TWENTYCI PROPERTY & HOMEMOVER REPORT – **Q3 2019**

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INTRODUCTION

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 data 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.

In this quarter's publication we also include a feature on the Energy market and the opportunities that homemovers deliver to their providers.

EXECUTIVE SUMMARY

AN EXPECTANT TIME

The third quarter of 2019 has shown continued consistency, with property exchange volumes holding up and growing by 2.2% year on year. At the same time, there has been a small decline in the 12 months to the end of September of -1.7% in new properties coming onto the market.

Whilst property sales have grown, they have continued to do so at an increasingly slowed rate, likely reflecting reduced seller confidence whist the national mood remains uncertain ahead of a still unknown Brexit. Similarly, prolonged economic uncertainty has caused a decline in the supply of homes listed for sale.

Colin Bradshaw TwentyCi's Chief Customer Officer, adds: "Consistent to our previous reports, this last quarter has again shown an overall slower moving market, reflecting the current unpredictable trading environment. Consumers are showing caution when it comes to both buying and selling property. With the likely outcome of Brexit still unclear, the uncertainty over both the economy, consumer confidence and the housing market will persist at least in the short term".

ONLINE MAKING FURTHER GAINS

Online market share of all property exchanges has remained stable at the 7% mark, peaking at 7.9% in the 12 months to September 2019. In the same way that online/high street agent market share has followed a similar pattern throughout 2019 so far, so has market share by property price band, with lower priced homes steadily contributing to the sustained online agent growth.

It seems that to break through the 7% threshold and compete across the entire house price sector with traditional high street agents, a significant change in approach will be needed.

Colin Bradshaw TwentyCi's Chief Customer Officer, adds: "Online agents consistently resonate with the lower-value end of the housing market; to achieve significant growth across the market we would anticipate a change in approach from these agents to engage with the broader housing market".

ENERGY MARKET HEATING UP

UK homemovers are 4.2 times more likely to change their energy provider than the average UK household.

With more suppliers than ever before competing for business in the energy sector, together with the onset of autumn and the latest tariff cap enforced by Ofgem, competition will only be fuelled further, adding to the consumer attention this sector can expect over the coming weeks.

Colin Bradshaw TwentyCi's Chief Customer Officer, adds: "Energy Providers should be acting now to best harness inevitable "switch shopping" to gain a slice of this £3 billion market. Whether this is retaining their existing Customers who are moving home or acquiring new Customers who are prompted to look for a better deal".

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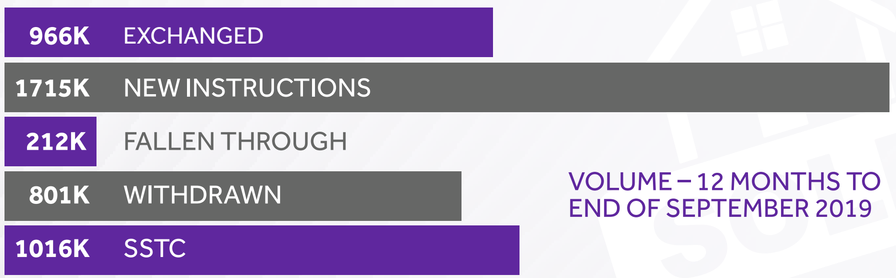
UK NATIONAL TRENDS



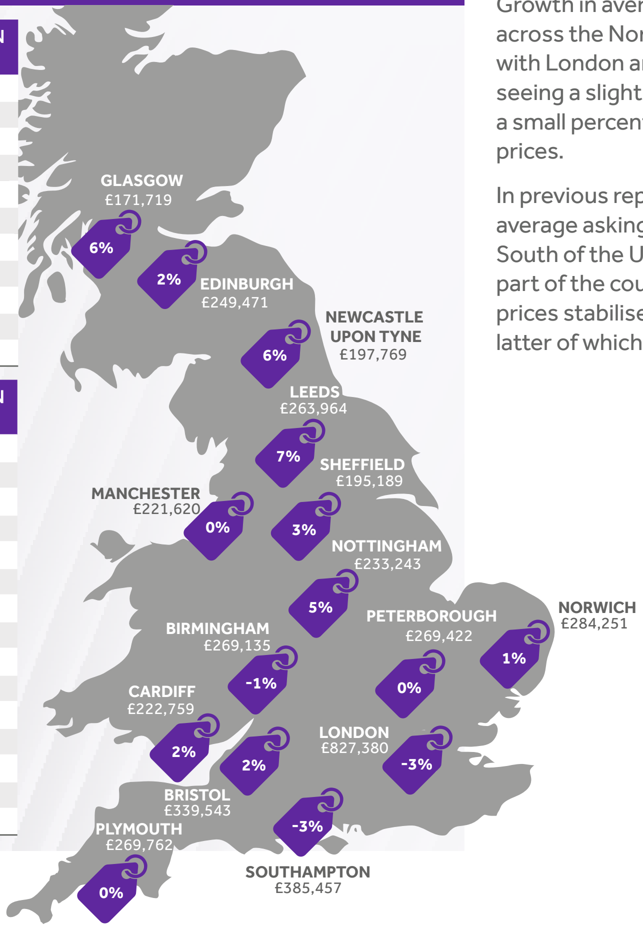
Over the last year, property exchanges have shown a small amount of growth with volumes rising by 2.2% year on year in the 12 months to September 2019. Whilst this small increase illustrates a slow-moving market, it also shows continuation of sustained marketplace activity.

