reallymoving House Price Forecast

June 2019: UK property prices on course for summer surge

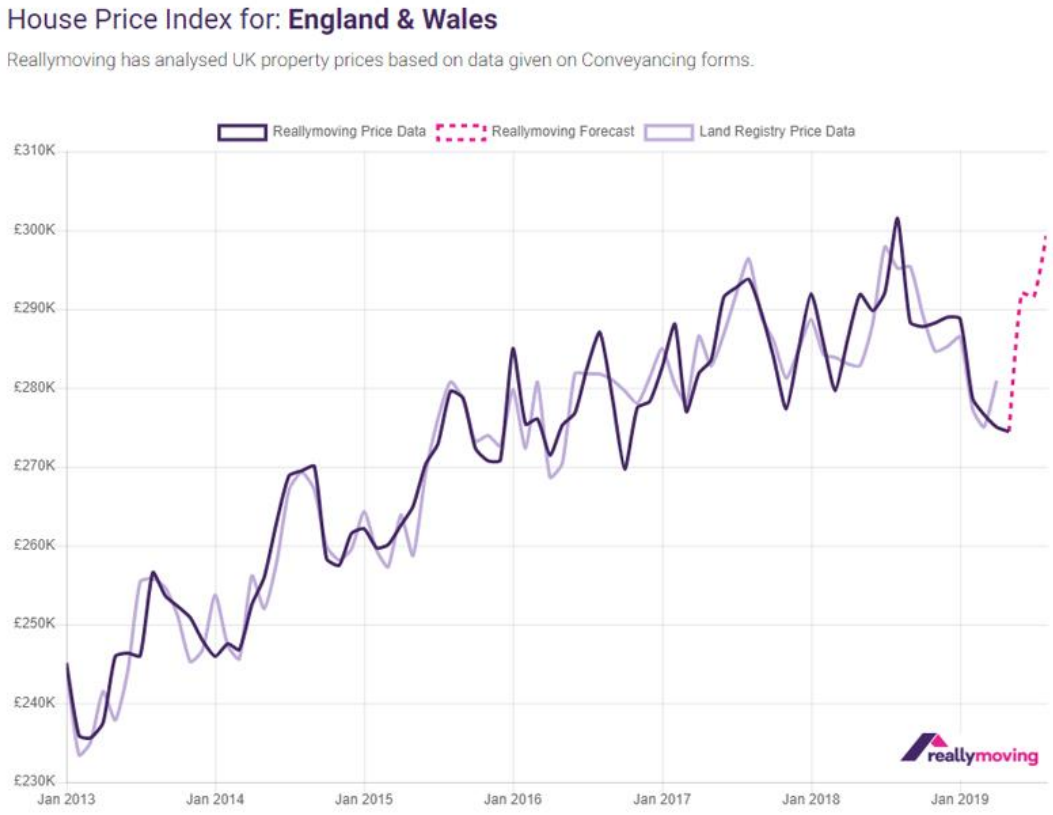
- Analysis of sale prices agreed suggests house prices will benefit from a significant summer uplift
- Average prices are set to rise by 9% in the three months between May and August 2019
- Average UK property prices remained stable in May 2019 compared to previous month (-0.2% change)
- Introducing reallymoving's inaugural House Price Forecast www.reallymoving.com/house-price-forecast

Month	Average price agreed	Monthly change %	Annual change %
April 2019 (actual)	£275,022	-1%	-4%
May 2019 (actual)	£274,439	0%	-6%
June 2019 (forecast)	*£291,990*	*+6%*	*+1%*
July 2019 (forecast)	*£291,542*	*0%*	*0%*
August 2019 (forecast)	*£299,300*	*+3%*	*-1%*

The UK property market is on track for a remarkable upturn in sale prices at the start of this summer based on sales agreed this spring, predicts reallymoving in its inaugural House Price Forecast, released today, which predicts a 9% surge in average prices in the three months between May and August 2019.

As homebuyers register for quotes for home move services on the site typically twelve weeks before their purchase completes, providing data on the purchase price agreed, reallymoving is able to provide an accurate three-month property price forecast before those deals complete three months later. Historically, reallymoving's data has closely tracked the Land Registry's Price Paid data, published retrospectively (see Graph 1).

Graph 1: reallymoving House Price Index (England and Wales) including 3-month price forecast



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Monthly price changes

Average UK property prices fell steadily between January and April 2019 as Brexit uncertainty gripped the market, held-back consumer confidence and curtailed transaction levels.

