

reallymoving House Price Forecast

March 2020: Strong annual growth in house prices expected this spring despite Coronavirus

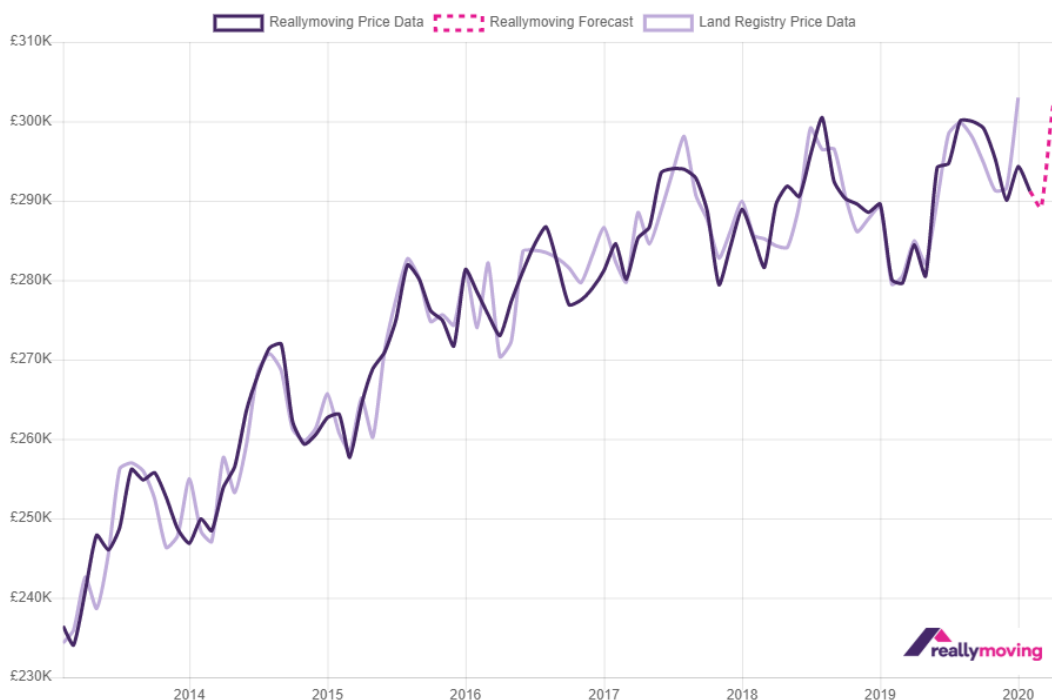
- The housing market in England and Wales is currently on course for a spring price surge
- Annual growth in house prices will average 6.4% between March and May
- Strong monthly growth to deliver a 5.9% rise in average prices over the next quarter
- Forecasts are based on deals agreed between December 2019 and February 2020, but Coronavirus crisis could derail growth if those deals collapse

Month	Average price agreed	Monthly change %	Annual change %
January 2020 (actual)	£294,317	1.5%	1.6%
February 2020 (actual)	£291,214	-1.1%	4.0%
March 2020 (forecast)	£289,137	-0.7%	3.4%
April 2020 (forecast)	£301,524	4.3%	6.0%
May 2020 (forecast)	£308,396	2.3%	9.9%

The housing market in England and Wales is currently on track to see strong growth this spring with average prices rising by 5.9% over the next three months, as increased sales activity in the new year translates into deals agreed, according to the reallymoving House Price Forecast March 2020, released today. However, the impact of the Coronavirus crisis could see nervous buyers withdrawing from those deals leading to a collapse in sales over the next few months, which would impact anticipated growth.

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).

