



Social
Integrated Agency



**PROPERTY
SALES REPORT**



OVERVIEW OF UK MARKET

We have seen huge change across the property market in the last ten years. On average there has been a 39% increase in UK property prices since 2010.

Analysis of data from the Land Registry by RW Invest has shown property prices in the UK stood at an average of £167,469 in January 2010 compared to £233,027 in 2020 – that's impressive growth. Just as impressive is the growth in the last five year that stands at 22%.

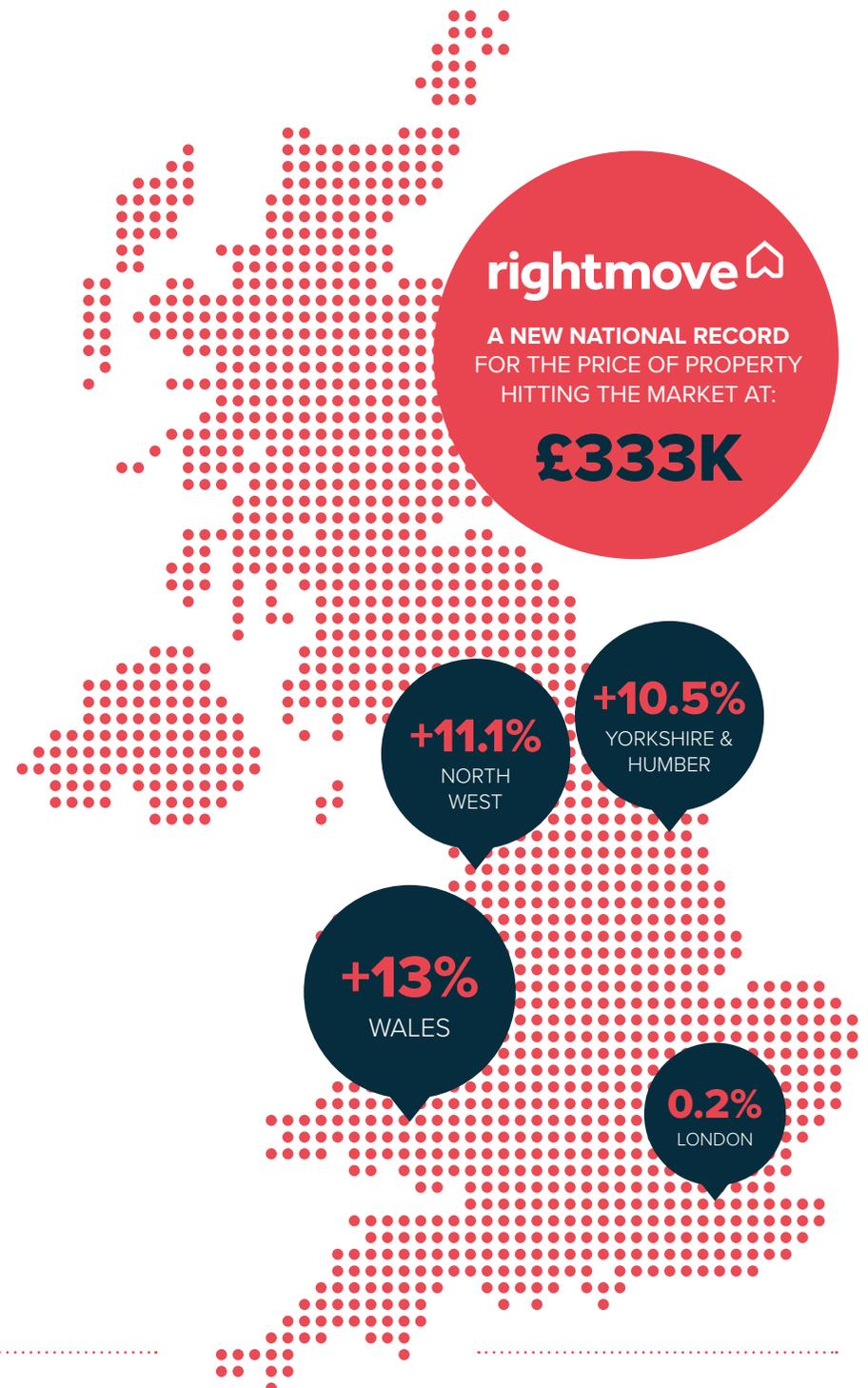
The same report details that within this period the South saw the largest growth, with 71% in London and 43% in the South East. It's not until 2015 that we started to see a shift in the growth of property prices further north. In fact, 2015 was the first year North West property outperformed London with a growth of 21% compared to 18%.