Conversely, new instructions have dipped slightly over the last year, as the current economic climate continues to impact and homeowners have become more wary of listing their homes for sale in these pre-Brexit times. Talk of government proposals to make house sellers pay stamp duty instead of buyers may also be adding to this caution.

UK REGIONAL TRENDS

UK REGION	AVERAGE ASKING PRICE – Q3 2019	DIFFERENCE IN LAST YEAR
Scotland	£190,953	7% ↑
North East	£174,096	5% ↑
North West	£222,430	2% ↑
Yorkshire and The Humber	£220,460	4% ↑
East Midlands	£251,927	2% ↑
West Midlands	£263,139	0% ↔
Wales	£221,418	2% ↑
East of England	£352,371	0% ↔
London	£670,287	-3% ↓
South East	£404,351	-2% ↓
South West	£333,601	-1% ↓

UK CITIES	AVERAGE ASKING PRICE – Q3 2019	DIFFERENCE IN LAST YEAR
Glasgow	£171,719	6% ↑
Edinburgh	£249,471	2% ↑
Newcastle upon Tyne	£197,769	6% ↑
Leeds	£263,964	7% ↑
Sheffield	£195,189	3% ↑
Manchester	£221,620	0% ↔
Nottingham	£233,243	5% ↑
Birmingham	£269,135	-1% ↓
Norwich	£284,251	1% ↑
Peterborough	£269,422	0% ↔
Cardiff	£222,759	2% ↑
London	£827,380	-3% ↓
Bristol	£339,543	2% ↑
Southampton	£385,457	-3% ↓
Plymouth	£269,762	0% ↔



AVERAGE ASKING PRICE BY REGION

Growth in average asking prices can be seen across the North of the UK and the Midlands with London and the South of the country seeing a slight decline in the last year, showing a small percentage reduction in average asking prices.

In previous reports we have seen growth in average asking prices for properties in the South of the UK. It is likely that homes in this part of the country have seen average asking prices stabilise following their earlier peak, the latter of which is now being felt in the North.

AVERAGE ASKING PRICE IN UK CITIES

Across the country it's mostly a positive picture with most major cities reporting an increase or at least holding steady when it comes to average property asking prices.

The exceptions where average asking prices **have** fallen in the 12 months to September 2019 are Birmingham, London and Southampton.

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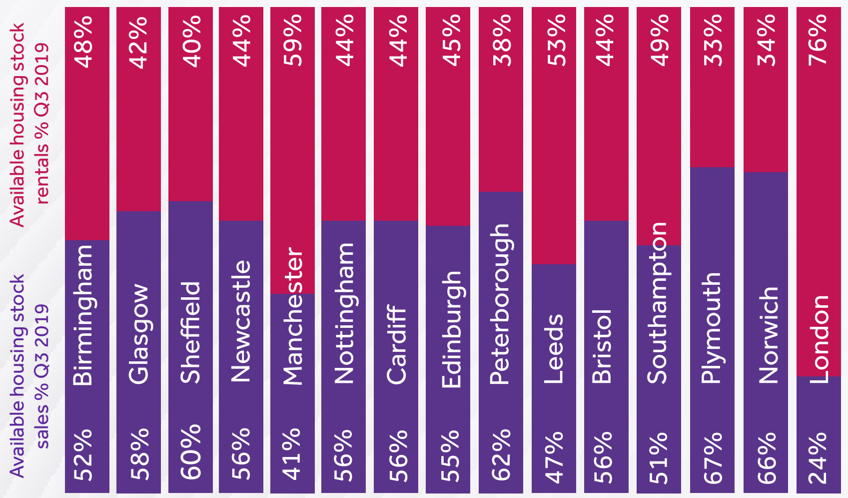
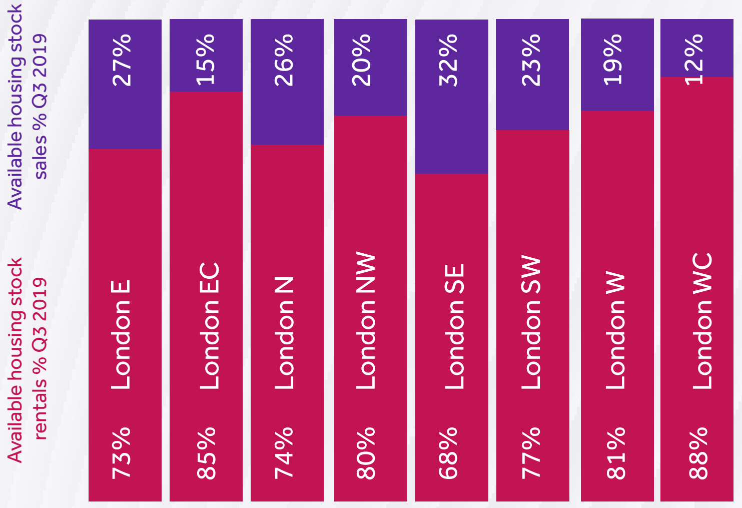
SALES VS. RENT – UK CITIES



