



**Benham  
& Reeves**  
**Market Index Review**  
**Q2, 2020**

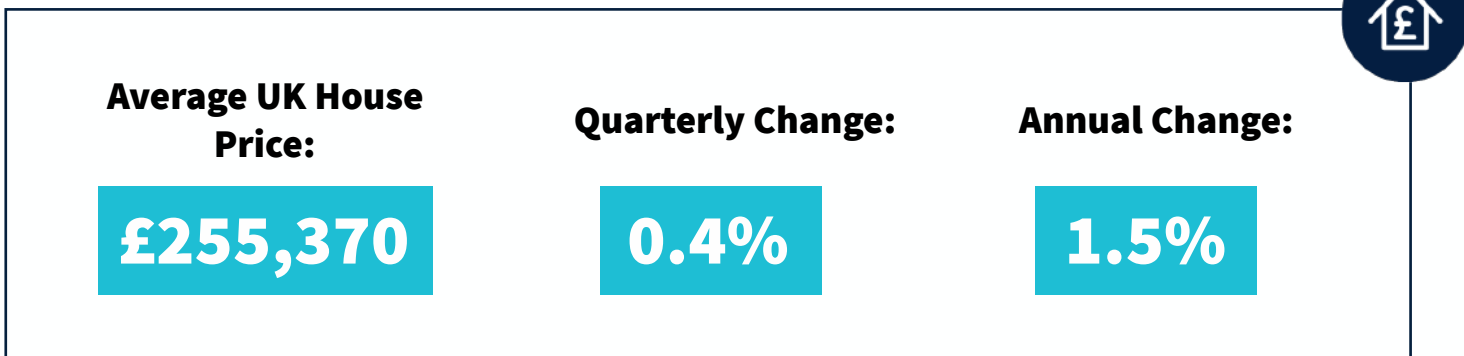
*London's lettings & sales agent*

# The Benham and Reeves Market Index Review, Q2, 2020

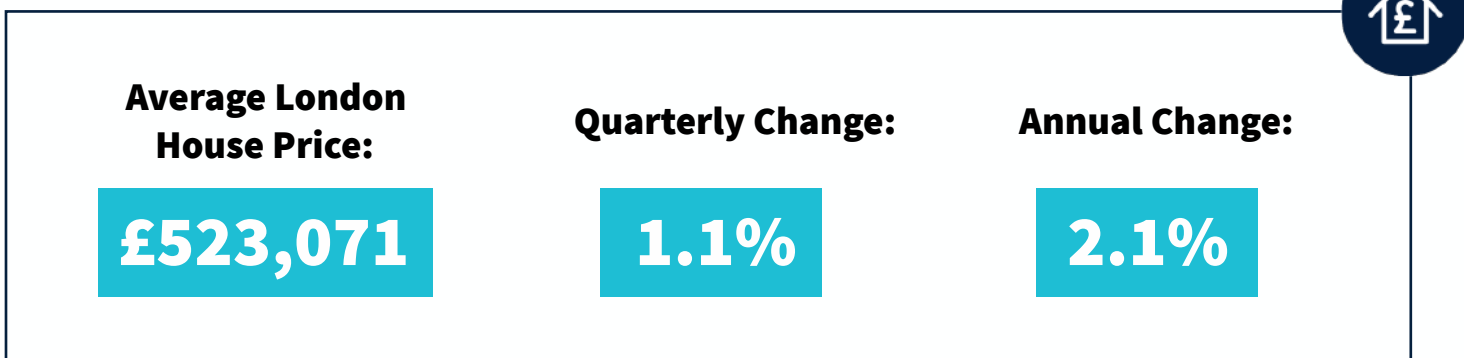
The Benham and Reeves Market Index Review is based on data from the top four existing indices. It looks at where the average house price sits overall when taking into account homebuyer house prices from Halifax and Nationwide, seller expectations via the Rightmove House Price Index, and sold prices from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

