



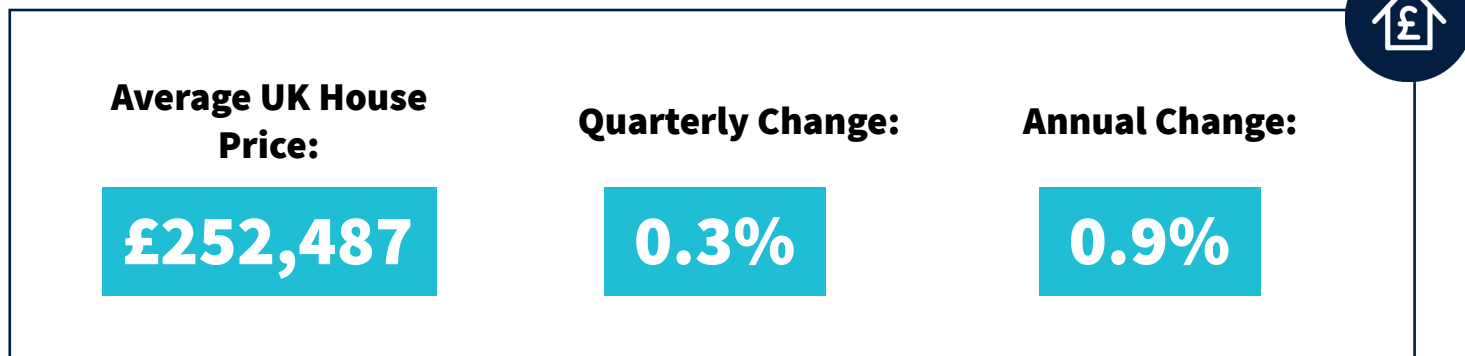
Market Index Review **Q3, 2019**

London's lettings & sales agent

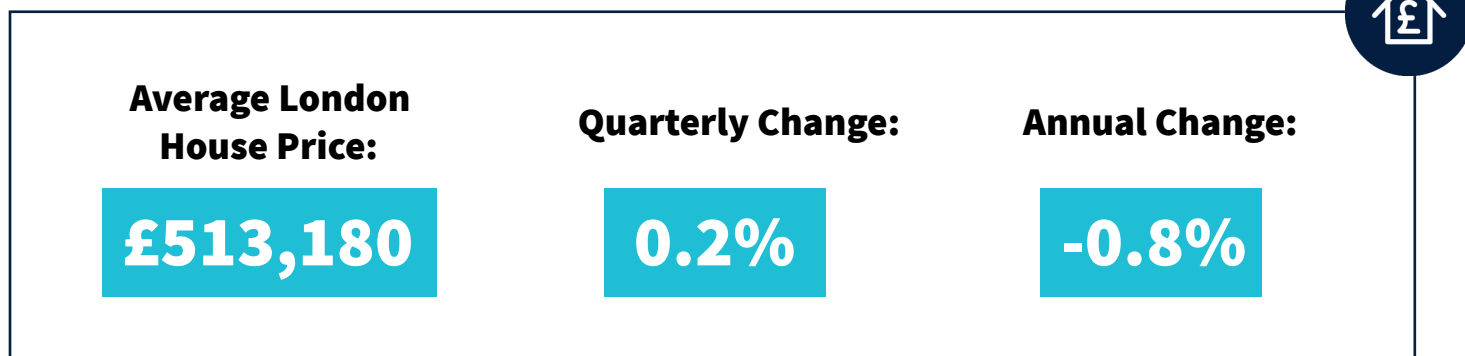
The Benham and Reeves Market Index Review, Q3 2019