LONDON TRENDS



LONDON AREA	AVERAGE ASKING PRICE – Q3 2019	DIFFERENCE IN LAST YEAR
London E	£534,059	-2% ↓
London N	£726,757	1% ↑
London NW	£997,791	-1% ↓
London SE	£569,874	-2% ↓
London SW	£1,021,374	-4% ↓
London W	£1,219,217	-6% ↓

Across most major UK cities, for sale tenure continues to hold the majority share vs. housing stock available for rent in the third quarter of 2019. Rental housing stock volumes for this period are also substantial, however.

The exception to this trend, where there are greater numbers of rental homes offered to the market than the number of properties that exist for sale, are in the cities of London, Manchester and Leeds.

AVERAGE ASKING PRICE

Looking now at London regions, most areas are seeing a slight fall in average asking prices with just the area of London N reporting a small increase. This supports the trend we have seen across the board for London, with average asking prices for the whole of the capital in decline this quarter having previously peaked.

London EC and London WC areas are not reported as they are underrepresented with just 250 and 144 properties respectively.

SALES VS. RENT

Properties available for rent continue to be in higher supply than available housing stock for sale in Q3 2019, as previously reported for earlier quarters. With high average asking prices for London property, the rental market continues to be driven by those priced out of the buying process.

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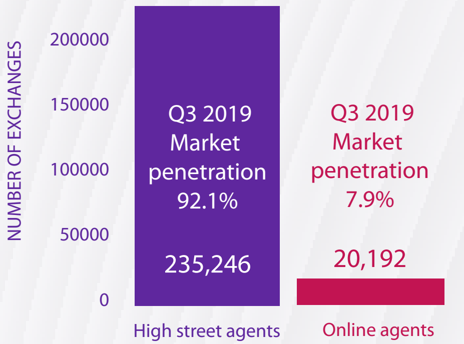
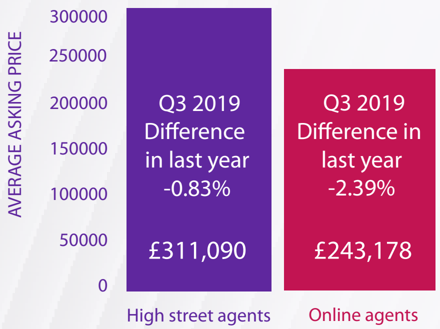
ONLINE AGENTS

REGION	Q3 2019	Q3 2018	DIFFERENCE IN LAST YEAR
East Midlands	10.77%	10.60%	1.59%
East of England	5.01%	5.62%	-10.85%
Outer London	7.16%	6.68%	7.27%
Inner London	6.67%	6.20%	7.57%
North East	7.34%	6.42%	14.27%
North West	9.87%	9.68%	1.88%
Scotland	8.49%	7.33%	15.80%
South East	5.63%	5.77%	-2.36%
South West	4.76%	5.47%	-13.03%
Wales	8.74%	9.66%	-9.49%
West Midlands	10.93%	11.03%	-0.93%
Yorkshire and The Humber	12.05%	11.28%	6.83%

PROPERTY VALUE	Q3 2019	Q3 2018	DIFFERENCE IN LAST YEAR
Less than £200,000	9.48%	9.04%	4.87%
£200,000 - £350,000	7.91%	7.90%	0.14%
£350,000 - £1,000,000	5.60%	5.84%	-4.10%
£1,000,000+	1.21%	1.36%	-11.34%





MARKET SHARE BY REGION

Consistent to Q2 2019, year on year for Q3, the largest growth for online estate agents has been in Scotland, closely followed by the North East of England.

