up the largest proportion of property sales, consistently comprising over 50% of all exchanges every quarter, reflecting the core of the UK housing stock. However, for Q3 we have seen a 36% increase in the number of detached properties being exchanged. This offers a potential glimpse of the property ladder taking effect as owners upgrade to larger properties, enabling the whole market to benefit from the availability of stock.

Ownership or rental

Our insight now highlights a consistency in the split between the owned and rental market. In major cities one third of available housing stock is now rental, while in London this rises to two thirds. The consistency reflects a combination of the type of housing tenure available and the lack of affordability for those hoping to buy. The good news for landlords is that in major cities the average tenure is over 4 years, while London landlords are enjoying a tenure of just over 3.5 years.

All data is based on Q3 2018 versus Q2 2018 or Q3 2017 for year on year comparisons unless otherwise stated. Analysis of property buyers is based on demographic overlay data versus individual property-based data triggers.

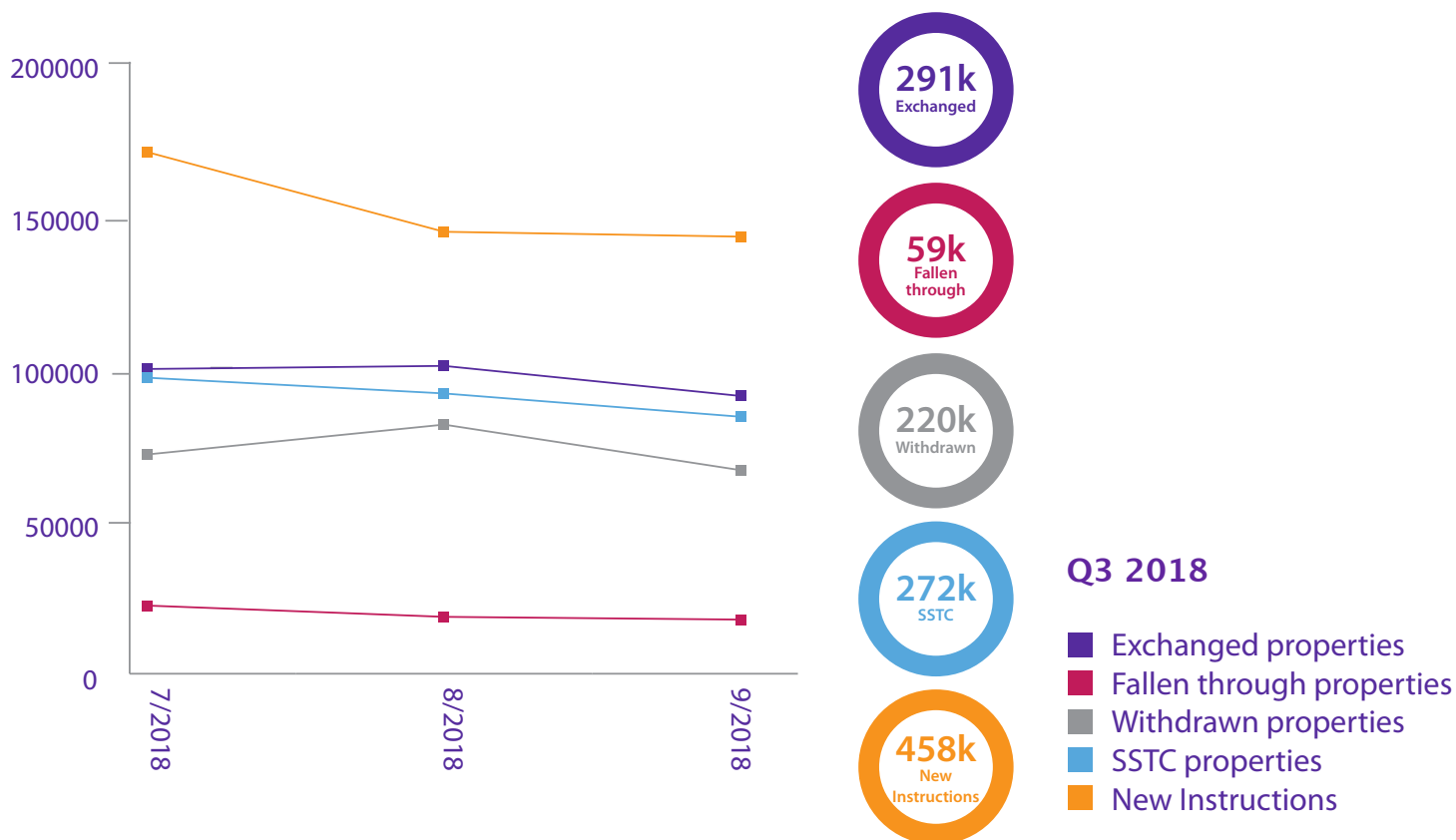


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UK National Trends

The number of properties coming to market has increased by 2.5% year on year, while exchanges are up 11.6% year on year, contradicting the predictions of a 2018 property market slowdown.



