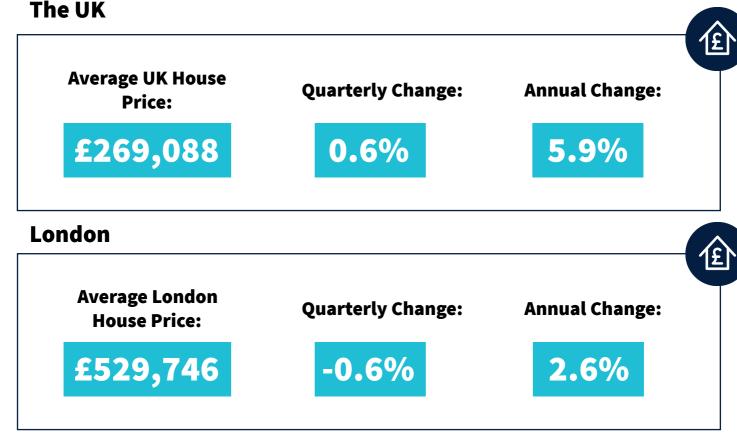


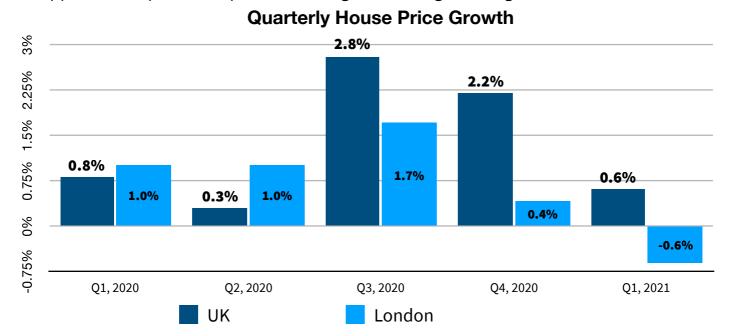
The Benham and Reeves Market Index Review, Q1, 2021

The Benham and Reeves Market Index Review is based on data from the top four existing indices. It looks at where the average house price sits overall when taking into account homebuyer house prices from Halifax and Nationwide, seller expectations via the Rightmove House Price Index, and sold prices from the UK House Price Index.

It also highlights how the gap has changed between buyers and seller expectation, as well as asking price and actual sales price, on a quarterly basis across London and the UK.



Based on a geometric mean of all four existing data sets, Benham and Reeves puts the current average UK house price at £269,088 for the first quarter of 2021, up 0.6% on the previous quarter and up 5.9% annually. In London, the current average is £529,547 having dropped -0.6% quarter to quarter, although remaining 2.6% higher on an annual basis.



Mortgage Approval Price vs Asking Price

Mortgage approved house prices via Nationwide and Halifax climbed by just 0.5% between Q1, 2021 and Q4, 2020. In contrast, asking prices fell by -0.9% quarter to quarter, the first drop since Q4, 2019. Despite this, the average seller was still entering the market at a price point 32% than the average mortgage approval.

UK Mortgage Approval Price:

(3)

£241,628

UK Asking Price:

£318,901

London Mortgage Approval Price:

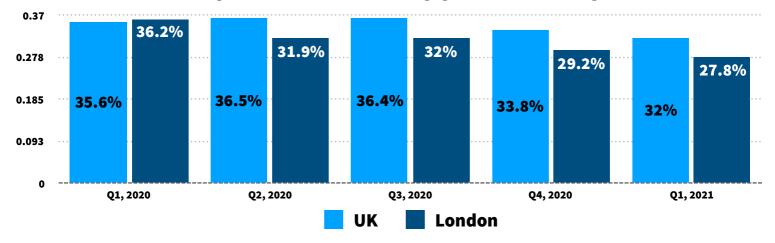
£482,576

London Asking Price:

£616,808

In London, the average mortgage approval price declined by -0.8% on a quarterly basis, while the average asking price fell by -1.9%. As a result, sellers remained less over expectant than the wider UK market, although they still entered the market 27.8% higher than the average price at which mortgages were being agreed.

Percentage Difference Between Mortgage Approval & Asking Price (%)





Director, Marc von Grundherr "It's now clear that the UK property market started to retract in the run up to the original stamp duty holiday deadline, as previously high levels of buyer activity started to dissipate bringing a decline in the rate of house price growth. As a result, sellers did have to adjust their price expectations when compared to the previous quarter and this meant the gap between asking and sold prices was at its smallest in over three years. But despite this, they continued to overprice by a considerable margin in the hope of securing a better price than they may have otherwise."

Asking Price vs Sold Price

During Q1 2021, the drop between asking prices and sold prices across both the UK and London markets was at its lowest since the start of 2018 at -20.7% and -19% respectively.

This was no doubt due to a slowing market as the original stamp duty deadline approached with sellers no longer able to take advantage of heightened buyer demand. Despite this, the gap between expectation and reality remained notable with sold prices averaging at a considerably lower level.

UK Asking Price:

(3)

£318,901

UK Sold Price:

£252,860

London Asking Price:

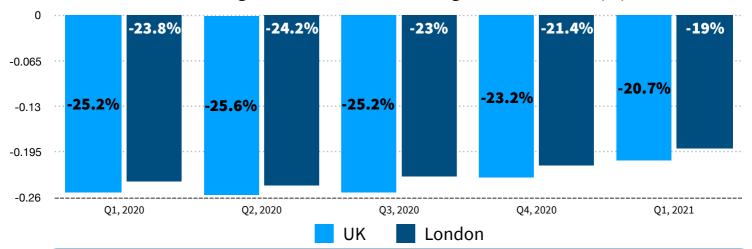


£616,808

London Sold Price:

£499,466

Percentage Difference Between Asking Price & Sold Price (%)



"With the government implementing a last gasp extension to the stamp duty holiday, there's no doubting that the market has seen a fresh head of steam and so we can expect buoyant levels of house price growth to ensue over the second and third quarter of this year.

ector. Marc von

Director, Marc von Grundherr

It will be interesting to see just what impact the new tapered deadlines have on the market and if either will spur a notable decline in market activity. Now that further insurance measures have been added in the way of 95% mortgages and a refreshed Help to Buy scheme, we could see the market continue to perform very strongly even once the stamp duty holiday clock has expired."

Offices

London

Canary Wharf
City of London
Colindale
Ealing
Fulham
Hammersmith

Hampstead
Highgate
Hyde Park
Kensington
Kew
Knightsbridge

Nine Elms
Shoreditch
Surrey Quays
Wapping
White City
Woolwich

International

China
Hong Kong
India
Malaysia
Singapore



info@benhams.com

www.benhams.com