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



Monthly price changes

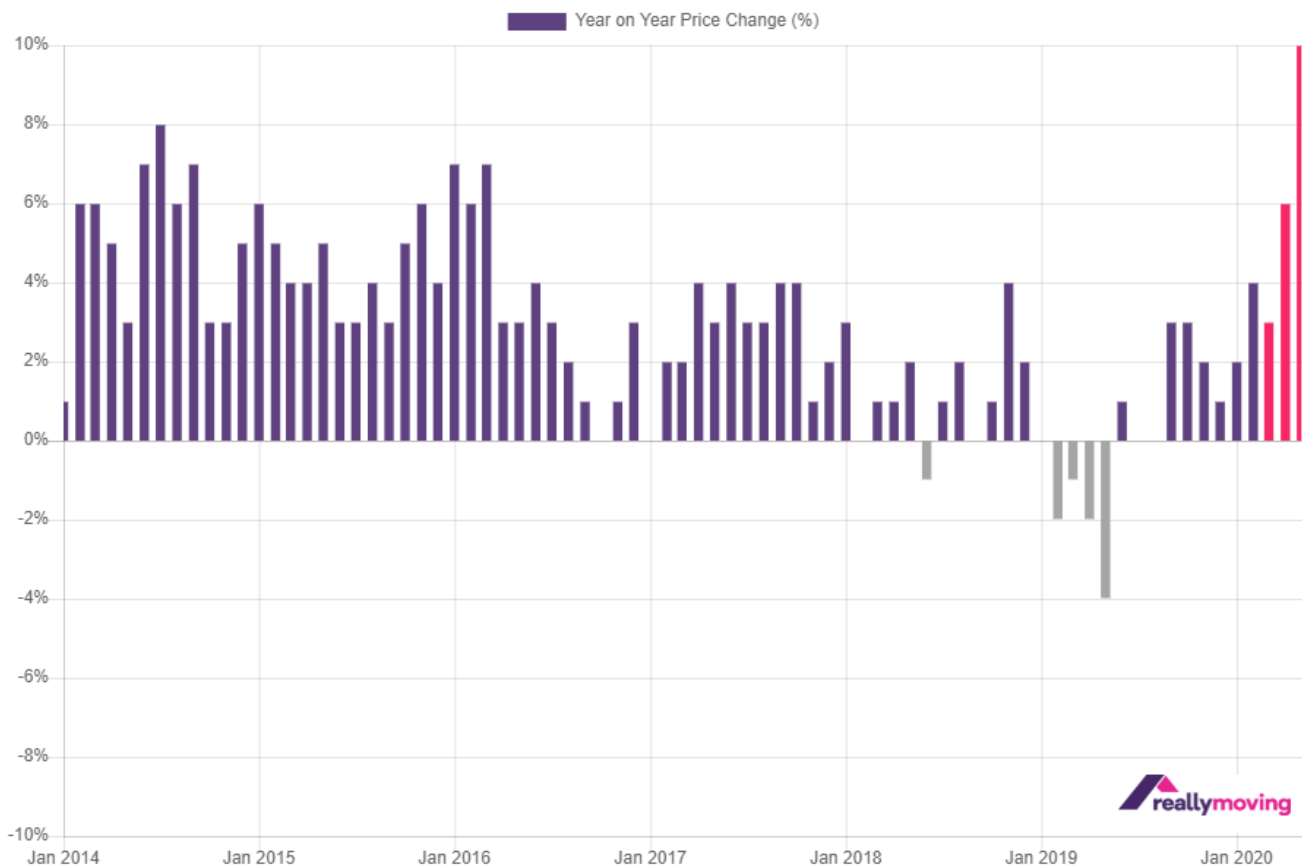
Average house prices in England and Wales will rise by 5.9% over the next three months, from £291,214 in February to £308,396 in May 2020. A minor 0.7% dip in March, based on deals agreed in December, will be wiped out by growth of 4.3% in April and 2.3% in May following a strong market performance in the New Year when agents reported a notable increase in activity and sales agreed.

Growing consumer confidence as a result of certainty over Brexit and a decisive General Election result could be hit by concern over the Coronavirus and its impact on jobs and the value of pensions and investments, but this will not be evident in the data until June.

Annual price changes

The market continues to perform consistently more strongly than a year ago, as evidenced by nine consecutive months of positive year on year growth between August 2019 and May 2020. This suggests that some of the pent up demand built up in the housing market over the last three years is now being released, but the impact of Coronavirus could mean this upturn in consumer confidence is short lived. Annual growth is currently forecast to reach 3.4% in March, 6.0% in April and a remarkable 9.9% in May, but the latter figure is distorted by a notably weak performance in May 2019 when prices dipped substantially below the long term trend.