This trend has continued over the last couple of years with the North West exceeding the national average, seeing 6% increase Vs the UK average of just 3.3% price growth.

So where does the market sit currently?

The latest house price index from Rightmove publishes a new national record for the price of property hitting the market at £333K, that's 1.8% up on the previous all-time high in April 2021.

While the London market has come to a temporary standstill of just 0.2% growth, areas across the North are still in double digit growth, with Wales leading the way at +13.0%, followed by North West, +11.1%, and Yorkshire & the Humber +10.5%.



FOCUS ON NORTH WEST MAY 2020 – APRIL 2021 TRENDS

According to Plumplot there were **82.2k property sales across the North West in the 12 months May 2020 – April 2021, a massive 30.9% (-38.2k transactions) down on the previous year. Of the 82,200 sales, 95.3% were established property sales, with only 3,900 new build sales.**

Even with such a downturn in sales volume across the region, the market has remained buoyant with an average property price increase of £17k (9%) across the region.

The most affordable place is 'Lancashire' with the average price of £179k. The most expensive place is unsurprisingly 'Cheshire' at £270k.

Rightmove states that most of the sales in North West over the past year were semi-detached properties which on average sold for £212,217. While terraced properties had an average sold price of £149,285 and detached properties averaged at £364,487.

With the rise in property prices we are also seeing a decrease in the time on market for all property types across Cheshire and Lancashire as well as big drops in the available properties compared to this time last year.

According to a time on market report by [home.co.uk](https://www.home.co.uk) there are 54% fewer semi-detached properties and 50% fewer 3-bed properties available in Lancashire. The picture is similar across Cheshire with a massive 53% reduction in 3- and 4-bedroom properties (-47% in 5+ bedrooms).

The number of days on sale has also dramatically reduced. Across all house types the average time on sale has gone down 26% (from 227 to 169 days) in Cheshire and 23% (from 228 days to 176 days) in Lancashire.

AVERAGE
TIME ON SALE
CHESHIRE (-26%)
169 DAYS

AVERAGE
TIME ON SALE
LANCASHIRE (-23%)
176 DAYS

9%
AVERAGE
PROPERTY PRICE
INCREASE

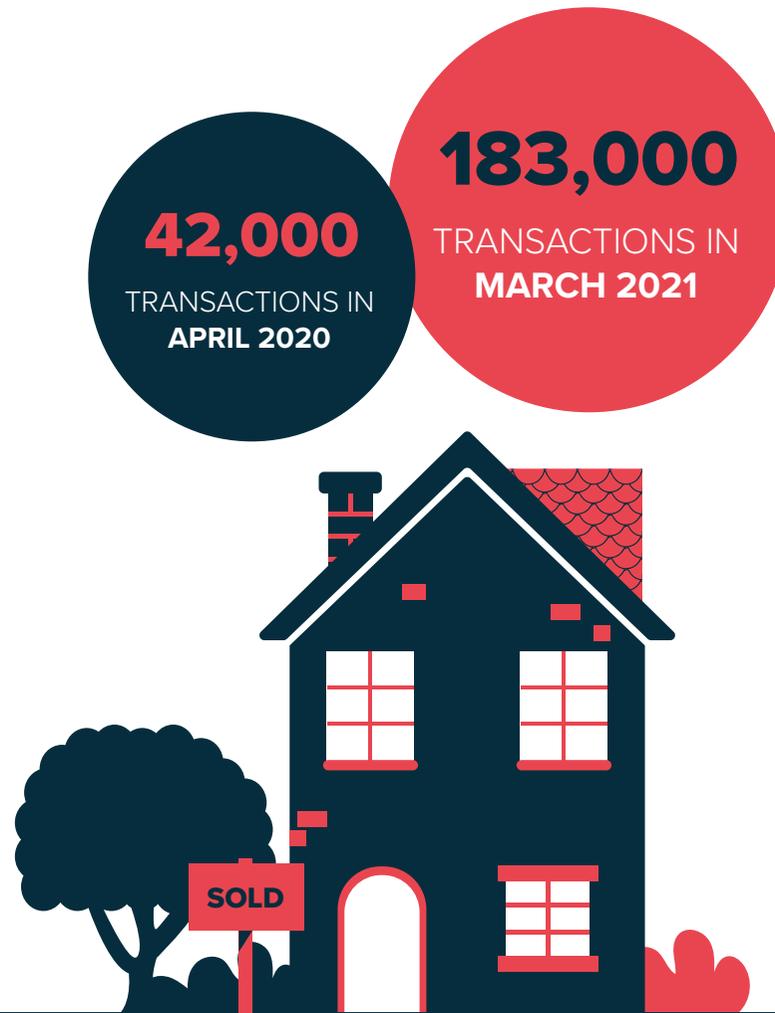
WHAT'S DRIVING GROWTH

There isn't one single reason for the rapid growth across the North West but a cumulation of several factors.

