

reallymoving House Price Forecast

December 2019: Dawn of new decade will bring fall in house prices

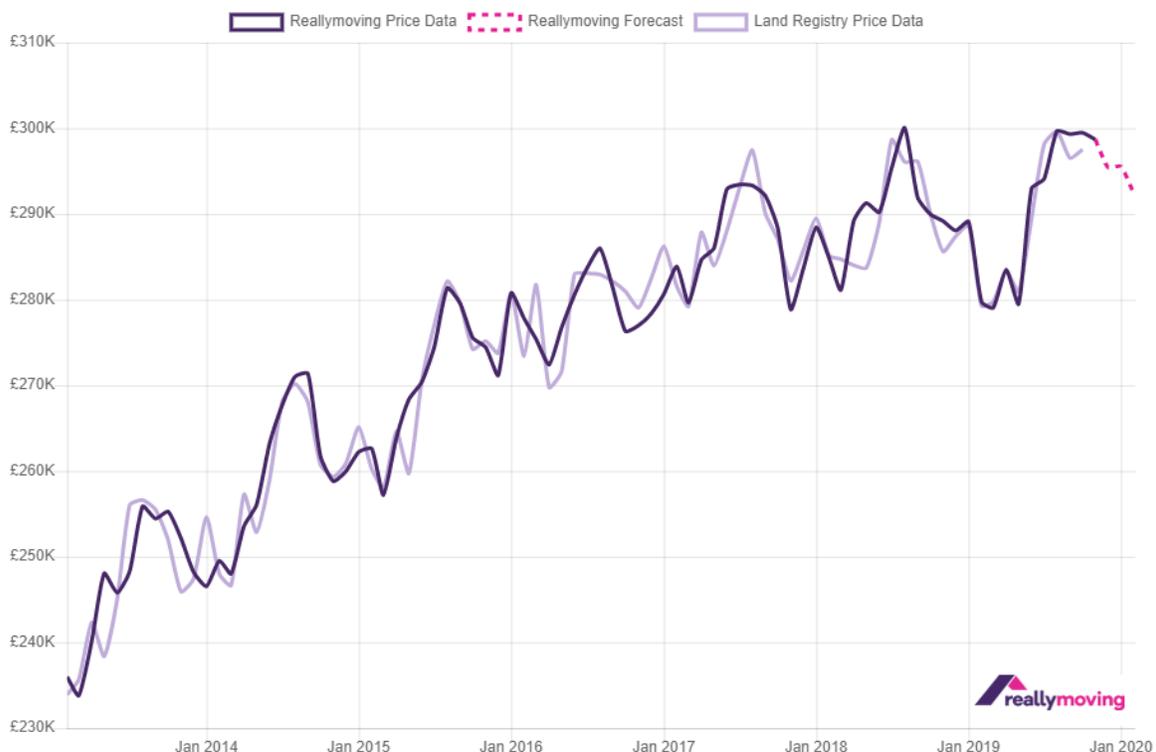
- Average house prices to dip by 2.1% over the next three months (December 2019 to February 2020)
- Annual growth remains positive with values in February set to be 4.5% higher than in February 2019
- Market continuing to follow seasonal trends despite General Election and wider political uncertainty

| Month | Average price agreed | Monthly change % | Annual change % |
|--------------------------|----------------------|------------------|-----------------|
| October 2019 (actual) | £299,486 | 0.1% | 3.3% |
| November 2019 (actual) | £298,682 | -0.3% | 3.3% |
| December 2019 (forecast) | £295,451 | -1.1% | 2.6% |
| January 2020 (forecast) | £295,559 | 0.0% | 2.2% |
| February 2020 (forecast) | £292,367 | -1.1% | 4.5% |

House prices in England and Wales are set to fall by 2.1% (1.4% when seasonally adjusted) over the next three month period (December 2019 to February 2020) as we head into a new decade, yet annual growth will remain in positive territory despite a General Election and further delays to the UK's anticipated departure from the EU, according to the reallymoving House Price Forecast December 2019, released today.

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 September, October and November 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 prices in England and Wales are set to decline by 1.1% in December, remain stable in January (0% change) and fall again by 1.1% in February 2020. Price falls in February are typical and despite the wider political context, the housing market is continuing to follow its usual seasonal pattern.