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

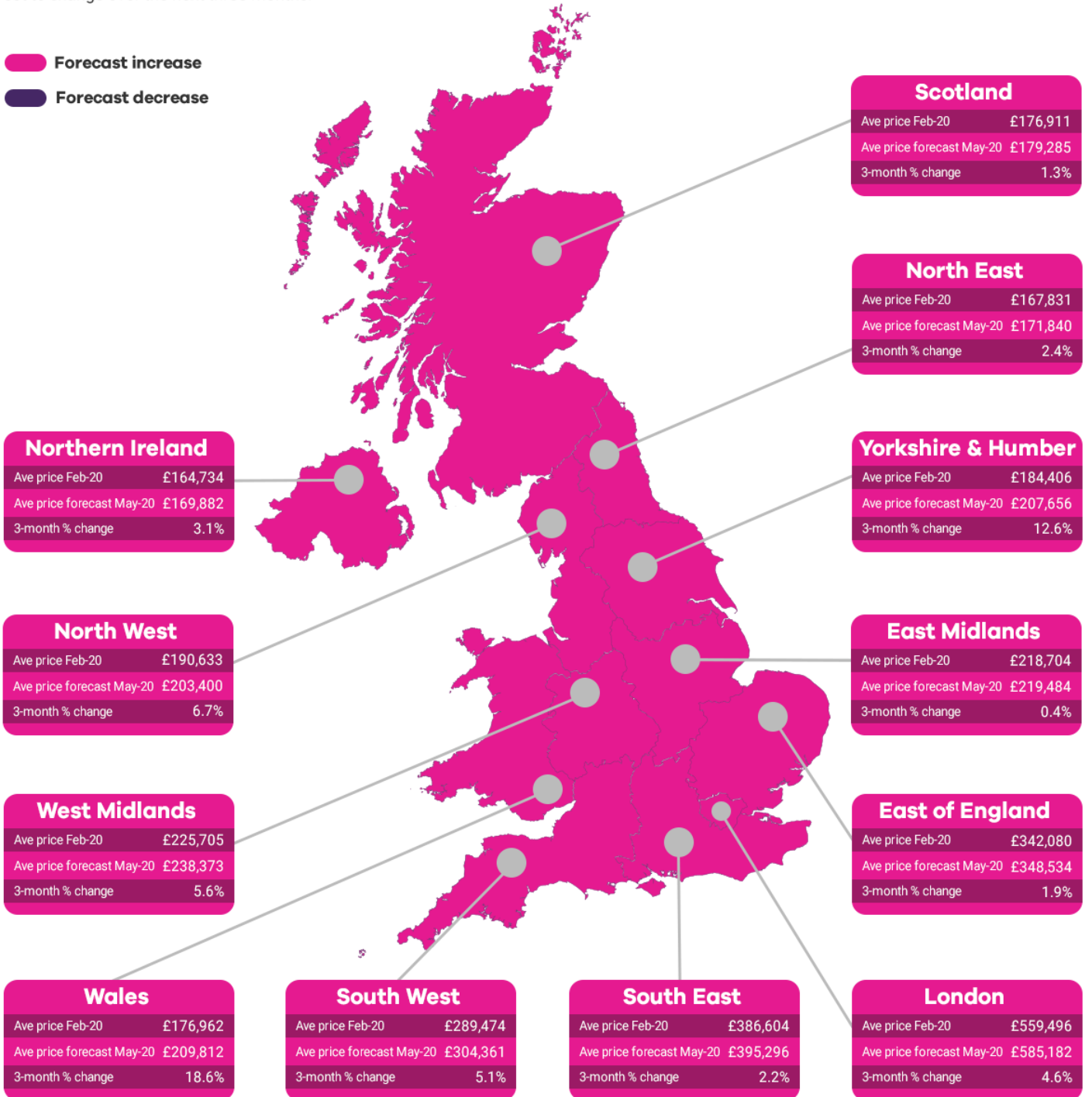


Regional Forecasts

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



 Forecast increase
 Forecast decrease



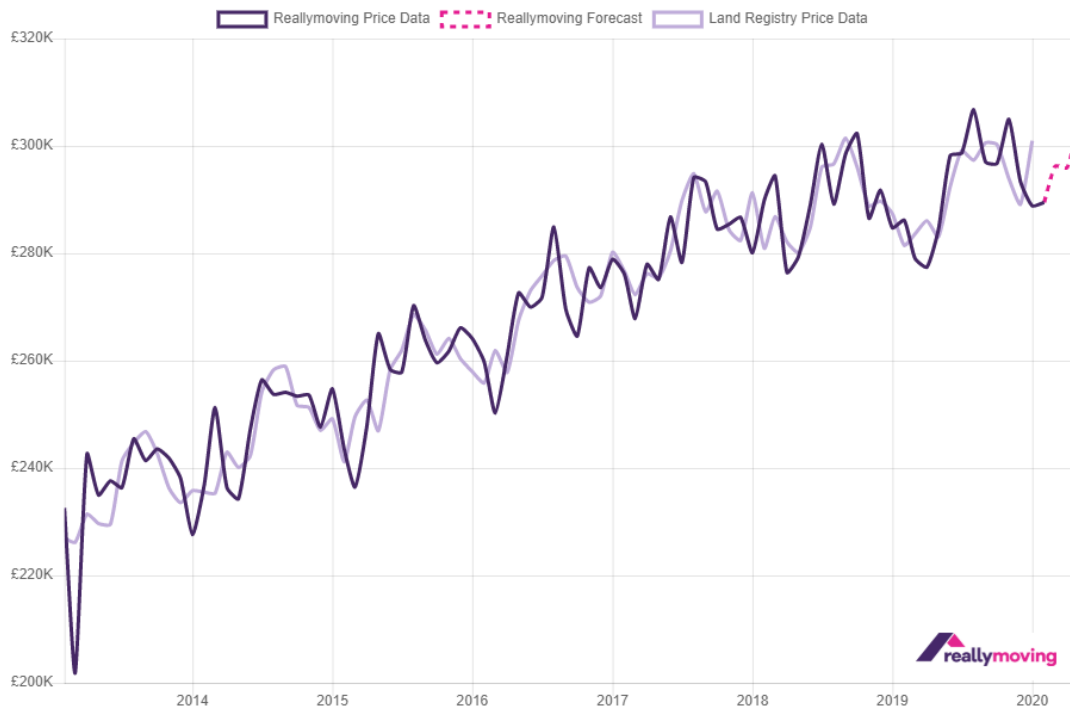
Regional 3-month price forecasts

All twelve regions of the UK will see prices rise during the three months to May 2020, with particularly strong growth forecast for Wales, Yorkshire & Humber and the North West, although smaller sample sizes do result in greater volatility in those areas. London, the region which has felt the greatest impact of the Brexit-induced property market malaise over recent years, is also on track to see growth of 4.6% over the next quarter.

Price rises across the board, both monthly and annually, further suggests that the housing market has entered into a more sustained period of growth.

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, average prices are set to rise by 5.1% over the coming quarter from £289,474 in February to £304,361 in May 2020. Values in the South West will be 7% higher this May than twelve months previously.

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



Analysis and commentary

Rob Houghton, CEO of reallymoving, comments: *“Buyers returned to the market in their droves in the New Year and this activity has clearly translated through to higher house prices across the country between March and May, but now we are facing another potentially prolonged period of uncertainty due to the deepening Coronavirus crisis.*

“The current situation is unprecedented but we know from past events such as the global financial crisis in 2008 that when people were worried about their jobs and their pensions, they tend to withdraw from making big financial decisions and avoid taking on new debt. It’s too early to say the extent to which the property market will be affected, and the Bank of England’s emergency 0.5% interest rate cut should help mitigate the impact, but consumer confidence is fragile and I expect we will see a proportion of deals collapsing and a short-term drop in prices by late spring or early summer.”

-- 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 March – May 2020 is based on registrations from December 2019 – February 2020 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 December 2019 – February 2020, reallymoving analysed data from 17,000 completed conveyancing quote forms to form the basis of its average property price projections for March – May 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

For press information please contact: Sarah Lawrence sarah@lawrencepr.co.uk 07984 422 461