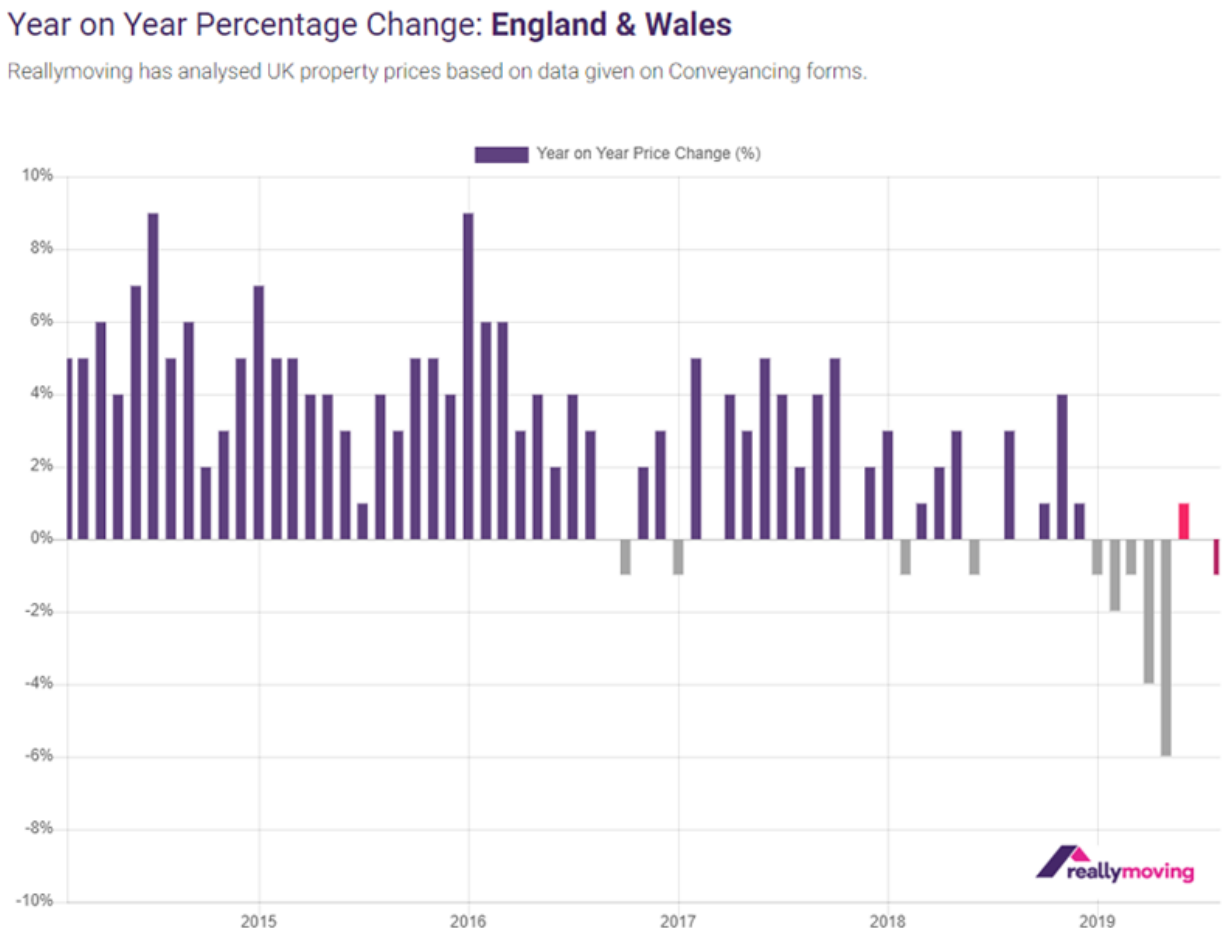
But despite a slow start, the spring market has shown a good deal of resilience, with prices agreed during the past few weeks forecast to deliver a surge in average values of 6% between May and June 2019, followed by a further 3% increase in August. The market is following a similar pattern to spring/summer 2018, when the Land Registry recorded price rises of +4.4% between May and August 2018, but this year, greater pent up demand and growing impatience with the Brexit process has resulted in a more pronounced increase in house prices during the summer period.