## The UK

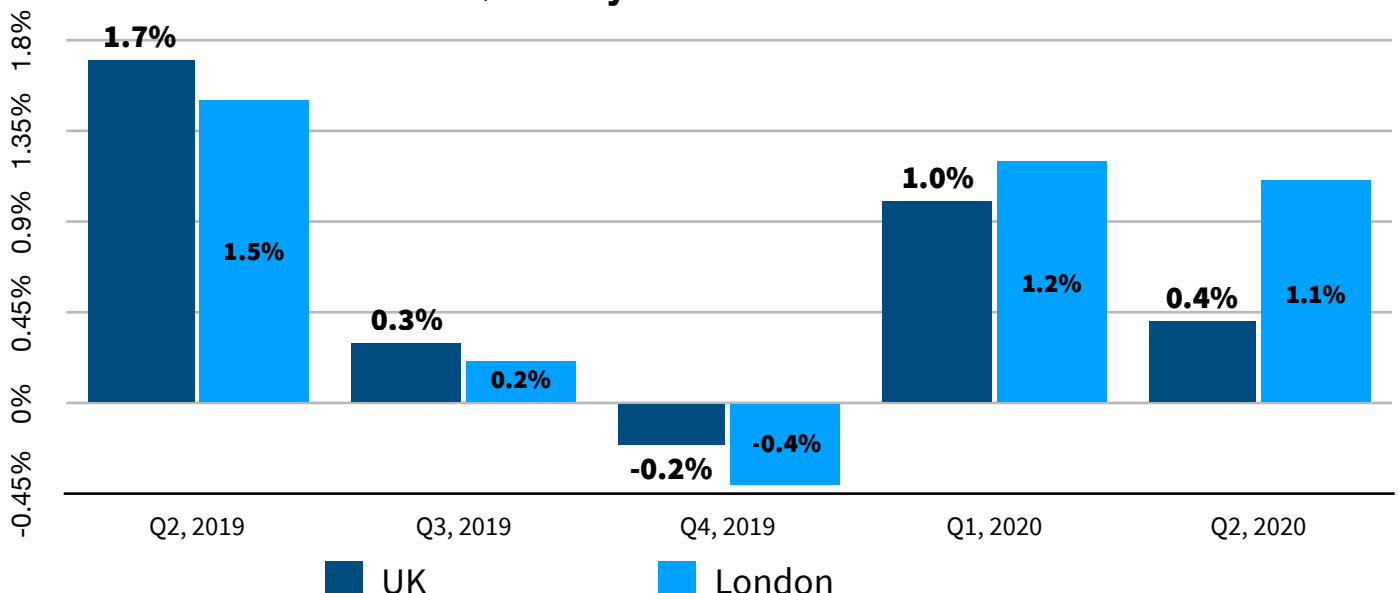


## London



Based on a geometric mean of all four existing data sets, Benham and Reeves puts the current average UK house price at £255,370 for the second quarter of 2020, up 0.4% on the previous quarter and up 1.5% annually. In London, the current average is £523,071 with upward movement on both an annual and quarterly basis, continuing the positive trend set at the start of the year.


