



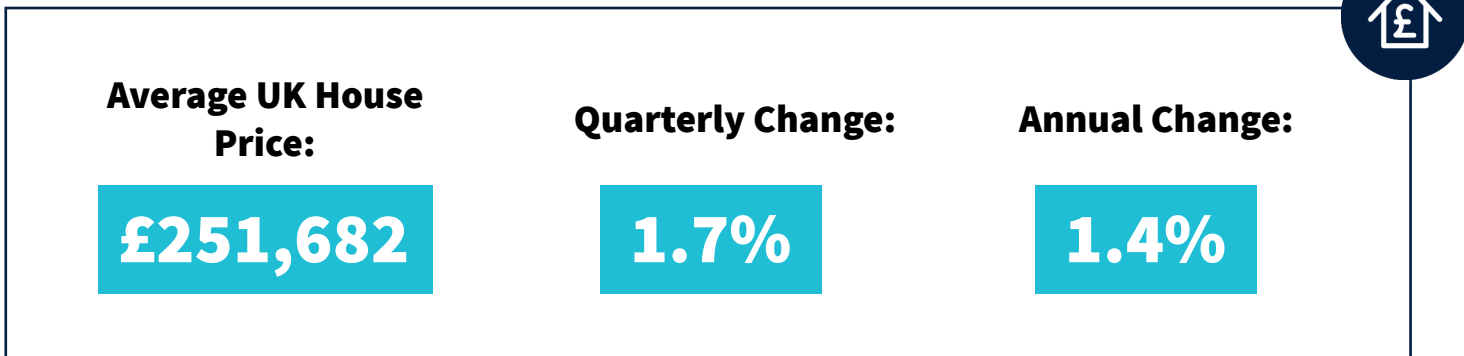
Market Index Review
Q2, 2019

London's lettings & sales agent

The Benham and Reeves Market Index Review, Q2 2019

The Benham and Reeves Market Index Review is based on data from the top four existing indices, looking at where the average house price sits and how the gap has changed between buyers and seller expectation and asking price and actual sales price, on a quarterly basis across London and the UK.