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

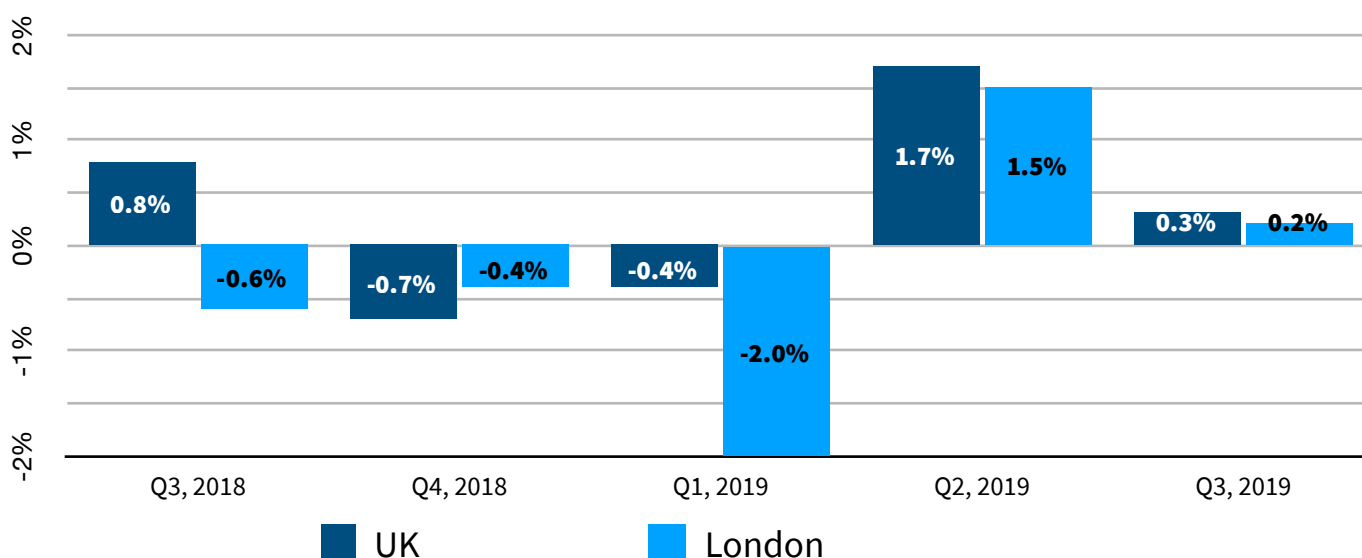


London



Based on a geometric mean of all four existing data sets, Benham and Reeves puts the current average UK house price at £252,487 for the third quarter of 2019, up 0.2% on the previous quarter and 0.9% annually. In London, the current average is £513,180, a slower rate of growth across the capital and while still down annually, the rate of decline has slowed.

Quarterly House Price Growth



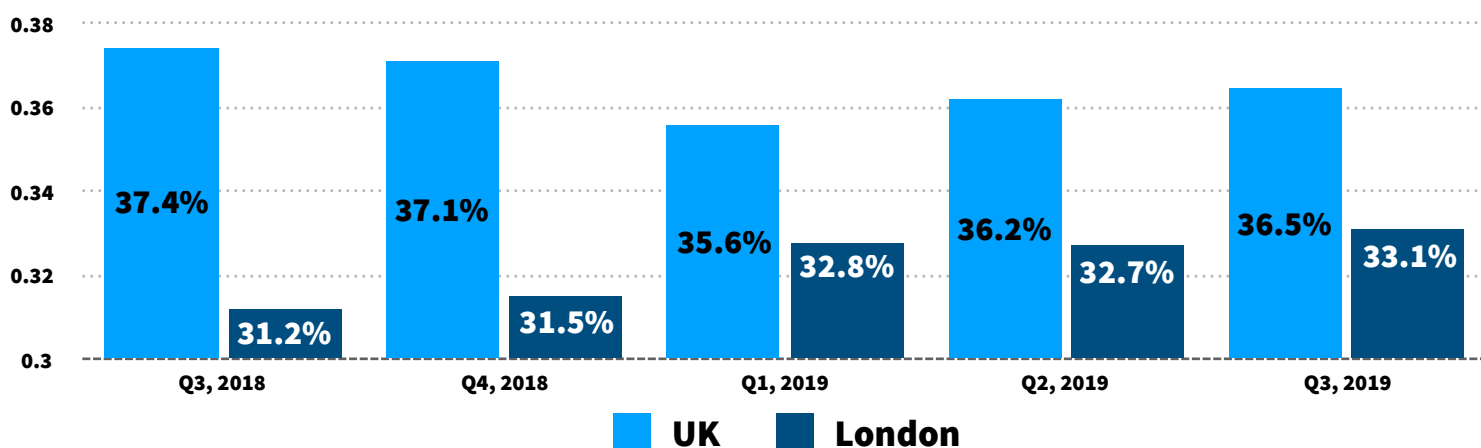
Mortgage Approval Price vs Asking Price

While slower market conditions have caused sellers to reduce their asking price expectations, there is still a notable difference between the average price approved via the big mortgage lenders and the asking price of properties for sale on the market.