Whilst making gains within Outer and Inner London, online agents are struggling to gain traction with property sellers in the South West and the East of England – areas where traditional high street agents have more market share.

MARKET SHARE BY PRICE BAND

Reinforcing the story emerging from the regional market share figures, it's a consistent message when looking at property prices: growth for online estate agents in Q3 2019 is again highest for properties valued below £200k. In the same vein, the figures show declining market share for online agents of higher-priced properties, of which there are generally more in the south of the country.

HIGH STREET AGENTS VS. ONLINE EXCHANGES

Online agent market share remains steady at the 7% mark for a third consecutive quarter. Last quarter online market share of property exchanges was 7.3%, a small dip from the 7.6% we reported in Q1 of 2019. The figure for online agent market share in Q3 2019 stands at 7.9%, with high street agents taking a 92.1% share.

AVERAGE LISTING AND ASKING PRICE

Just as the market share for online agents is holding steady, their transactions continue to correspond to more economical properties. This is reflected by a lower average listing value, down 2.39% year on year. The opposite is true for the high street agents who command a comparatively higher average asking price, albeit slightly lower than the same quarter last year.

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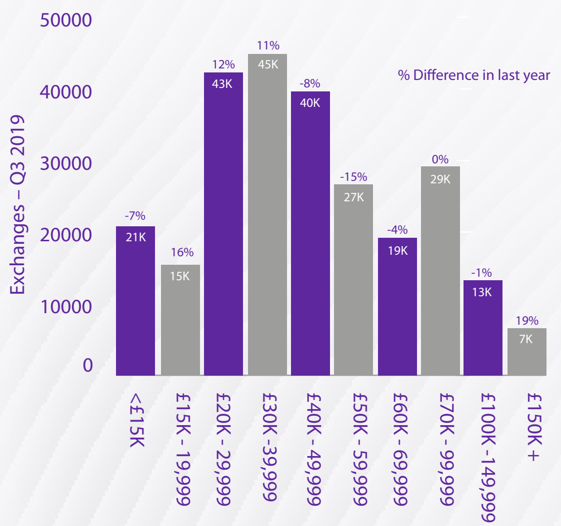
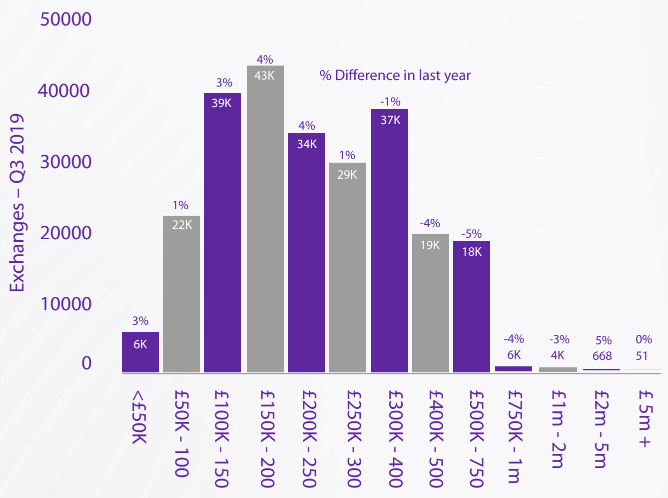
Q3 2019 EXCHANGES

