

reallymoving House Price Forecast

January 2020: Strong annual growth forecast for first quarter

- Average house prices in England and Wales to dip by 1.7% over first quarter of 2020
- Positive annual growth expected over next three months, reaching 3.7% in February 2020
- Increased certainty following General Election has yet to translate to growth in sale prices agreed

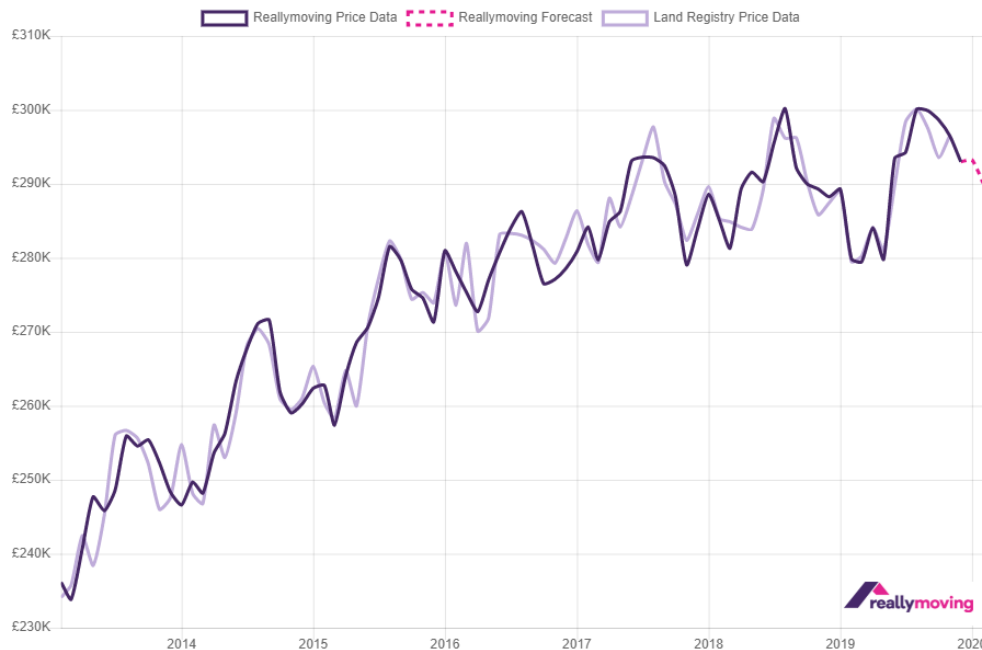
Month	Average price agreed	Monthly change %	Annual change %
November 2019 (actual)	£296,459	-0.7%	2.5%
December 2019 (actual)	£292,991	-1.2%	1.6%
January 2020 (forecast)	£293,231	0.1%	1.4%
February 2020 (forecast)	£290,139	-1.1%	3.7%
March 2020 (forecast)	£288,070	-0.7%	3.1%

Annual growth in average house prices in England and Wales will remain in positive territory throughout the first quarter of the year, according to reallymoving's House Price Forecast January 2020, released today. This trend of positive year on year growth, which began in July 2019 and is on track to continue through to at least March, highlights the underlying stability of the housing market during a tumultuous period politically and economically.

Month on month, however, house prices are on course to fall by 1.7% over the first quarter of 2020 (January to March), with any anticipated 'Boris bounce' in housing market activity failing to materialise in the value of deals agreed prior to Christmas, following the decisive Conservative win in December's General Election.

As homebuyers register for quotes for home move services on the site typically twelve weeks before their purchase completes, reallymoving is able to provide an accurate three-month property price forecast based on the purchase price agreed. Historically, reallymoving's data has closely tracked the Land Registry's Price Paid data, published retrospectively (see Graph 1). This forecast is based on mix-adjusted data from sales agreed in October, November and December 2019, which are on course to complete over the next three months.

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



Monthly price changes

Average house prices in England and Wales will increase by 0.1% in January 2020 followed by a decline of -1.1% in February and -0.7% in March. The path to Brexit at the end of January is now clear, which could result in a surge in activity and price growth in the spring, but the election taking place so close to Christmas prohibited an immediate bounce which would have been evident in the March data.

It's likely that a significant proportion of buyers will remain reluctant to commit until there is greater certainty around the UK's future relationship with the EU and the possible implications for jobs, the housing market and the wider economy.