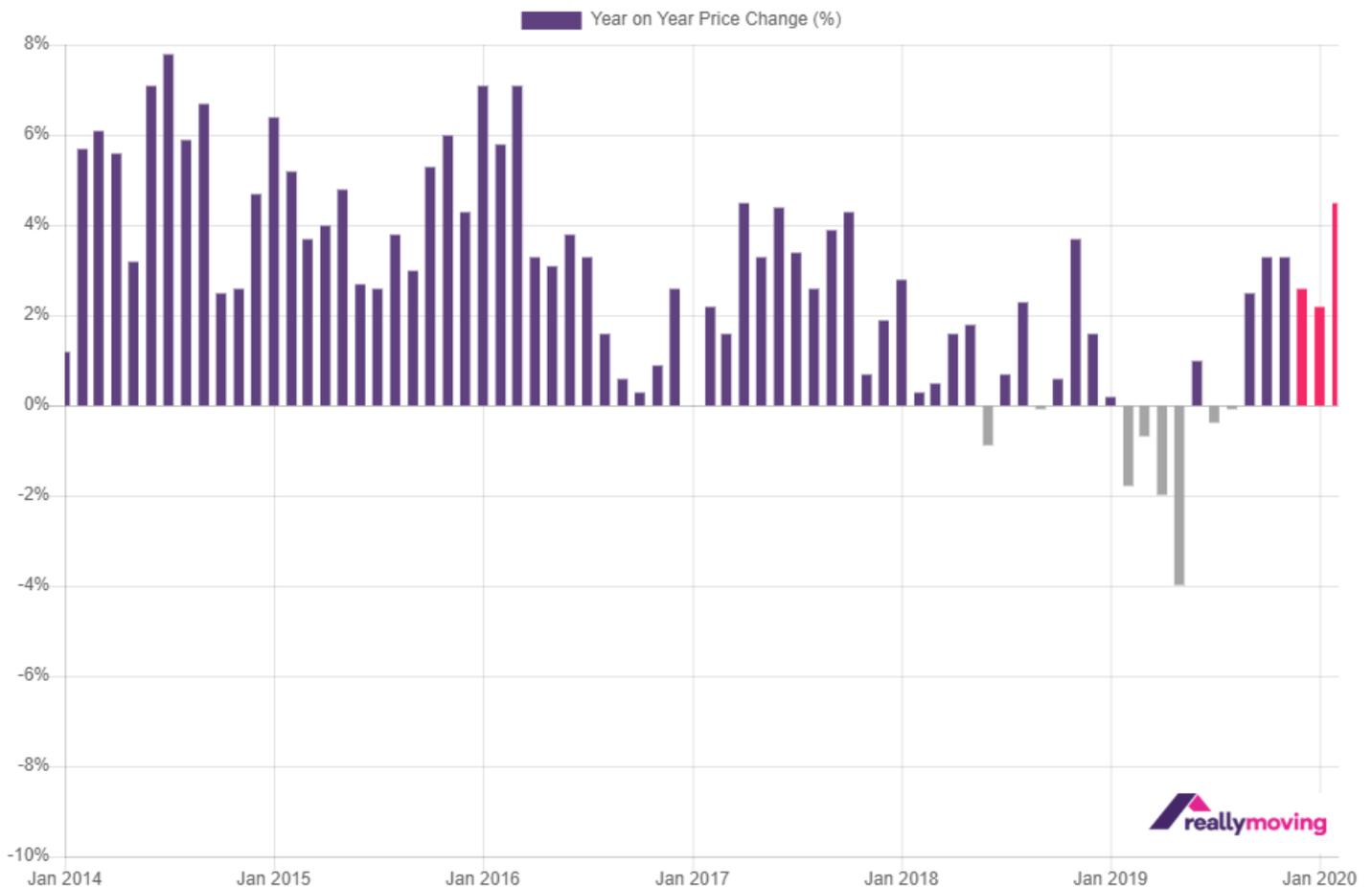
Encouraged by extremely low borrowing costs and a strong jobs market, increasing numbers of buyers and sellers are agreeing deals, as evidenced by the most recent HMRC transaction data (October 2019) which shows a 4.3% monthly increase and 4.3% annual increase in property transactions.

Annual price changes

Year on year, house prices continue to perform more strongly, albeit against a relatively poor performance last autumn when prices fell by -4% between the end of summer and the end of the year (August to December 2018).

The housing market in England and Wales is on track to see positive annual growth of 2.6% in December, 2.2% in January and 4.5% in February 2020 when the average price will be £292,367 compared to £279,764 in February 2019. This trend is supported by the most recent Land Registry Price Paid data which shows 2.5% annual growth in October 2019.