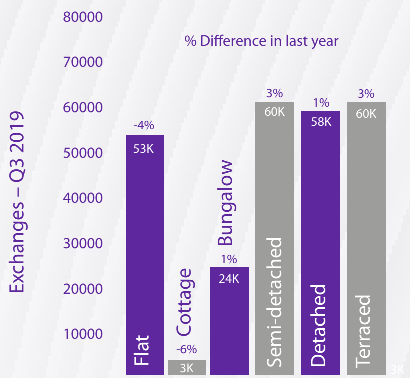
BY HOUSEHOLD INCOME BAND Q3 2019



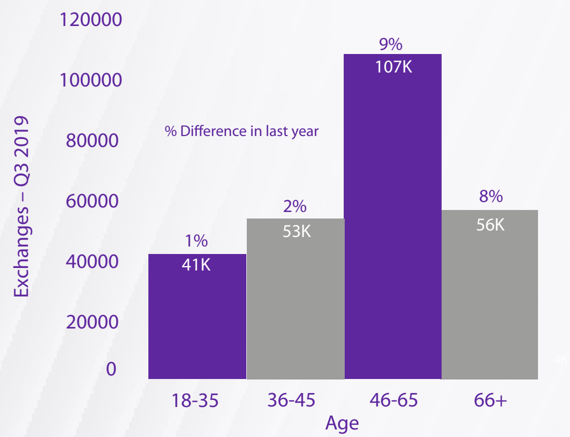
BY PROPERTY PRICE BAND Q3 2019



BY PROPERTY TYPE Q3 2019



BY LIFESTAGE Q3 2019



HOUSEHOLD INCOME BAND

Households with income bands of £20,000 - £50,000 are proportionally buying and selling more properties in Q3 2019. As reported previously, this is likely helped by government schemes such as Help to Buy, making it possible for people with less disposable income to get on the property ladder. Those with the least affordability in the < £15,000 bracket, are finding it more difficult to sell their homes, whilst at the other extreme, households with the greatest affordability to whom property comes comparatively cheaply, are seemingly unaffected.

PROPERTY PRICE BAND

Properties valued at £300k and below are those which sold best in Q3 2019, with exchanges up across all property price bands to this value, compared to the same period last year.

In the same way that more properties are exchanging from lower income household bands, properties that match this price bracket in terms of affordability are also those exchanging best in Q3 2019.

At the more costly end of the scale, properties priced at £1m+ have seen some growth, if less significant than the year on year increases seen from more affordable properties.

PROPERTY TYPE

Q3 2019 saw higher levels of growth in exchanges for semi-detached and terraced houses with some growth for bungalows and detached homes; consistent to the main make-up of UK housing stock outside of central London.

LIFESTAGE

Most growth in property exchanges during Q3 2019 has come from the 18-35 age group, possibly reflecting the current comparative ease for younger first-time buyers to become homeowners than it is for their older counterparts to exchange. There is also growth in exchanges from the aged 66+ group, albeit at a slower rate.

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THE HOMEMOVER WAVE Q3

IN THE MARKET FOR

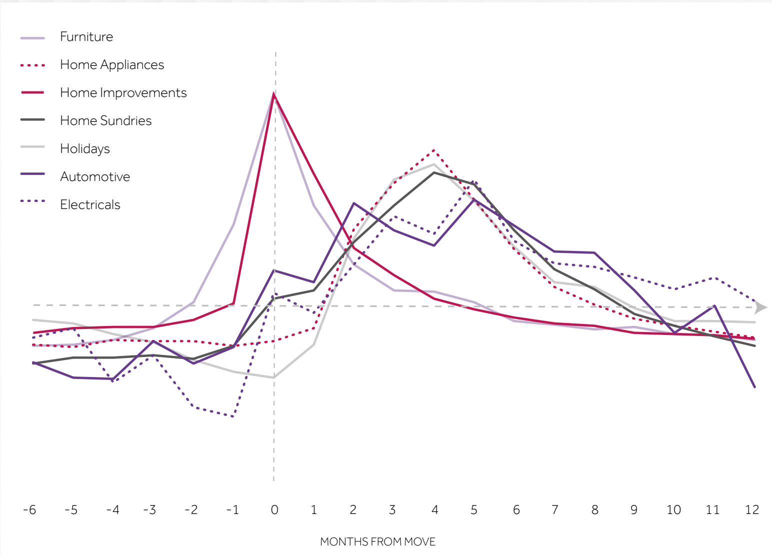
Want to move
396,720 households
- DIY
- Flooring
- Windows and doors

Moving soon
288,326 households
- Furniture
- Electricals
- Tech
- Home furnishings
- Garden

Moving now
309,575 households
- Furniture
- Electricals
- Tech
- Home furnishings
- Garden

Just moved
281,537 households
- Furniture
- Electricals
- Tech
- Home furnishings
- Garden
- Baby and nursery
- Toys
- Sport and leisure

Settling in
221,329 households
- Furniture
- Electricals
- Tech
- Home furnishings
- Garden
- Baby and nursery
- Toys
- Sport and leisure



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.

Harnessing this data for targeted marketing campaigns can bring huge gains and strong ROI, particularly as Brexit looms.

The Homemover Wave shows the volume of households currently at each stage of the journey.

The graphic left provides an overview of key spending patterns in relation to a home move and how through engaging at the most opportune time when consumers are 'in market' for these goods & services, retailers are able to optimise the consumers' propensity to spend.

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UNUSUAL PROPERTY FEATURES... DID YOU KNOW?

385k
WITH UNDERFLOOR HEATING

369
ECO-FRIENDLY HOMES

90
WITH A RAIN WATER RECYCLING SYSTEM

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

With cooler weather on the way and potentially with energy solutions front of mind, we spotted a few that might appeal.