Average House Price

The average property price has also risen 1.9% year on year to £304k.



UK Regional Trends

▲ = up
 ■ = no movement
 ▼ = down

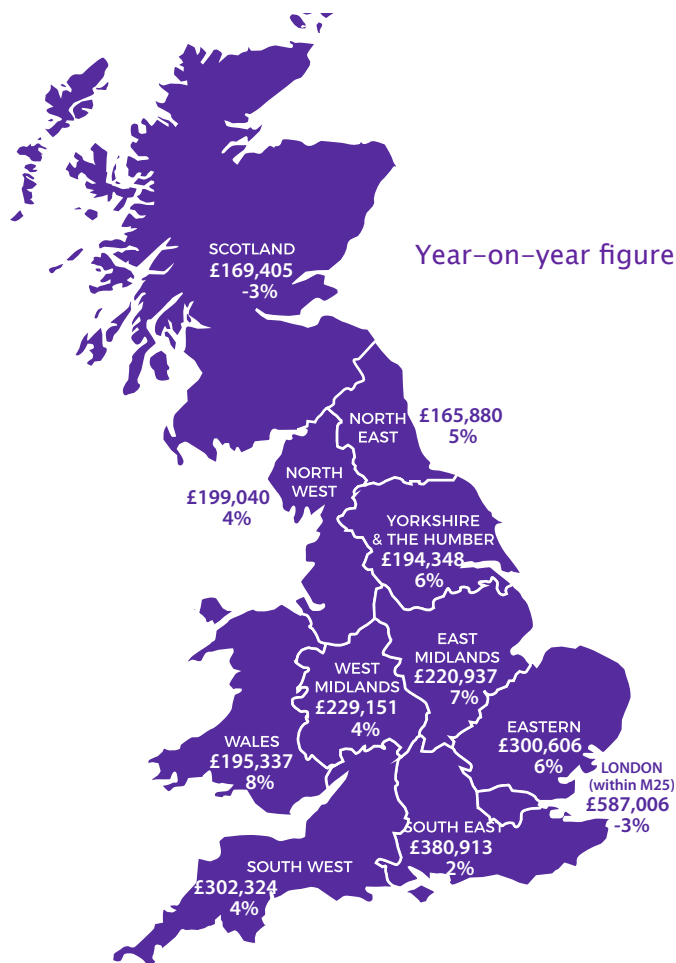
Number of Exchanged Properties by Region

UK Regions	Q3 2018	Q3 2017	Q2 2018	Difference in last Year	Difference in last Quarter
East Midlands	19,954	17,450	16,303	14% ▲	22% ▲
East of England	23,641	22,144	18,702	7% ▲	26% ▲
London (M25)	37,583	33,252	27,751	13% ▲	35% ▲
North East	9,784	9,233	7,742	6% ▲	26% ▲
North West	34,639	29,934	27,159	16% ▲	28% ▲
Scotland	13,176	14,830	9,295	-11% ▼	42% ▲
South East	52,664	47,105	41,064	12% ▲	28% ▲
South West	34,218	28,827	26,302	19% ▲	30% ▲
Wales	15,028	12,626	10,973	19% ▲	37% ▲
West Midlands	26,187	23,270	20,542	13% ▲	27% ▲
Yorkshire & the Humber	24,095	21,999	19,397	10% ▲	24% ▲



Year on year, the South West and Wales have seen the greatest levels of growth. Despite the marketplace growing by 11.6% in the last year, Scotland has actually observed 11% fewer property exchanges in Q3 2018 compared to Q3 2017.

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



Year on year, the average asking price in all major UK cities has increased, except for Newcastle upon Tyne, with Sheffield, Nottingham and Birmingham showing the strongest growth.