## Quarterly House Price Growth



## Mortgage Approval Price vs Asking Price

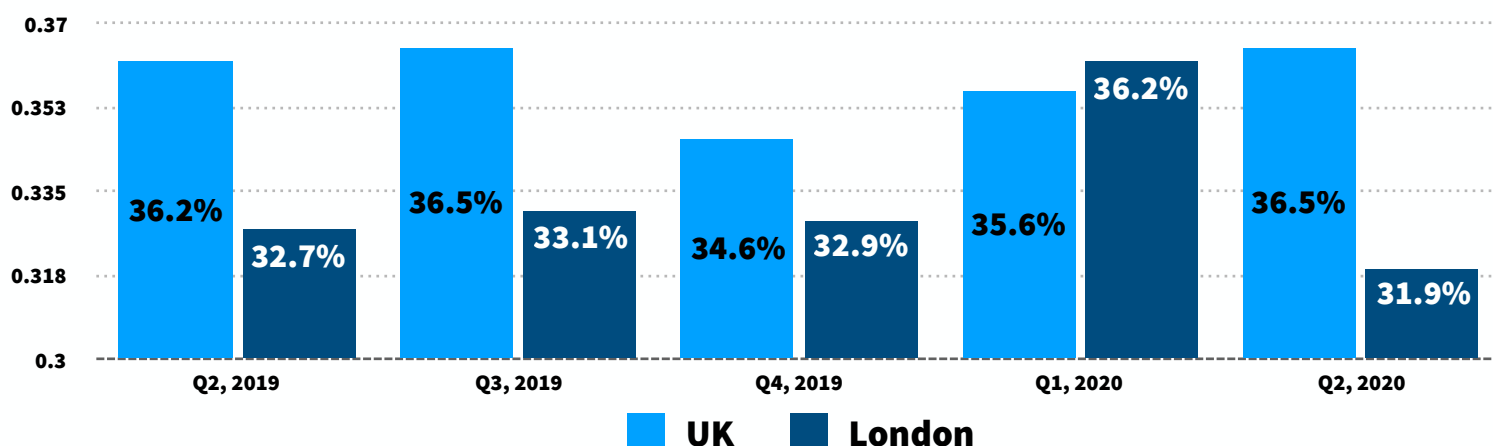
Mortgage approved house prices via Nationwide and Halifax remained largely flat between Q1 and Q2, while asking prices increased by 0.8% according to Rightmove. This means that sellers were pricing 36.5% higher than the amounts committed to by UK buyers funded via mortgages.

<b>Q2 UK Mortgage Price:</b>		<b>£228,511</b>
<b>Q2 UK Asking Price:</b>		<b>£311,950</b>

<b>Q2 London Mortgage Price:</b>		<b>£475,488</b>
<b>Q2 London Asking Price:</b>		<b>£627,339</b>

In contrast to the wider UK market, mortgage based house prices in the capital jumped 3.3% in Q2, while asking prices increased by just 0.1%. As a result, the gap between London buyer and seller expectation reduced to just 31.9%, the smallest gap since Q4 of 2018.

Percentage Difference Between Mortgage Approval & Asking Price (%)



Director, Marc von Grundherr

The London market is an animal of its own and so it's not surprising to see a different trend emerge to the wider UK market.

The data would suggest that London buyers looked to take advantage of great mortgage rates and lower, lockdown price expectations on the parts of sellers, in order to boost their property purchase potential during the second quarter of this year.