HEAT FROM BENEATH

Warm up on chilly days with the help of underfloor heating, now installed in 385,122 homes across the country as a contemporary alternative to warming your home.

GO GREEN

Increase your green credentials with a home designed and built using materials and technology for a lower carbon footprint and energy needs. Move to one of the 369 houses in the UK classed as an eco-friendly home.

HARNESS NATURE

On wet winter days, take advantage and turn rain into water for household use. 90 homes in the UK come with a rainwater recycling system, all set for eco-friendly living.

ENERGY ENGAGEMENT

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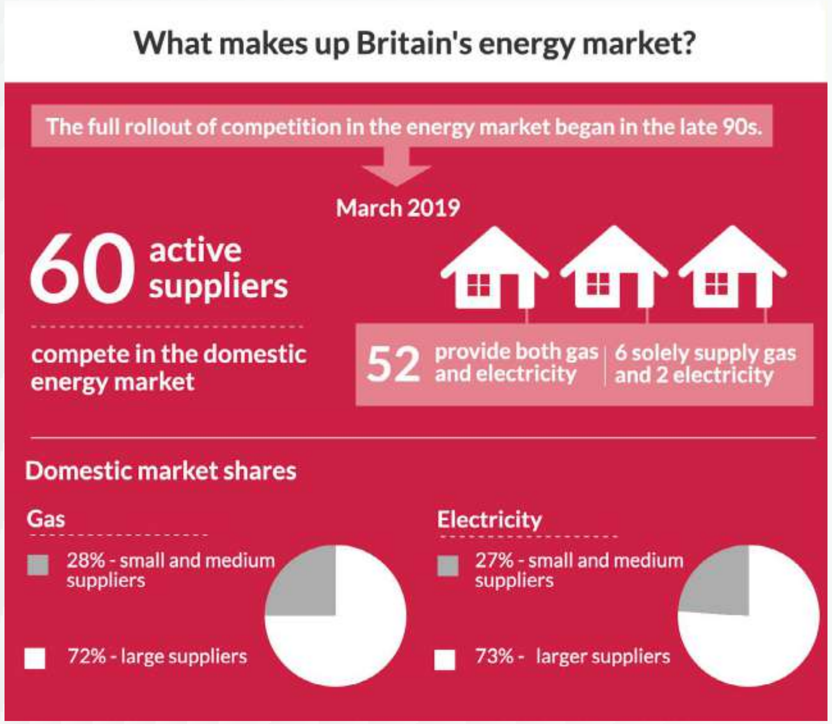
THE UK ENERGY SECTOR & THE VALUE OF SWITCHING



The current value of energy switching in the UK is in excess of a staggering £3 billion per annum with over 2 million residential properties per annum changing gas or electricity providers.*Ofgem.gov.uk

Whilst deregulation in the late 1990s first enabled competition in the energy market, it's only been during the last decade that competition in the sector has significantly gathered momentum.

Since 2011 to March this year, Ofgem reports that the gas & electricity market share of the Big Six energy companies has dropped from nearly 100% to 72%, reflecting the considerable number of small & medium energy suppliers also operating in this now crowded market.

Despite Ofgem announcing a £75 reduction in typical energy bills from October as the new winter price cap forces suppliers to reduce tariffs, there is almost certainly still value to be found for those prepared to switch by shopping around for an even better deal.

UK ENERGY SUPPLIERS

THE 'BIG 6' ENERGY COMPANIES
British Gas
EDF Energy
E.ON UK
SSE
Npower
Scottish Power

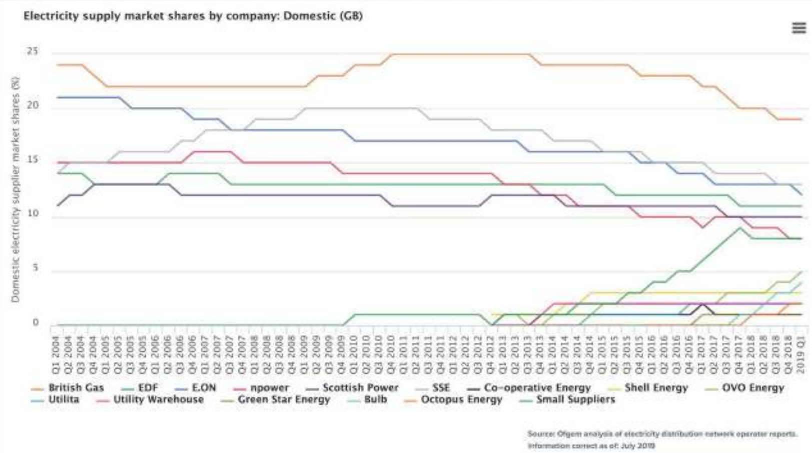
SMALL & MEDIUM ENERGY SUPPLIERS
Bulb
Pure Planet
Bristol Energy
OVO