UK Cities	Average asking price Q3 2018	Difference in last Year	Difference in last Quarter
Birmingham	£254,078.05	6.7%	2.7%
Sheffield	£183,709.97	7.0%	0.2%
Glasgow	£165,188.48	4.0%	-0.9%
Newcastle upon Tyne	£174,849.41	-3.0%	0.2%
Manchester	£206,714.43	3.2%	-2.7%
Nottingham	£207,336.53	6.8%	-1.3%
Cardiff	£201,117.53	3.8%	-3.3%
Edinburgh	£235,261.20	1.0%	-5.1%
Leicester	£254,002.05	4.6%	-0.4%
Bristol	£318,862.70	3.0%	-1.5%

Quarter on quarter, a decrease can be seen across most cities, but we anticipate this to be no more than seasonality.

Sales vs rent – top 10 cities UK-wide

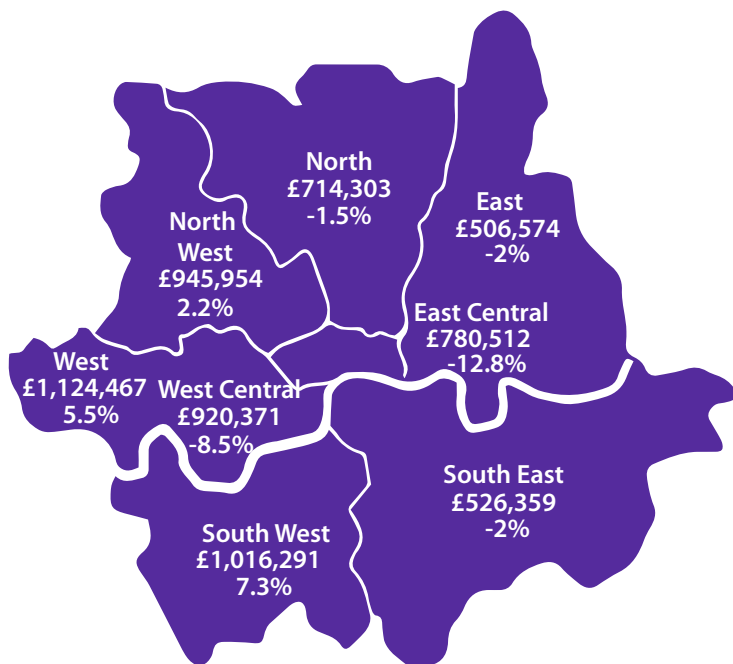
National Sales vs Rent Q3 2018



We are starting to see consistency in the percentage of properties available for rental across our major cities, with a UK-wide average of 33% and our larger cities showing a higher volume based on the increase in the number of flats and apartments in these locations.



London Trends



Year on year, 5 out of the 8 London areas have seen a fall in the average asking price, with central areas experiencing the largest drop.

This is likely to be indicative of the residential axis of the capital shifting to the outer areas, while the central area remains affected by the Brexit process.

However, some property analysts speculate that there will be an excess of new build property within Central London as developments reach completion.

Sales vs Rent – London

London Sales vs Rent Q3 2018



In Q3, nearly two thirds of all listings were for rental properties, compared with just a third in all other major UK cities.

This is an undiminished trend in the capital, with the average price and type of stock available perpetuating the growth.

Time to let and tenancy duration

Rental market – how long to let?

City	Average of time to let agreed (days)	Duration of tenancy (years)
Edinburgh	24	12.7
Bristol	34	4.0
Glasgow	35	3.6
Birmingham	36	4.6
Nottingham	36	4.5
Leicester	41	4.9
Manchester	44	4.2
Cardiff	50	4.5
Sheffield	52	5.2
Newcastle upon Tyne	63	4.4