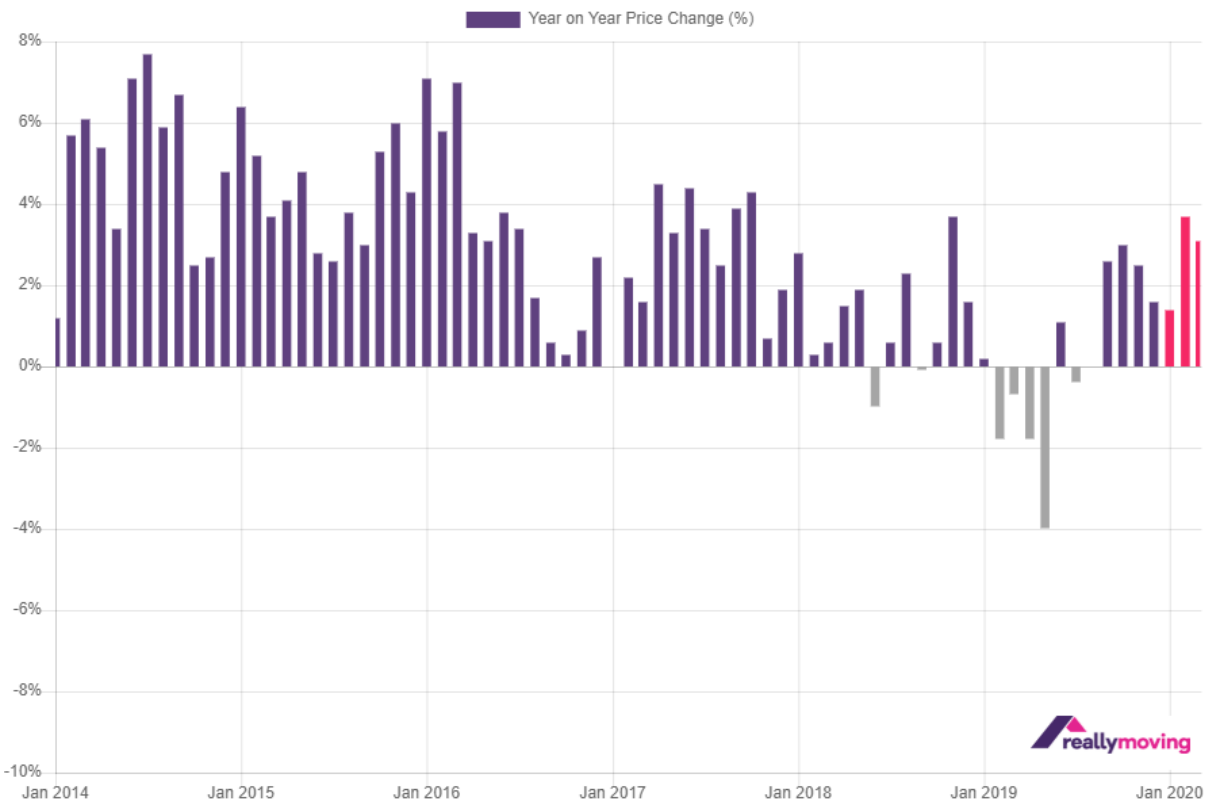
Minor price falls are typical at the start of the year and despite the wider political turmoil of the past few months, the housing market is continuing to follow its usual seasonal patterns with prices remaining largely stable.

Annual price changes

Annual growth has been in positive territory since July 2019 and is set to remain so throughout the first three months of the year, with 1.4% annual growth forecast for January, followed by 3.7% in February and 3.1% in March when the average price will be £288,070 compared to £279,452 in March 2018.

The market performed poorly in the early part of 2019, providing a low base for annual growth in 2020, yet such a sustained period of positive year on year growth is encouraging and highlights the underlying strength of the market despite uncertainty over Brexit and fragile consumer confidence. A shortage of homes, low unemployment and cheap borrowing costs have helped support buyer activity and people who need to move home have continued to get deals done.