Annual price changes

Annually, prices have been consistently lower than the previous year between January and May 2019. A notable annual drop in values in May 2019 of -6% (see Graph 2) is further evidence that this year the spring market has accelerated later than in 2018, as the traditionally busy spring sales window was delayed by Brexit uncertainty.

However, an increase in market activity later in the spring means annual price changes are forecast to stabilise, with +1% growth expected in June, followed by 0% change in July and -1% in August 2019.

Graph 2: Year on Year average price changes (England and Wales) including 3-month forecast



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Regional Forecasts

The map below shows the forecast percentage change in regional house prices for August, relative to current figures seen in May. This gives an indication of how house prices are set to change over the next three months.

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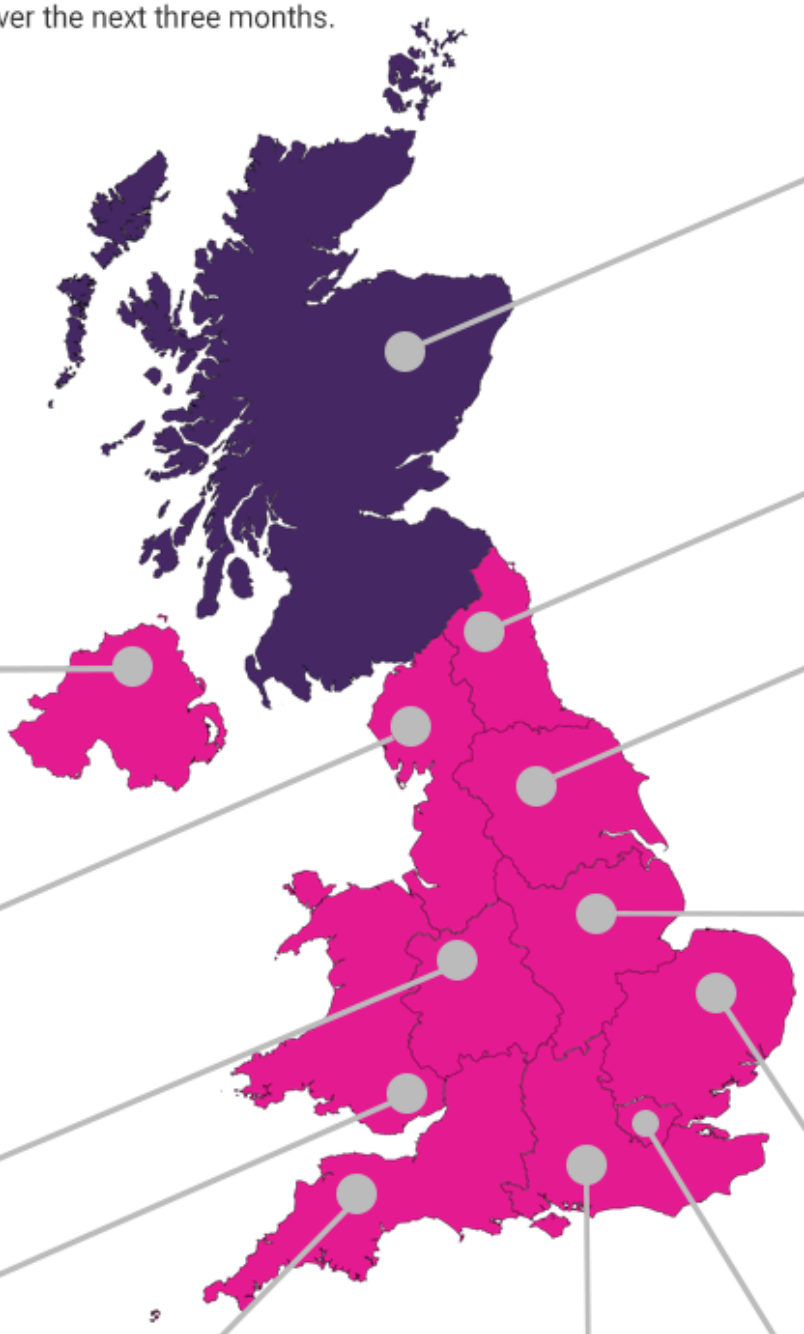
Forecast increase

Forecast decrease



Scotland	
Ave price May-19	£194,887
Forecast Aug-19	£189,962
3-month % change	-2.5%

North East	
Ave price May-19	£156,538
Forecast Aug-19	£188,088
3-month % change	20.2%