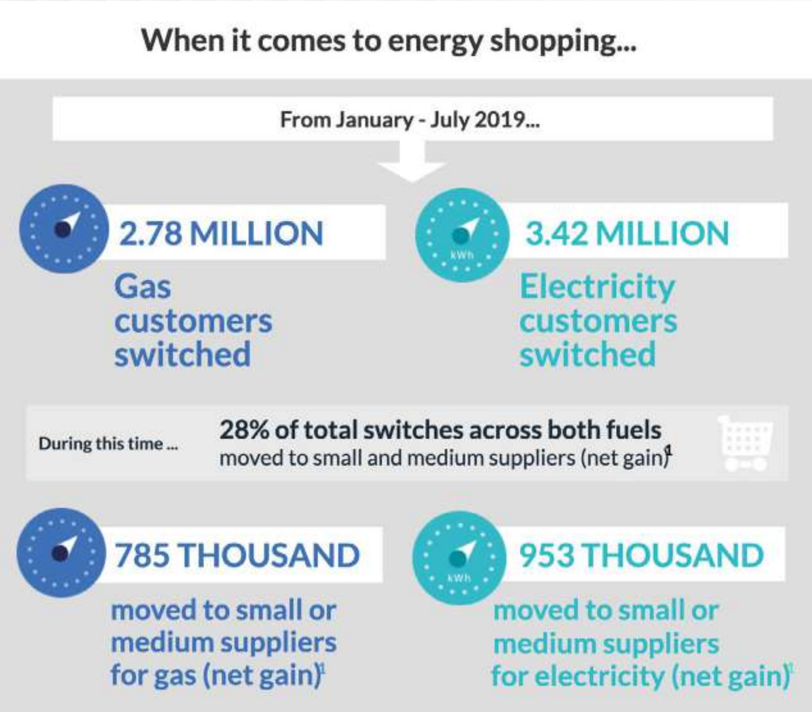
AGGREGATED AGGREGATOR SITES
MoneySuperMarket
Go Compare
Compare the Market
uSwitch
Confused.com

SPECIALIST SWITCHING SITES
Migrate
Flipper
WeFlip
Simply Switch
Looks After My Bills
Switchcraft
MoneySavingExpert – Cheap Energy Club

ADVICE SITES
Which?
Citizens Advice
This is Money

ELECTRICITY SUPPLY MARKET SHARES BY COMPANY





TODAY'S ENERGY SHOPPING MARKETPLACE

In addition to the increased availability of alternative energy providers, there are several other significant factors currently driving disruption in the energy marketplace. These include:

- A greater choice of suppliers providing more scope and opportunities for consumers to save money on their energy bills;
- The increasing ease with which households can switch providers either personally or by working with a third-party company to manage the process on their behalf;
- A desire for many consumers to go green and buy from an eco-friendly energy provider;
- The rise of the savvy shopper culture, particularly prevalent during challenging economic times, such as those the UK is experiencing currently

IN 2019 GREATER NUMBERS OF HOUSEHOLDS ARE SWITCHING

Ofgem reports "historic highs" in energy provider switching in early 2019, with the number of electricity and gas switches reaching a record peak in April. This switching surge comes as year on year figures in the 12 months to June 2019, report an 11% rise in electricity switches and an 8% rise for gas switches, further cementing switching behaviour as an established trend for this sector.

And the volumes represented by all of this brand switching activity are significant. In the first half of 2019 there were 2.37 million switches for gas & 2.91 million for electricity, representing nearly 8% of all residential UK properties. With combined gas & electricity annual energy bills averaging £1200, it's a market currently valued at over £3 billion per annum.

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A MEDIA EFFICIENT APPROACH TO SECURE YOUR SHARE OF THE £3 BILLION

OPPORTUNITIES TO REDUCE CHURN AND ACQUIRE NEW CUSTOMERS

The idea and importance of a media efficient marketing campaign is nothing new but when did you last reconsider the specifics of your approach, whether focussed on retention or acquisition?

True media efficiency is about identifying and engaging at the most effective moment for your customers and in doing so, in the most cost-effective way to you as a business to realise the greatest return on investment.

For energy providers, some of these opportune moments include –

1. A HOME MOVE

Moving into a new property often means inheriting the previous occupant's energy providers or prompting homemovers to reconsider providers previously used.