The UK

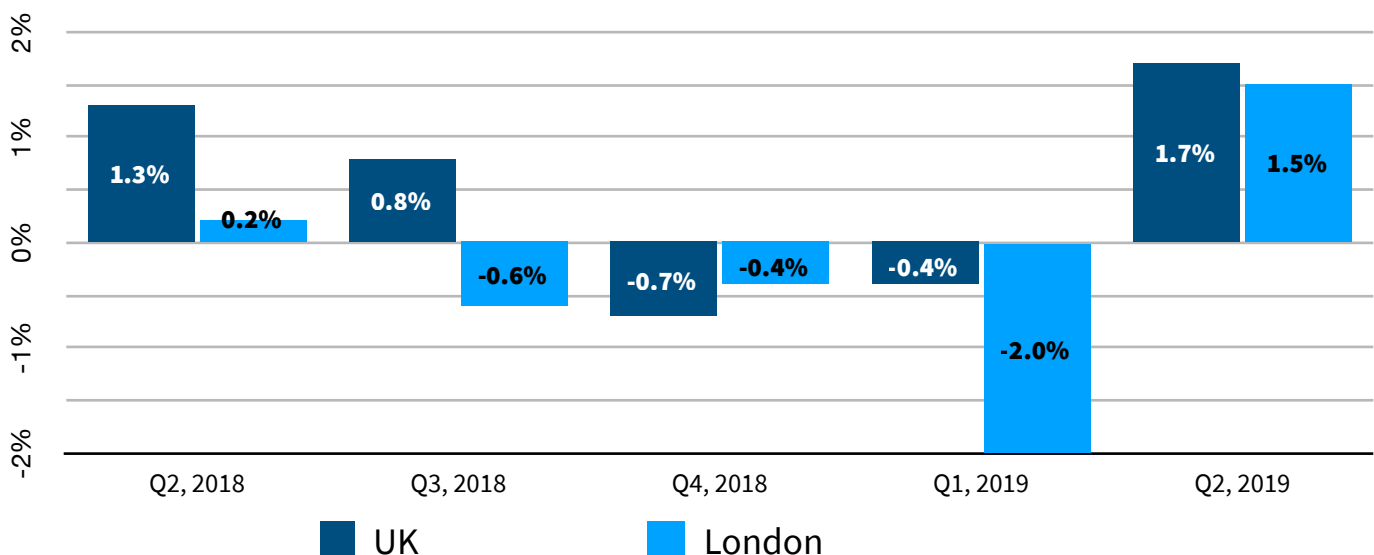


London



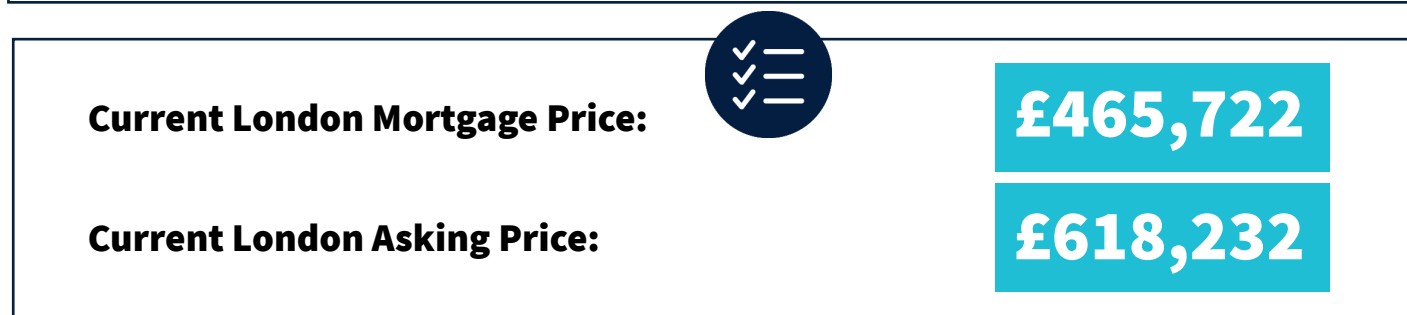
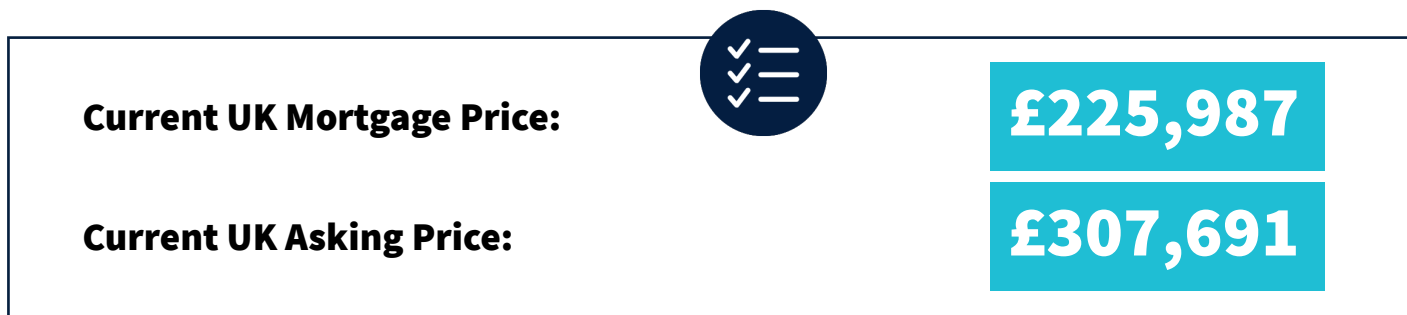
Based on a geometric mean of all four existing data sets, Benham and Reeves puts the current average UK house price at £251,682 for the second quarter of 2019, reversing the downward trend seen over the previous two quarters and a 1.4% increase annually. In London, the current average is £512,192, with the capital registering its first positive quarterly price growth in a year but still down on an annual basis.