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

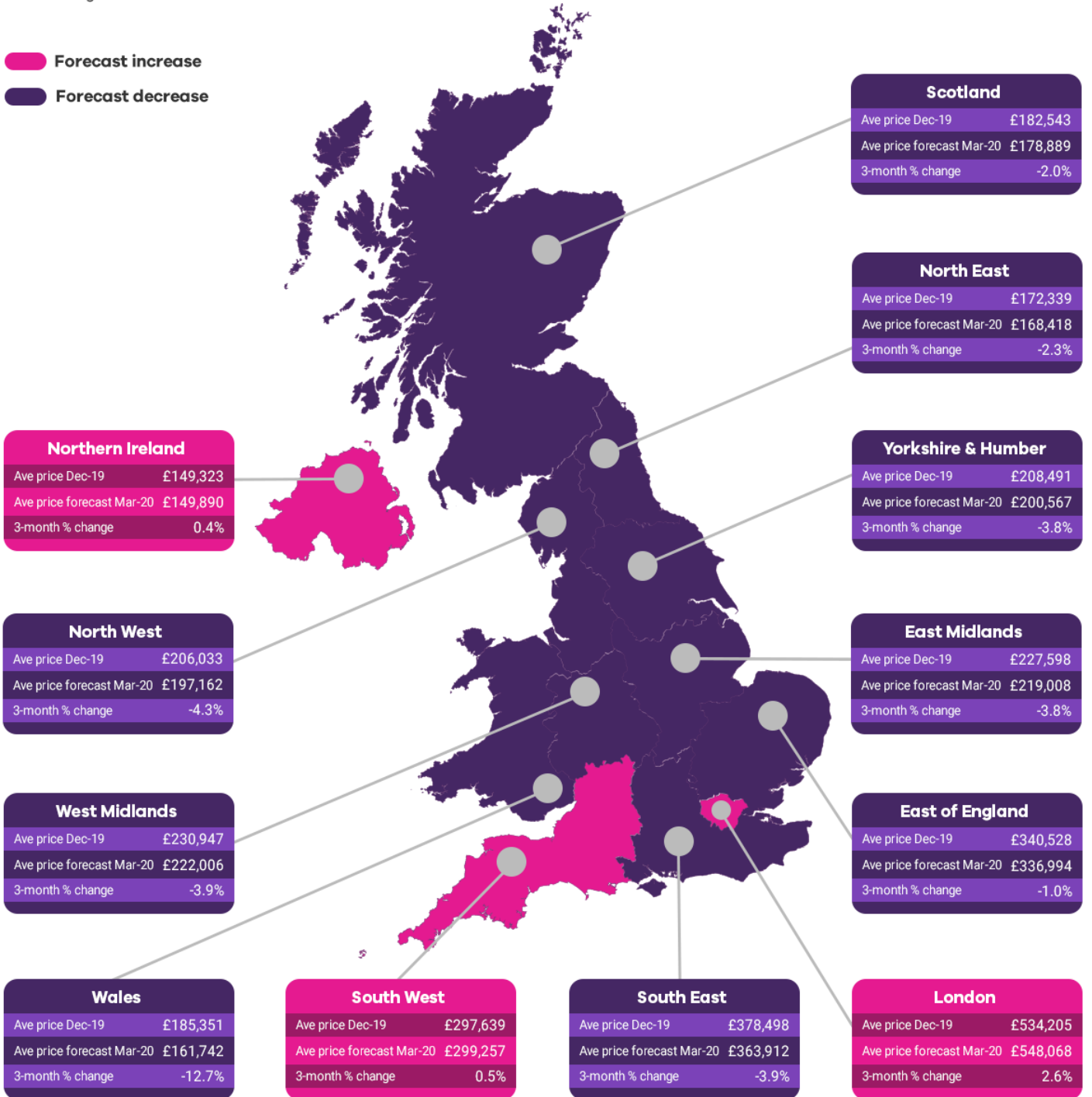


Regional Forecasts

The map below shows the forecast percentage change in regional house prices for March 2020, relative to current figures seen in December 2019. This gives an indication of how house prices are set to change over the next three months.