Current UK Mortgage Price:		£224,490
Current UK Asking Price:		£306,321
Current London Mortgage Price:		£460,686
Current London Asking Price:		£612,967

The difference between the average mortgage approval price and the average asking price is now at -21.9%, the smallest gap so far in 2019. However, while sellers have reduced asking prices by -0.4% when compared to the previous quarter, the average mortgage approval price has also declined by -0.7% during the same time frame, maintaining the gap between the two.

Percentage Difference Between Mortgage Approval & Asking Price (%)



Director, Marc von Grundherr

An over-inflated asking price is a common occurrence in the market and one often driven by a seller's emotions coupled with the tendency for an agent to overvalue in order to win business.

If you're serious about selling regardless of any market conditions, the key to success is always a realistic price point and this should be based on buyer demand in your local market.

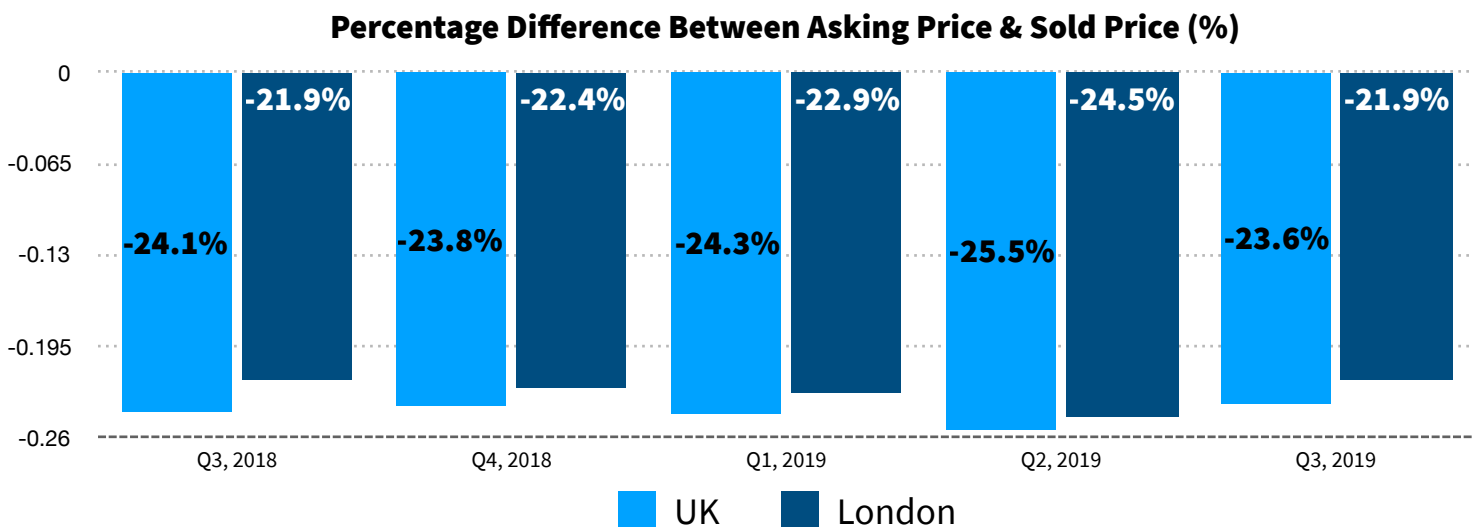
Asking Price vs Sold Price

This over optimism despite a slower market is also apparent when analysing the price being asked by sellers and the actual price properties are selling for according to the Land Registry.

Current UK Asking Price:	✓✓✓ — — —	£306,321
Current UK Sold Price:		£234,075

Current London Asking Price:	✓✓✓ — — —	£612,967
Current London Sold Price:		£478,594

However, the average UK sold price is now -23.6% lower than the average asking price and -21.9% lower in the capital. Although still a notable difference, this is again the smallest gap registered so far this year suggesting a willingness by sellers to lower prices is encouraging buyers to meet in the middle and transact, in turn helping to stimulate sold price growth as a result of heightened market activity.



Director, Marc von Grundherr

With political uncertainty causing a large degree of market turmoil, we've seen many sellers lower their asking price expectations in order to secure a sale. As a result, there has been a slight uplift in sold prices as buyers agree to meet in the middle, however, the deficit between what we believe our homes are worth and what buyers are actually paying remains rather large.