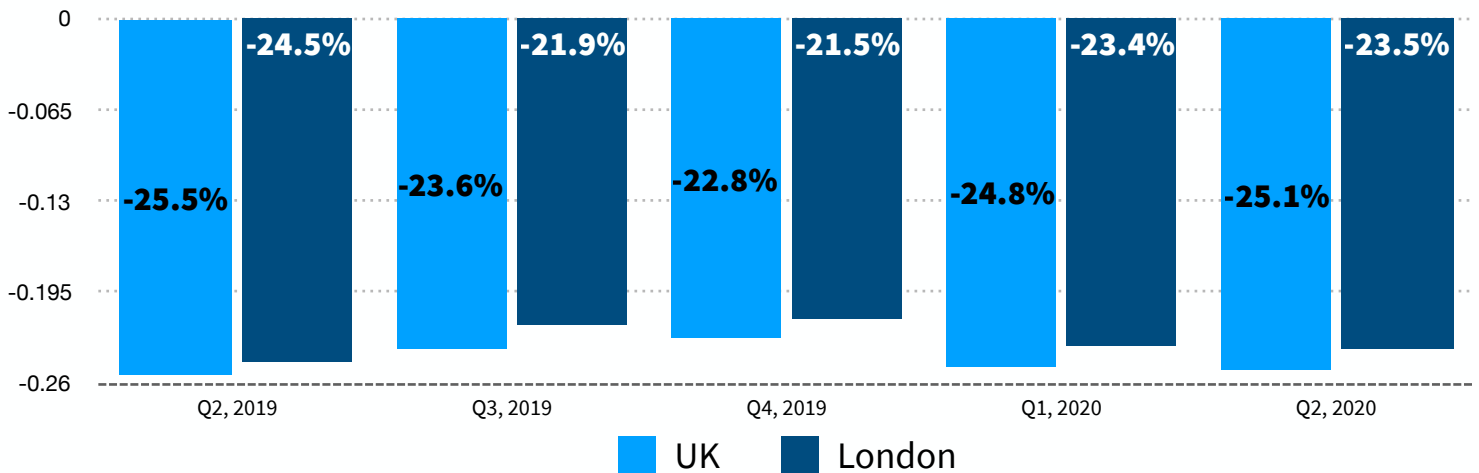
## Asking Price vs Sold Price

The gap between asking and sold prices logged by the Land Registry is currently -25.1% across the UK. This is the largest gap since Q2 of last year and suggests sellers remain over optimistic when first pricing their property to enter the market.

This is also the case in London where the gap between the average London asking price and the average London sold price climbed marginally to -23.5% on a quarterly basis; again the largest gap since the same period last year.



Percentage Difference Between Asking Price & Sold Price (%)



**Director, Marc von Grundherr**

Buyers continued to take advantage of what have been very favourable mortgage rates in Q2, pushing their property purchasing budgets that little further. Sellers have continued to enter the market with somewhat over-optimistic price expectations. But the two have met in the middle to ensure sold prices continue on their upward trajectory.

With the dust having settled on what is arguably the most challenging period for the market since the financial crash, it's hugely reassuring to see that we remain in a very good position and one that should only grow stronger as the months go on.

While further lockdown restrictions may dampen our spirits in the lead up to the festive season, they certainly shouldn't dampen our appetite for homeownership and all in all, we can expect to finish the year in a much better place than we could have thought possible back in March.

## Benham and Reeves House Price Index

### UK

Year	Quarter	Average House Price	Quarterly Change	Annual Change
<b>2018</b>	Q1	£245,074	-	-
	Q2	£248,245	1.3%	-
	Q3	£250,244	0.8%	-
	Q4	£248,513	-0.7%	-
<b>2019</b>	Q1	£247,463	-0.4%	1.0%
	Q2	£251,682	1.7%	1.4%
	Q3	£252,487	0.3%	0.9%
	Q4	£251,914	-0.2%	1.4%
<b>2020</b>	Q1	£254,373	1.0%	2.8%
	Q2	£255,370	0.4%	1.5%

## Benham and Reeves House Price Index

### London

Year	Quarter	Average House Price	Quarterly Change	Annual Change
<b>2018</b>	Q1	£519,238	-	-
	Q2	£520,412	0.2%	-
	Q3	£517,059	-0.6%	-
	Q4	£514,976	-0.4%	-
<b>2019</b>	Q1	£504,731	-2.0%	-2.8%
	Q2	£512,193	1.5%	-1.6%
	Q3	£513,180	0.2%	-0.8%
	Q4	£511,166	-0.4%	-0.7%
<b>2020</b>	Q1	£517,372	1.2%	2.5%
	Q2	£523,071	1.1%	2.1%

UK						
Year	Quarter	Mortgage Approvals	Difference	Asking Price	Difference	Sold Price
2018	Q1	£218,231	37.8%	£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%	£234,074
2019	Q4	£225,188	34.6%	£303,182	-22.8%	£234,167
2020	Q1	£228,344	35.6%	£309,611	-24.8%	£232,813
2020	Q2	£228,511	36.5%	£311,950	-25.1%	£233,643

London						
Year	Quarter	Mortgage Approvals	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
2019	Q4	£458,363	32.9%	£609,315	-21.5%	£478,227
2020	Q1	£460,266	36.2%	£626,687	-23.4%	£480,121
2020	Q2	£475,448	31.9%	£627,339	-23.5%	£479,817

## Offices

### London

Canary Wharf  
City of London  
Colindale  
Ealing  
Fulham  
Hammersmith

Hampstead  
Highgate  
Hyde Park  
Kensington  
Kew  
Knightsbridge

Nine Elms  
Shoreditch  
Surrey Quays  
Wapping

### International

China  
Hong Kong  
India  
Malaysia  
Singapore