Opportunity

- Keep existing customers by reinforcing your energy offer to retain the customer pre-move.
- Gain new customers by raising your brand profile and informing the consumer ahead of their move, as well as communicating your offer at the point of move.
- Leverage known property attribute data to further personalise the specifics of your offer.

2. FIRST WINTER IN A NEW HOME

The onset of autumn and the consequential increase in energy consumption often inspires a household to review their energy costs to mitigate unexpected heating and lighting costs.

Opportunity

- A well-timed offer from an energy provider during this period of evaluation can enable acquisition at the optimum point of consideration.
- For suppliers providing boiler service and boiler cover the additional engagement opportunity will increase the overall household value.

3. HOME MOVING ANNIVERSARIES

The first anniversary and subsequent anniversaries of moving into a new home also provides an opportunity for the energy provider to intervene & interrupt an existing relationship.

Opportunity

- Focus on how you can build customer loyalty always, but particularly as renewal times approach, consider a timely incentivised campaign
- Follow-up with those potentially dissatisfied with their inherited energy provider or newly acquired provider, before the relationship fully matures and at a time when switching is more feasible.

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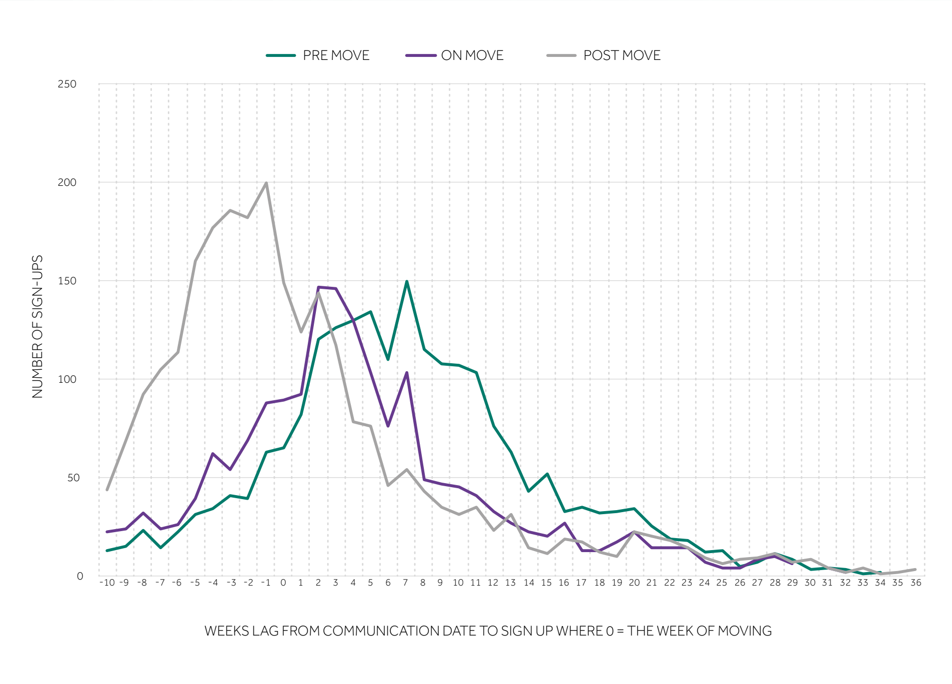
HOMEMOVER WAVE



USING HOMEMOVER INTELLIGENCE TO WIN NEW CUSTOMERS IN THE ENERGY SECTOR

In developing a programme to help one of the UK's leading energy providers to power their marketing acquisition, we delivered an ROI of £13 for every £1 invested.

Our unique data-led approach provides insight into not just the type of energy your target customers are interested in buying, but their motivations for why and when they are likely to buy. We continually work with our clients to produce marketing programmes to help them to reach new, relevant customers in this way.

Homemovers (an audience of approximately 2 million properties each year) are 4.2 times more likely to change their energy provider than the average UK household in any given year

We now have three models which complement our homemover data:

- The **Pay Monthly** energy model – to identify properties that are more likely to purchase energy on a regular basis, rather than through an ad-hoc Pay As You Go contract;
- The **Pay As You Go** model – to identify properties that are more likely to purchase energy on an ad-hoc basis, rather than through a regular contract;
- The **Energy Loyalty** model – to identify households more likely to stay loyal to their energy provider over time, and conversely identify those likely to switch.

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ABOUT TWENTYCI

TwentyCi is a property data and consumer intelligence platform that provides insight into the events in consumer lives that act as purchase triggers, such as moving home. 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 largest and richest resource of factual 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.

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