Northern Ireland	
Ave price May-19	£179,871
Forecast Aug-19	£183,171
3-month % change	1.8%

Yorkshire & Humber	
Ave price May-19	£187,079
Forecast Aug-19	£195,443
3-month % change	4.5%

North West	
Ave price May-19	£193,384
Forecast Aug-19	£206,791
3-month % change	6.9%

East Midlands	
Ave price May-19	£219,151
Forecast Aug-19	£224,575
3-month % change	2.5%

West Midlands	
Ave price May-19	£224,045
Forecast Aug-19	£225,161
3-month % change	0.5%

East of England	
Ave price May-19	£310,198
Forecast Aug-19	£346,412
3-month % change	11.7%

Wales	
Ave price May-19	£184,431
Forecast Aug-19	£200,236
3-month % change	8.6%

South West	
Ave price May-19	£274,254
Forecast Aug-19	£307,421
3-month % change	12.1%

South East	
Ave price May-19	£356,054
Forecast Aug-19	£387,678
3-month % change	8.9%

London	
Ave price May-19	£539,620
Forecast Aug-19	£556,536
3-month % change	3.1%

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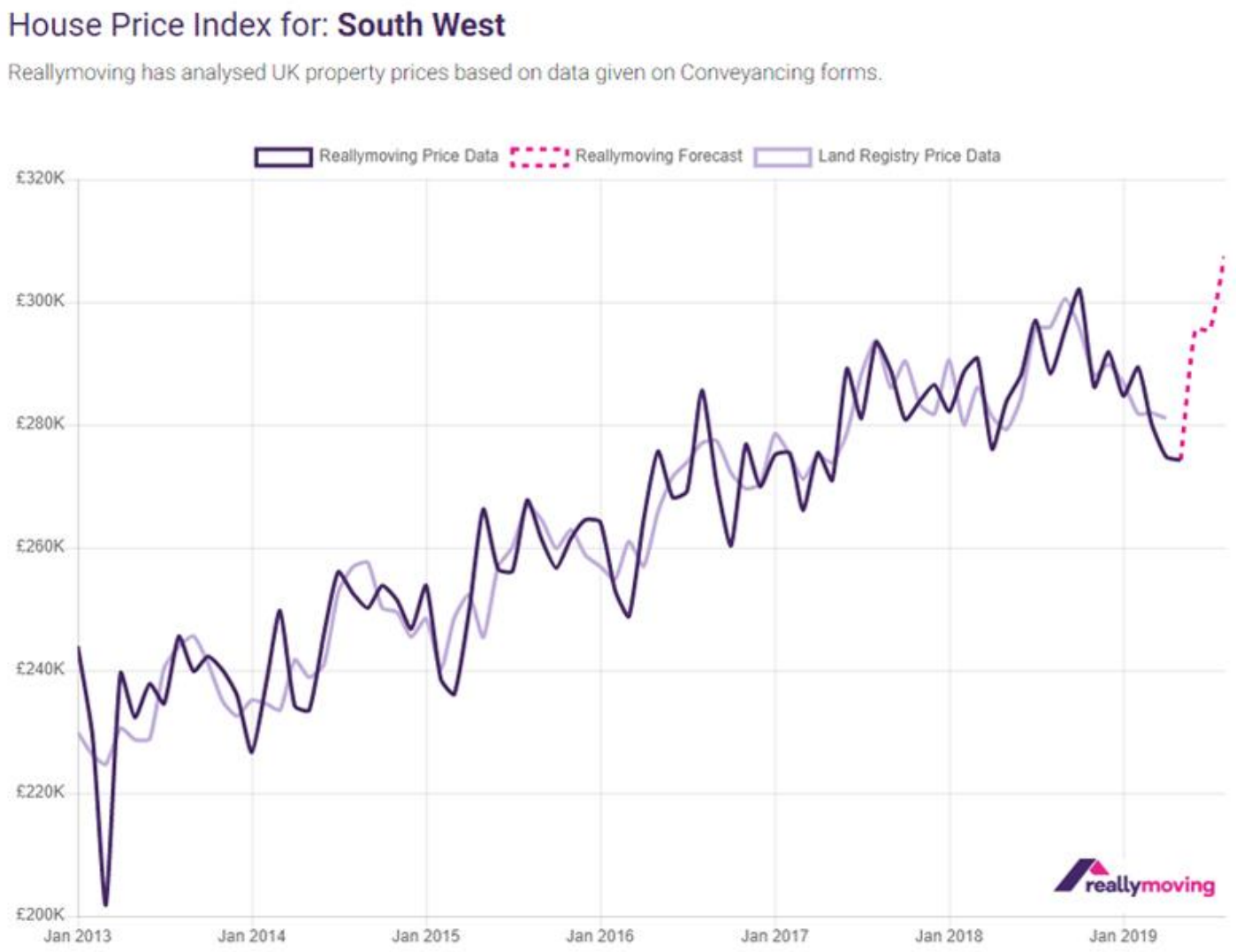
Of the twelve regions of the UK, eleven are forecast to see prices rise during the three months to August 2019, with the strongest gains in the North East (+20%), the East of England and the South West (+12% - see Graph 3), suggesting that almost all of the UK is experiencing growing frustration with the continued uncertainty and deciding to press ahead with a home move. The capital is no exception and although growth is more subdued than in other parts of the country, London is still forecast to see prices rise by +3% over the summer period.