Quarterly House Price Growth



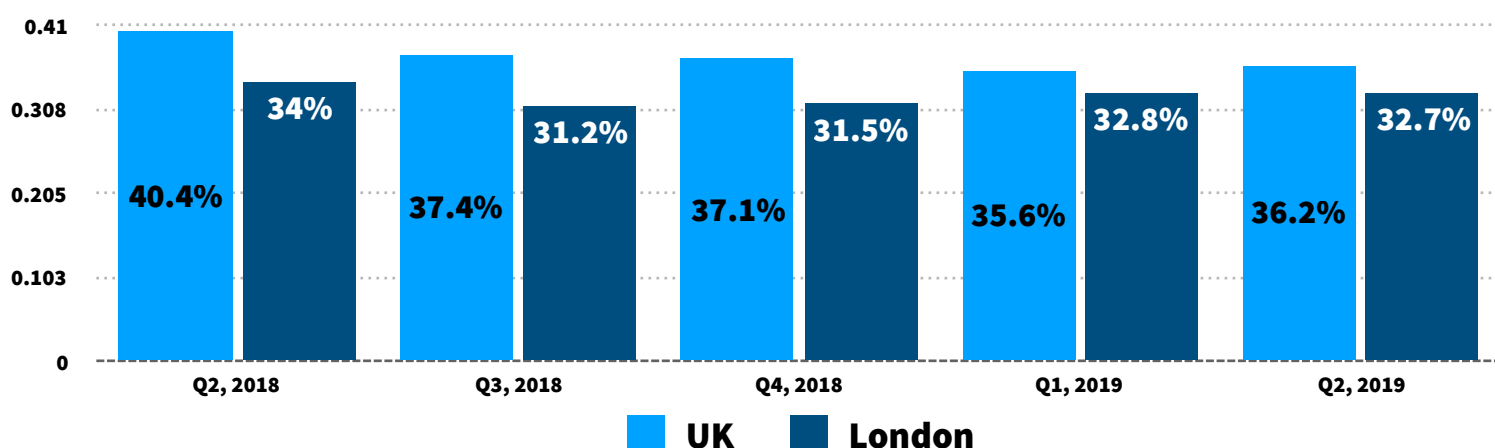
Mortgage Approval Price vs Asking Price

When analysing the difference between each stage of the market, it's clear that the price expectation of sellers continues to cause issues and this out of kilter pricing is a leading factor in the slow in price growth across the board.



Since the start of 2019, the average UK asking price being reported by Rightmove has exceeded the £300,000 mark and remained there with a current gap of some £81,000 between that and the average price being approved for buyers by mortgage lenders. In London the current gap is notably bigger, with a £152,510 difference.

Percentage Difference Between Mortgage Approval & Asking Price (%)