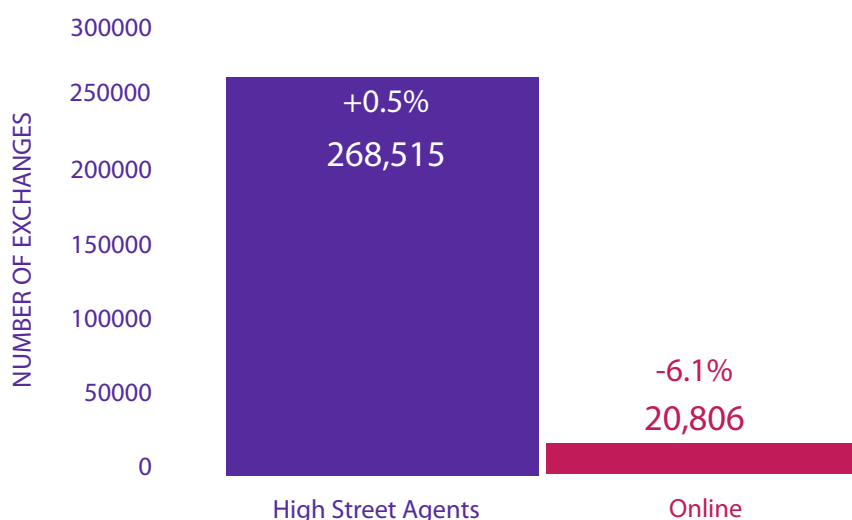
It's great news for landlords in Edinburgh, where a let can be achieved in less than a month, reflecting the lack of stock compared to the high demand. If you're in Cardiff, Sheffield or Newcastle upon Tyne, patience is required, as properties take more than twice as long to let. Excluding Edinburgh, the average letting tenancy across the major UK cities is over 4 years.

London regions

London area	Average of time to let agreed (days)	Duration of tenancy (years)
Eastern Central London	32	3.1
North London	37	3.8
East London	39	4.1
South East London	39	4.0
North West London	41	4.4
Western Central London	42	3.1
South West London	47	3.7
West London	56	4.3

For the London regions, we have an east-west divide with the right half of the capital significantly outpacing the left for the time taken to let. The split reflects the availability of stock, as well as affordability. The average letting tenure across the capital is more than 3.5 years.

High street agents vs. online



Over 20,000 households have exchanged while listed with an online agent in Q3 2018 – an increase of nearly 5,000 households over Q2. However, this growth is largely due to Q3 seasonality and the quarter has actually observed a drop in the market share of online agents by 6%, reducing their market share to 7.2%, which compares to last quarter's 7.6%.