Meanwhile, Scotland is the only region of the UK expected to see property price falls, with a -3% drop anticipated between May and August 2019.

Graph 3: reallymoving House Price Index (South West) including 3-month price forecast

Reallymoving's online House Price Forecast is an interactive tool providing house price information and forecasts for every region of the UK, from January 2013 to present, alongside Land Registry price paid data. Highlighting the South West this month, prices have been fairly flat since the start of the year but are on course for a +8% increase in June, followed by a further +4% increase in August, as a burst in market activity in the spring translates to summer completions.



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Analysis and commentary

Rob Houghton, CEO of reallymoving, comments: *"Prices agreed this spring will show in Land Registry data in the summer, yet our customers registering for home move services as soon as their deal is agreed are giving us unique insight into what lies ahead for the housing market.*

"Our forecasts suggest that sellers are growing tired of the 'wait and see' approach and once the Brexit deadline passed at the end of March, with no further clarification, sellers decided to press ahead with their move. This new buyer demand and a continued shortage of quality housing stock is on course to drive strong price growth between May and August, with particular surges in regions benefiting from strong demand such as the North East and the South West, where affordability remains attractive and wages are rising.

"Annually, average UK prices have been falling since the start of the year but in June we can expect prices to see a return to positive growth with a rise of +1% year on year, followed by 0% change in July. This suggests that a strong market performance over the spring will see prices make up the value lost in the first part of 2019 and are set to recover to 2018 levels this summer.

"There is considerable pent up demand in the market following three years of uncertainty and with many doubting that Brexit will be resolved any time soon, people are increasingly making the decision to move on regardless."

-- ENDS --

Notes to Editors

About the reallymoving House Price Forecast

The reallymoving House Price Forecast, which launched in June 2019, uses average house prices calculated from data submitted on conveyancing quote forms at reallymoving.com. Registrations for conveyancing quotes are completed typically twelve weeks prior to the transaction date, giving reallymoving a unique perspective and ability to accurately forecast house prices three months ahead. As such, forecasted data for June-August 2019 is based on registrations from March – May 2019 respectively.

Reallymoving recognises that, as a price comparison site, its average user profile is skewed towards the lower end of the market. Therefore, forecast values are lifted by the average difference seen between reallymoving and Land Registry Price Paid data during the previous quarter. The difference is fairly constant in percentage terms.

Only non-commercial properties between £40,000 and £2,000,000 are included in the calculation, to account for errors in submitting the quote form.

Between June 2018 and May 2019, reallymoving analysed data from 99,398 completed conveyancing quote forms to form the basis of its property price forecasts.

For a full interactive analysis of UK property prices and forecasts with regional breakdowns, please visit: https://www.reallymoving.com/house-price-forecast

About reallymoving

Launched in 1999 and celebrating its 20th birthday this year, reallymoving has become the UK's leading provider of free instant quotes for home-moving services, serving its 2 millionth customer at the beginning of 2018. It is an independent and privately financed company, majority owned by its management and Directors.

During 2018 reallymoving received 270,000 registrations and generated 990,000 quotes on behalf of its UK-wide network of partners, representing approximately £200 million worth of work in 12 months. reallymoving.com believes approximately 20% of the UK's home buyers in 2018 received quotes from the site.

reallymoving provides instant quotes for Conveyancing, Surveys, Removals, Home Reports (in Scotland) and Energy Performance Certificates.

www.reallymoving.com

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