■ Forecast increase
■ Forecast decrease



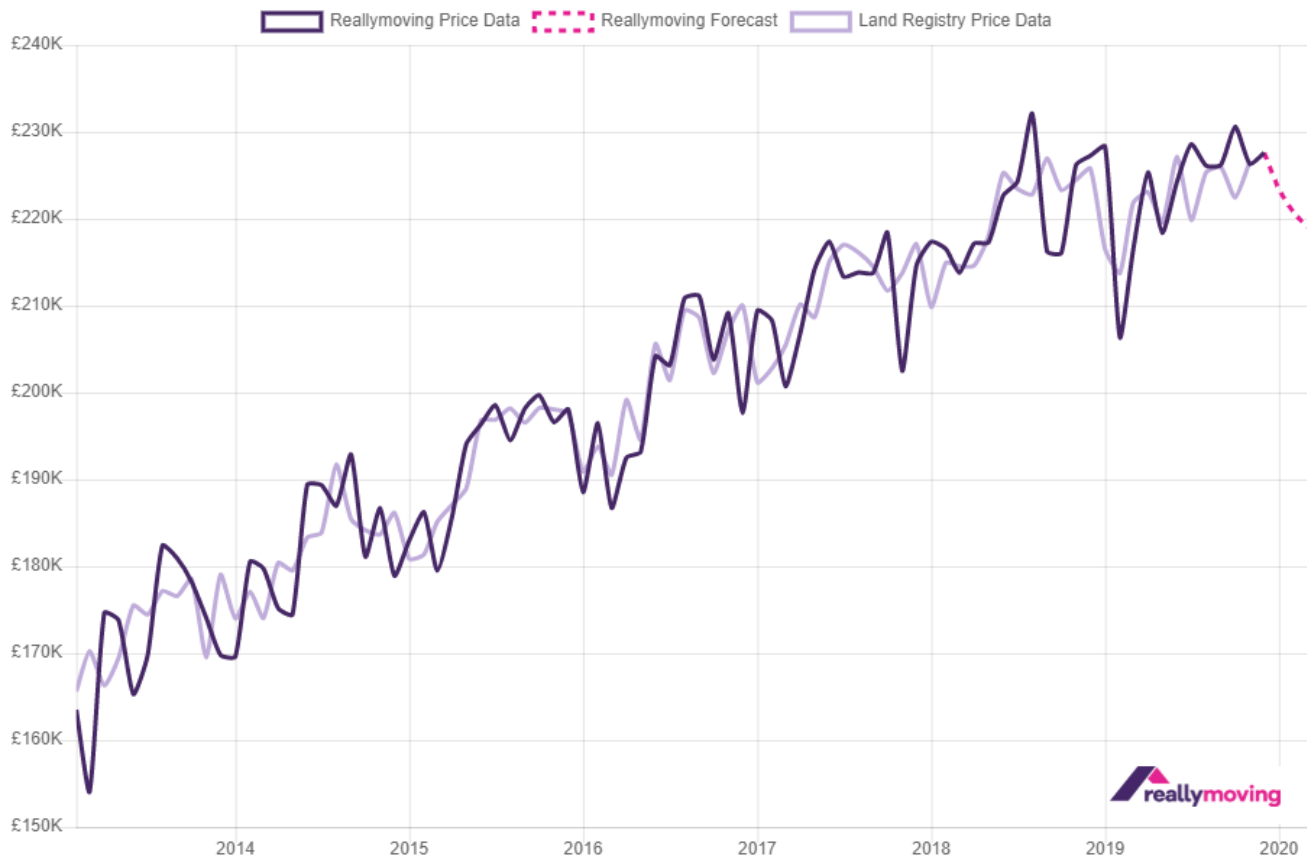
Regional 3-month price forecasts

Three quarters of the UK's regions are on course to see average house prices fall over the first quarter of 2020, with the largest declines in Wales (-12.7%, although a smaller dataset is likely to contribute to volatility), the South East (-3.9%), the West Midlands (-3.9%) and the East Midlands (-3.8%).

Only London, the South West and Northern Ireland can expect values to rise during January to March, with London seeing prices surge by 5% in January as a result of deals agreed in October, contributing to an overall increase of 2.6% in the capital over the quarter.

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 East Midlands this month, average prices are set to fall by -3.8% over the next three months from £227,598 in December 2019 to £219,008 in March 2020, making it the only part of the UK to see consistent monthly price falls over the first quarter of the year.

Graph 3: reallymoving House Price Index (East Midlands) including 3-month price forecast



Analysis and commentary

Rob Houghton, CEO of reallymoving, comments:

“A forecast of continued positive annual growth confirms that the market is performing consistently more strongly than twelve months ago and consumer confidence in the housing sector is growing. But despite the UK's imminent departure from the EU later this month there are still many questions about our future relationship which will deter buyers who don't need to move urgently, curbing the potential for strong price growth during 2020.”



“Those who are hoping for a ‘Boris bounce’ in house prices in March as a result of sales agreed straight after the Conservatives’ decisive election victory in December will have to wait a little longer. It’s likely that Christmas put a dampener on any immediate post-election flurry of activity from buyers, but we may see the delayed impact of this activity in January reflected in house price growth later in the spring.”

-- ENDS --

Notes to Editors

About the reallymoving Property Price Index

The Index, which launched in May 2019, uses average house prices calculated from data submitted on conveyancing quote forms at reallymoving.com. Registrations for conveyancing quotes are completed typically three months prior to the transaction date, giving reallymoving a unique perspective and forecast of house prices. As such, forecasted data for January – March 2020 is based on registrations from October – December 2019 respectively.

The data is mix adjusted with seasonally adjusted data available on request.

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 October 2018 – December 2019, reallymoving analysed data from 16,267 completed conveyancing quote forms to form the basis of its average property price projections for January 2020 – March 2020.

About reallymoving

Launched in 1999 and celebrating its 20th birthday last 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 2019 reallymoving received 270,000 registrations and generated 1,050,000 quotes on behalf of its UK-wide network of partners, representing approximately £190 million worth of work in 12 months. Reallymoving believes approximately 9% of the UK's home movers in 2019 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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