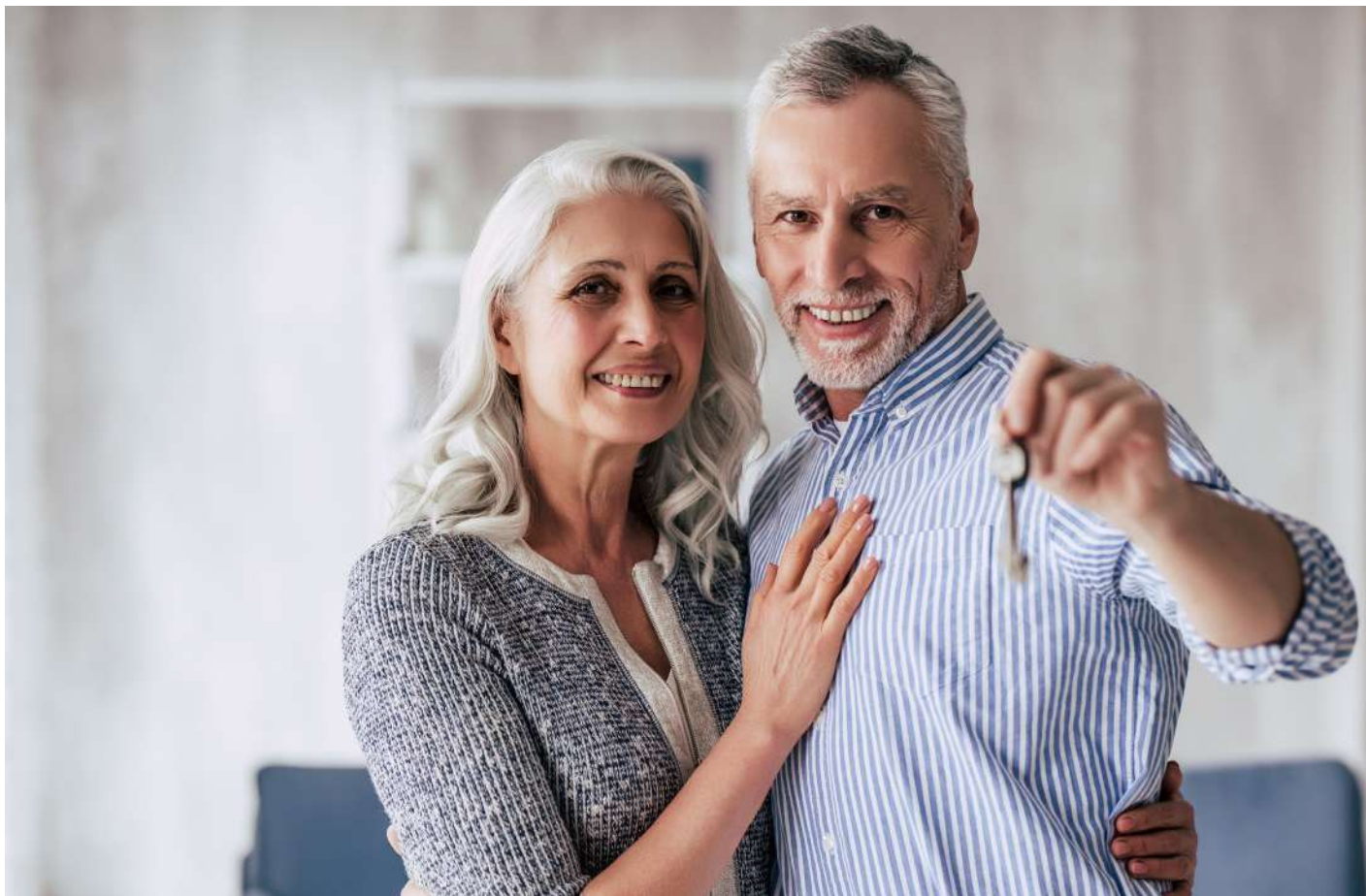
New build

Percentage of housing stock available to buy that is new build

UK cities	2018 Q3
Manchester	7.22%
Edinburgh	6.84%
Leicester	6.79%
Sheffield	6.43%
Birmingham	5.64%
Nottingham	5.27%
Bristol	4.57%
Newcastle upon Tyne	4.35%
Glasgow	4.31%
Cardiff	3.58%

London areas	2018 Q3
Eastern Central London	22.83%
East London	12.62%
Western Central London	12.08%
North West London	10.77%
South West London	9.40%
North London	9.28%
South East London	9.17%
West London	7.59%

We are introducing insight into the percentage of newly built property available to buy. With the consistent commentary on the lack of housing stock and affordability, this insight will track how the percentage of newly built property availability changes over time as the government adjusts policy and investment and the private sector responds.

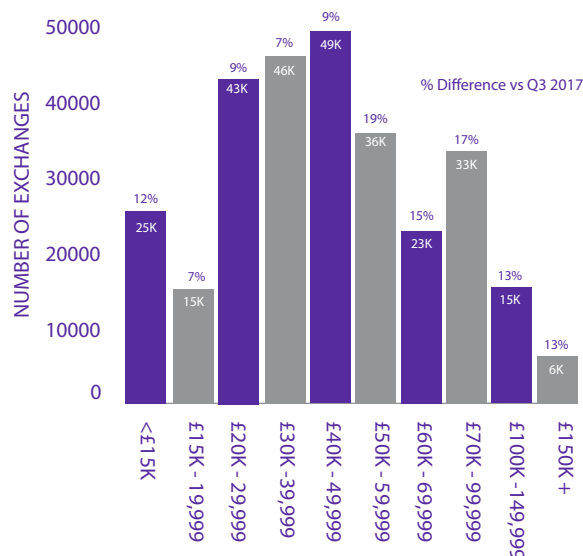


Price Bands, Income Bands and Property Type

Household Income Band

Consistently and year on year, households earning more than £50k per annum see the greatest increase in exchanges, with the squeeze on disposable income and lack of affordable housing felt more keenly by lower earning households.