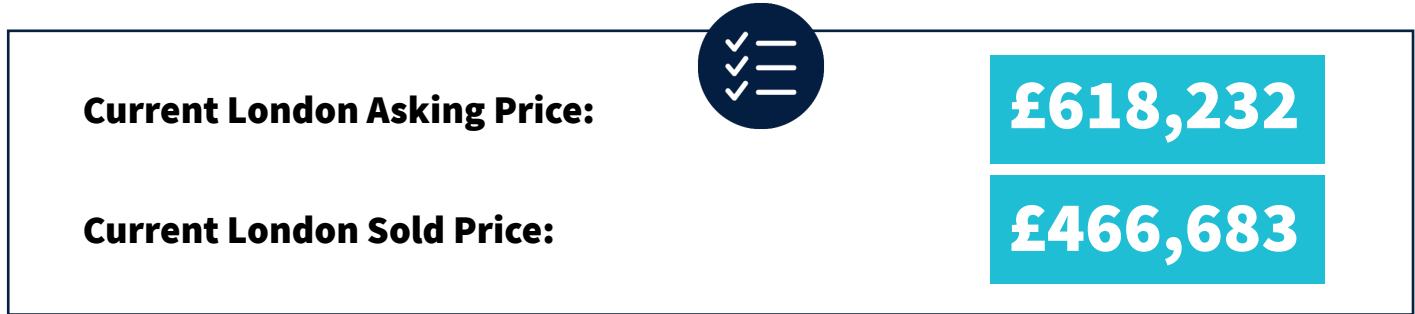


Director, Marc von Grundherr

“Positive signs for both London and the UK as a whole, with the first increase in quarterly house price growth for some time suggesting the market has dusted itself off to a degree. However, there is still a reality gap between the price buyers are entering the market at, the price sellers are trying to achieve and the price they are ultimately doing a deal at. While there are a number of factors that can influence this price gulf, it will do little to help a lethargic market that is currently struggling to shake off the shackles of Brexit uncertainty.”

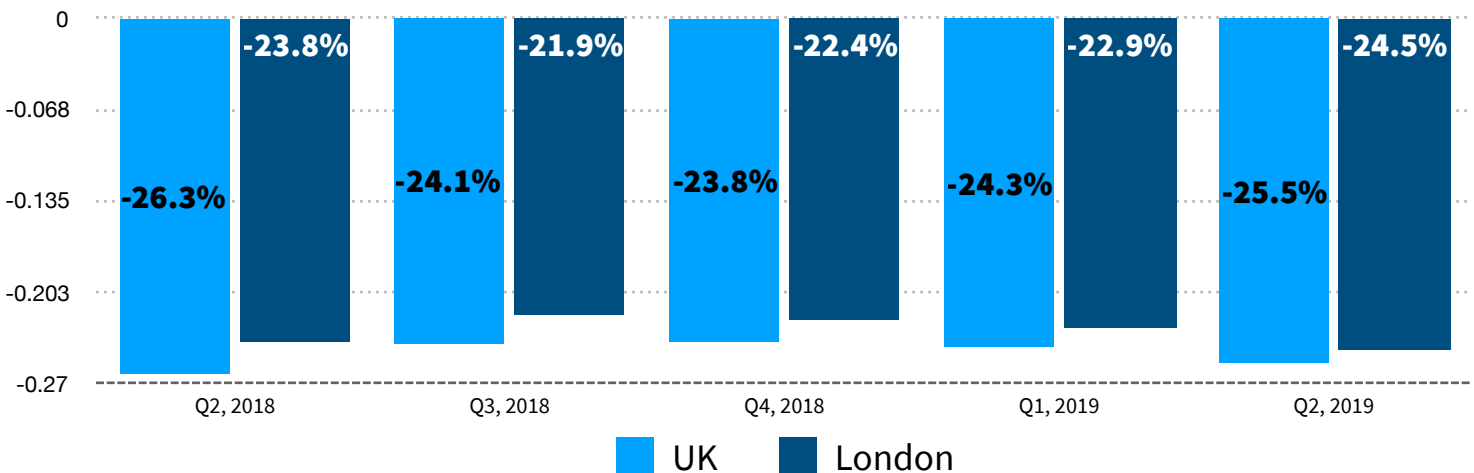
Asking Price vs Sold Price

This overpricing is also apparent when analysing the price being asked by sellers and the actual price properties are selling for according to the Land Registry.



Currently, the average sold price being secured by UK and London sellers is some 25% lower than the average asking price. While there is often a reduction from the price a seller will try to achieve to that at which they sell, this gap has been widening since the end of last year, as current market conditions play their part and sellers continue to lower their price expectations in order to secure a buyer.

Percentage Difference Between Asking Price & Sold Price (%)



Director, Marc von Grundherr

“It’s only natural that the nation’s home sellers want to achieve the best price for their property but what many are failing to understand is that this price is dictated by current market conditions and not their emotional attachment, or a previous valuation some many moons ago.

While we haven’t seen prices tumble per se, we have seen a hesitance from buyers to transact. The result in this demand reduction is always going to be a widening gap between asking price expectation and the price a property will actually sell at and we’ve seen this gap continue to widen so far this year.