The global pandemic brought the UK property market to a virtual standstill with housing transactions across the UK falling to a record low of just 42,000 in April 2020.

But since the first lockdown the market has recovered well and spiked with another record, a high of 183,000 transactions in March 2021. (Nationwide House Price Index May 2021). The stamp duty holiday (original end date) being one of the main drivers for this massive increase in sales across the UK.

According to the Nationwide House Price Index May 21 the momentum in sales is being maintained but the stamp duty holiday extension is not the key factor in consumers decisions to move. 75% of those moving or considering moving would have done so regardless of the extension.



Other factors driving growth are the changing nature of people's needs due to the pandemic such as home schooling and working from home seeing us require more, or more flexible space in our homes.

The 95% mortgage guarantee is increasing the access to finance for first time buyers along with continued low interest rates also contributing to the boom across the region.

We are lucky to have two major cities in the region, both with huge investment in regeneration to support the thriving economy, vibrant cultural scene, and massive student draw with leading universities.

The appeal of these cities is a major draw for young professionals to work and live.

NEW BUILD DEMAND

The number of new homes being built since the easing of COVID-19 restrictions is rising according to the latest report from the Ministry of Housing, Communities & Local Government (MHCLG).

The data also shows a 4% increase in new home builds completed compared to the last quarter, the highest completions figure since its peak in the March quarter 2007 showing how well the sector is adapting to the new ways of working in a landscape governed by COVID-19 restrictions.

Across the North West there were 3,881 sales of newly build properties. Most new properties were sold in the £200k-£250k price range with 870 (22.4%) properties sold, followed by £150k-£200k price range with 792 (20.4%) properties sold.

Most new homes were sold in Greater Manchester, with 1290 sold to date from May 2020 - April 2021. (Plumplot)

A shortage of homes for sale and with buyer demand across the UK increasing, the new build sector will continue to grow and demand for new builds increase from buyers and investors.

New build price increase

Interestingly we are continuing to see new build properties across the North West command higher prices compared to established property. According to Plumplot, the average price of a new build in the North West region is £244K Vs £209K for an established property.

The same report also shows new build prices increased by 7% (£16.4K) in the 12 months May 2020 – April 2021 compared to the 2% across England and Wales.

£244K

AVERAGE PRICE OF A
NEW BUILD PROPERTY
IN THE NORTH WEST

£209K

AVERAGE PRICE OF A
ESTABLISHED PROPERTY
IN THE NORTH WEST



WHAT DOES THE FUTURE HOLD?

Brexit uncertainty at the end of 2019 brought political and economic uncertainty as negotiations dragged, 2020 will be remembered as the year of the pandemic that nearly brought the global economy to a halt, but the future is looking brighter.

According to figures published by Statistica.com, the number of housing transactions is forecast to gradually increase over the next five years and reach 1.4 million in 2025. And, in the recent Savills Mainstream Residential Property Forecast the long term outlook is bright, with an average previously owned property value increase across the UK estimated at 21.1% over the next five years and 28.8% for the North West, the largest growth of any of the UK regions. (New build values may not move at the same rate).

All in all, its great news as the property sector continues to grow. The Nationwide House Price Index expects the market to remain buoyant for the next six months but warns the outlook may be more uncertain if the economy fails to recover and unemployment rises sharply. So, we will have to wait and see if the trend continues or the bubble bursts?

Personally, I think the North West will remain a property hotspot for some time yet.

21.1%

AVERAGE PREVIOUSLY OWNED
PROPERTY VALUE INCREASE

ACROSS THE UK

(ESTIMATED OVER THE
NEXT FIVE YEARS)

28.8%

AVERAGE PREVIOUSLY OWNED
PROPERTY VALUE INCREASE

ACROSS THE NORTH WEST

(ESTIMATED OVER THE
NEXT FIVE YEARS)



**SOCIAL PROPERTY SALES LEAD:
TONY WHITTINGHAM**

To discuss how we can help you, contact Tony Whittingham
on tony.whittingham@social.co.uk or **07387 140 763**

Social
Integrated Agency

Bristol | Leeds | Liverpool | London | Manchester
www.social.co.uk