Number of Exchanged Properties by Income Band Q3 2018

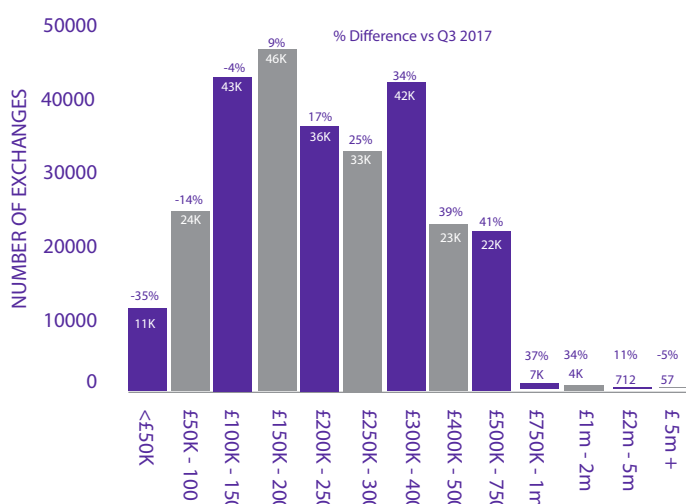


Property Price Band

Year on year, there has been a 6% decrease in the number of exchanges in properties valued at less than £200k, reflecting the lack of housing available at lower price points.

For properties above £200k, the number of exchanges is up 30% year on year.

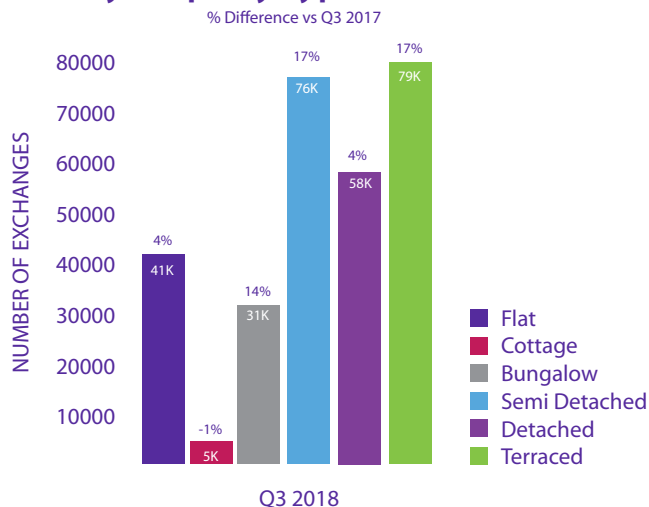
Number of Exchanged Properties by Price Band Q3 2018



Property Types

Comparing year on year, semi-detached and terraced housing continues to see the greatest levels of growth compared to Q3 2017. However, in the last quarter the number of detached properties that have exchanged has increased by 36%. This offers the potential to increase momentum in the market as people move up the property ladder, freeing stock further down. The key dependency now is for the number of new instructions to increase.

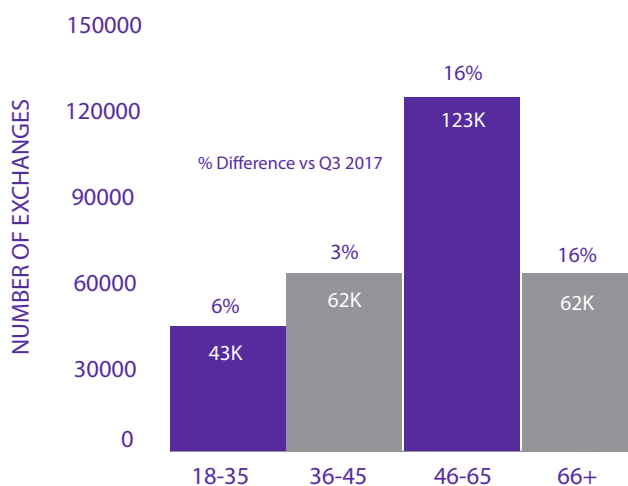
Number of Exchanged Properties by Property Type Q3 2018



Lifestage

The growth in the Silver Economy 66+ segment over the last few quarters has slowed slightly, with Q3 2018 seeing significant volume and growth in the 46-65 age band. This correlates with the strong momentum in the increase of detached properties exchanging in 2018.