Table 1.

Benham and Reeves House Price Index			
UK			
Year	Quarter	Average House Price	Quarterly Change
2018	Q1	£245,073.87	
	Q2	£248,244.63	1.3%
	Q3	£250,244.22	0.8%
	Q4	£248,513.04	-0.7%
2019	Q1	£247,463.02	-0.4%
	Q2	£251,682.01	1.7%
London			
Year	Quarter	Average House Price	Quarterly Change
2018	Q1	£519,238.24	
	Q2	£520,411.98	0.2%
	Q3	£517,059.24	-0.6%
	Q4	£514,975.97	-0.4%
2019	Q1	£504,730.72	-2.0%
	Q2	£512,192.87	1.5%

Table 2.**Mortgage Approval Price vs Asking Price**

UK				
Year	Quarter	Mortgage Approvals Price	Difference	Asking Price
2018	Q1	£218,231	37.8%	£300,684
2018	Q2	£219,116	40.4%	£307,745
2018	Q3	£221,959	37.4%	£305,060
2018	Q4	£220,522	37.1%	£302,239
2019	Q1	£221,578	35.6%	£300,481
2019	Q2	£225,987	36.2%	£307,691
London				
Year	Quarter	Mortgage Approvals Price	Difference	Asking Price
2018	Q1	£473,776	30.8%	£619,905
2018	Q2	£468,845	34.0%	£628,174
2018	Q3	£468,544	31.2%	£614,537
2018	Q4	£466,988	31.5%	£614,044
2019	Q1	£455,594	32.8%	£605,178
2019	Q2	£465,722	32.7%	£618,232

Table 3.
Asking Price vs Sold Price

UK				
Year	Quarter	Asking Price	Difference	Sold Price
2018	Q1	£300,684	-25.4%	£224,319
2018	Q2	£307,745	-26.3%	£226,869
2018	Q3	£305,060	-24.1%	£231,438
2018	Q4	£302,239	-23.8%	£230,274
2019	Q1	£300,481	-24.3%	£227,608
2019	Q2	£307,691	-25.5%	£229,276
London				
Year	Quarter	Asking Price	Difference	Sold Price
2018	Q1	£619,905	-23.1%	£476,653
2018	Q2	£628,174	-23.8%	£478,555
2018	Q3	£614,537	-21.9%	£480,090
2018	Q4	£614,044	-22.4%	£476,273
2019	Q1	£605,178	-22.9%	£466,356
2019	Q2	£618,232	-24.5%	£466,683

Table 4.
All Index House Prices

UK					
Year	Quarter	Land Registry	Nationwide /Halifax	Rightmove	Benhams and Reeves
2018	Q1	£224,319	£218,231	£300,684	£245,074
2018	Q2	£226,869	£219,116	£307,745	£248,245
2018	Q3	£231,438	£221,959	£305,060	£250,244
2018	Q4	£230,274	£220,522	£302,239	£248,513
2019	Q1	£227,608	£221,578	£300,481	£247,463
2019	Q2	£229,276	£225,987	£307,691	£251,682
London					
Year	Quarter	Land Registry	Nationwide	Rightmove	Benhams and Reeves
2018	Q1	£476,653	£473,776	£619,905	£519,238
2018	Q2	£478,555	£468,845	£628,174	£520,412
2018	Q3	£480,090	£468,544	£614,537	£517,059
2018	Q4	£476,273	£466,988	£614,044	£514,976
2019	Q1	£466,356	£455,594	£605,178	£504,731
2019	Q2	£466,683	£465,722	£618,232	£512,193

Offices

London

Canary Wharf
City of London
Colindale
Ealing
Fulham
Greenwich

Hammersmith
Hampstead
Highgate
Hyde Park
Kensington
Kew

Knightsbridge
Nine Elms
Surrey Quays
Wapping
West End

International

China
Hong Kong
India
Malaysia
Singapore