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



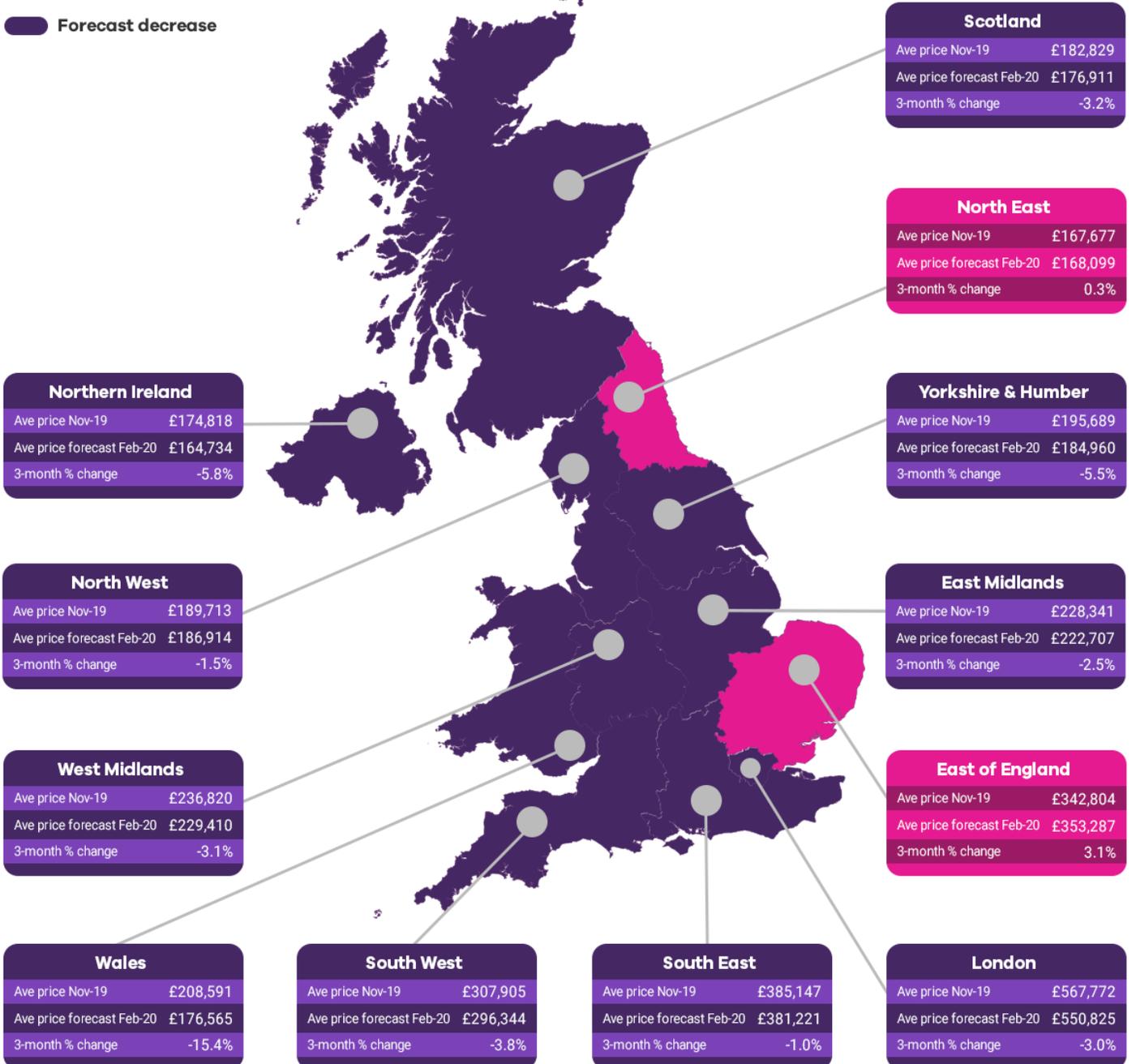
Regional Forecasts

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



■ Forecast increase

■ Forecast decrease



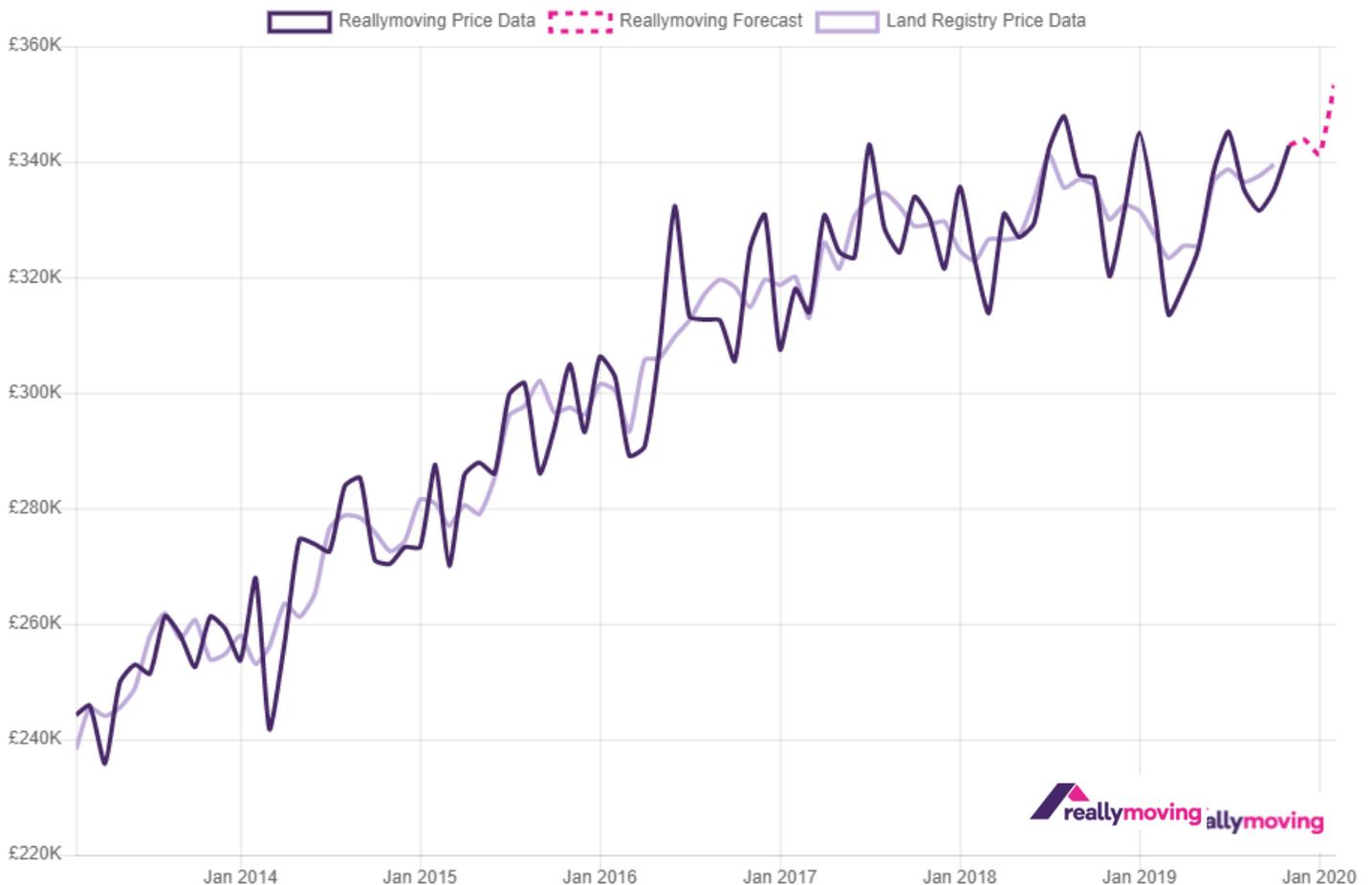
Regional 3-month price forecasts

Just two regions of the UK, the East (3.1%) and the North East (0.3%) are expected to see average price rises during the three months to February 2020, with values in the rest of the UK set to see prices decline at the beginning of the year. Particularly heavy falls are forecast in Wales (-15.4%), Northern Ireland (-5.8%) and Yorkshire & Humber (-5.5%), although smaller datasets are likely to contribute to volatility of data in these areas.

London is expected to see prices fall by 3% over the next three months, but as the market most affected by Brexit uncertainty, it could be the first to experience an uptick in buyer activity, transaction levels and ultimately prices if Brexit is resolved with a deal and a departure at the end of January.

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 of England this month, average prices are set to rise by 3.1% over the next three months from £342,804 in November 2019 to £353,287 in February 2020, but annually values in the region will also perform strongly to reach 6.5% annual growth at the end of the period.

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





Analysis and commentary

Rob Houghton, CEO of reallymoving, comments: *“Buyers have driven hard bargains on deals agreed during the autumn, as would be expected in the run up to Christmas and considering the wider political circumstances.*

“But the market has shown resilience and stability throughout 2019 and as fears of a crash have faded, buyers have adjusted to the ongoing uncertainty and proven themselves keen to get deals done. Encouraged by cheap loans and favourable buying conditions, first time buyers are a strong force in the market, accounting for 54% of all purchases.

“Transaction volumes remain down by around 12 – 15% currently, but If the Conservatives win the General Election as the polls suggest and manage to secure the UK’s withdrawal from the EU at the end of January, a rise in demand from these buyers could prompt a rapid bounce in prices as the uncertainty surrounding Brexit is resolved.”

-- 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. 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 November 2019 to January 2020 is based on registrations from August to October 2019 respectively.

The data is mix adjusted with seasonally adjusted data is 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 September 2018 – November 2019, reallymoving analysed data from 12,600 completed conveyancing quote forms to form the basis of its average property price projections for December 2019 – February 2020.

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 8% of the UK’s home movers in 2018 received quotes from the site.

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

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