As we enter a new decade we may see this gap continue to close, but the likelihood is that as market activity heightens we will once again see asking prices increase as buyer activity returns and UK home sellers chance their arm at a higher price point."

Table 1.

Benham and Reeves House Price Index				
UK				
Year	Quarter	Average House Price	Quarterly Change	Annual Change
2018	Q1	£245,074	-	-
	Q2	£248,245	1.3%	-
	Q3	£250,244	0.8%	-
	Q4	£248,513	-0.7%	-
2019	Q1	£247,463	-0.4%	1.0%
	Q2	£251,682	1.7%	1.4%
	Q3	£252,487	0.3%	0.9%
Benham and Reeves House Price Index				
London				
Year	Quarter	Average House Price	Quarterly Change	Annual Change
2018	Q1	£519,238	-	-
	Q2	£520,412	0.2%	-
	Q3	£517,059	-0.6%	-
	Q4	£514,976	-0.4%	-
2019	Q1	£504,731	-2.0%	-2.8%
	Q2	£512,193	1.5%	-1.6%
	Q3	£513,180	0.2%	-0.8%

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

UK						
Year	Quarter	Mortgage Approvals Price	Difference	Asking Price	Difference	Sold Price
2018	Q1	£218,231	-27.4%	£300,684	-25.4%	£224,319
2018	Q2	£219,116	40.4%	£307,745	-26.3%	£226,869
2018	Q3	£221,959	37.4%	£305,060	-24.1%	£231,438
2018	Q4	£220,522	37.1%	£302,239	-23.8%	£230,274
2019	Q1	£221,578	35.6%	£300,481	-24.3%	£227,608
2019	Q2	£225,987	36.2%	£307,691	-25.5%	£229,276
2019	Q3	£224,490	36.5%	£306,321	-23.6%	£234,075
London						
Year	Quarter	Mortgage Approvals Price	Difference	Asking Price	Difference	Sold Price
2018	Q1	£473,776	30.8%	£619,905	-23.1%	£476,653
2018	Q2	£468,845	34.0%	£628,174	-23.8%	£478,555
2018	Q3	£468,544	31.2%	£614,537	-21.9%	£480,090
2018	Q4	£466,988	31.5%	£614,044	-22.4%	£476,273
2019	Q1	£455,594	32.8%	£605,178	-22.9%	£466,356
2019	Q2	£465,722	32.7%	£618,232	-24.5%	£466,683
2019	Q3	£460,686	33.1%	£612,967	-21.9%	£478,594

Table 3.**Individual Index Data**

Mortgage Approvals Average House Price*					
Year	Quarter	UK		London	
		Average House Price	Difference	Average House Price	Difference
2018	Q1	£218,231		£473,776	
2018	Q2	£219,116	0.4%	£468,845	-1.0%
2018	Q3	£221,959	1.3%	£468,544	-0.1%
2018	Q4	£220,522	-0.6%	£466,988	-0.3%
2019	Q1	£221,578	0.5%	£455,594	-2.4%
2019	Q2	£225,987	2.0%	£465,722	2.2%
2019	Q3	£224,490	-0.7%	£460,686	-1.1%

*Based on mortgage approval house price data from Halifax and Nationwide

Average Asking Price*					
Year	Quarter	UK		London	
		Average House Price	Difference	Average House Price	Difference
2018	Q1	£300,684		£619,905	
2018	Q2	£307,745	2.3%	£628,174	1.3%
2018	Q3	£305,060	-0.9%	£614,537	-2.2%
2018	Q4	£302,239	-0.9%	£614,044	-0.1%
2019	Q1	£300,481	-0.6%	£605,178	-1.4%
2019	Q2	£307,691	2.4%	£618,232	2.2%
2019	Q3	£306,321	-0.4%	£612,967	-0.9%

***Based on asking price data from Rightmove's House Price Index**

Average Sold Price*					
Year	Quarter	UK		London	
		Average House Price	Difference	Average House Price	Difference
2018	Q1	£224,319		£476,653	
2018	Q2	£226,869	1.1%	£478,555	0.4%
2018	Q3	£231,438	2.0%	£480,090	0.3%
2018	Q4	£230,274	-0.5%	£476,273	-0.8%
2019	Q1	£227,608	-1.2%	£466,356	-2.1%
2019	Q2	£229,276	0.7%	£466,683	0.1%
2019	Q3	£234,075	2.1%	£478,594	2.6%

***Based on sold price data from the Land Registry House Price Index**

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