Number of Exchanged Properties by Lifestage Q3 2018

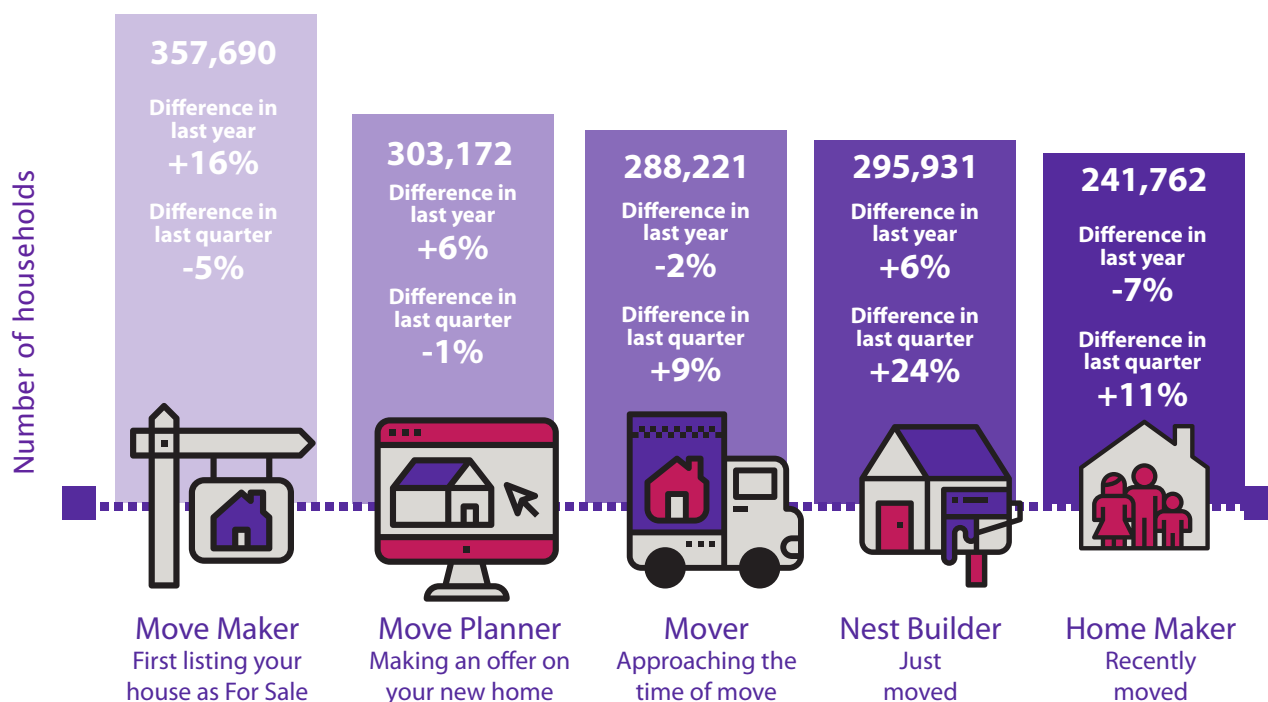


Homemover segments

Q3 increase in move makers and move planners

TwentyCi's 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 five specific stages, triggered by activity such as online property searches, surveys and EPC reports.

Homemover Cycle Segments Q3 2018



As anticipated in Q2, we are now seeing more properties reaching the end of their moving journey as home moves pick up in the summer months and the volume of exchanges increases, up 11.6% year on year.

Completion Day

Percentage completions by day of the week

Busy planning your moving day? Friday remains the most popular day of the week to complete on a property transaction, with nearly half of all moves occurring at the end of the week.

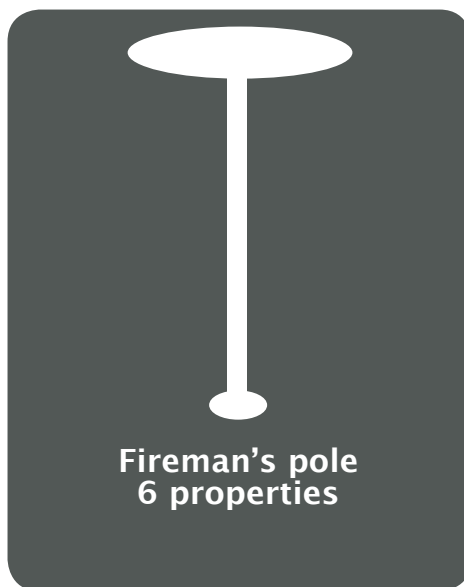
Year	Monday	Tuesday	Wednesday	Thursday	Friday
2014	13%	10%	12%	14%	50%
2015	13%	11%	12%	15%	48%
2016	12%	11%	14%	19%	45%
2017	12%	11%	13%	16%	48%
2018	12%	10%	14%	17%	46%

Unusual property features... Did you know?

Our comprehensive property data gives us a fascinating insight into the unusual features of homes across the UK.

Tired of taking the stairs? Already achieved your 10,000 steps today? You could treat yourself to a different way of moving between floors.

Properties with the following features are currently for sale:



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 home mover 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.

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