■ info@r3location.co.uk
■ 44 0203 463 9774
■ www.r3location.co.uk

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R3 MARKET INSIGHTS
July 2024

What's all this data telling us?

We will deviate from our usual broader market commentary this month and delve in a bit more detail on our data, and, more importantly, what's it telling us about the market:

- **FIGURE 1 – R3 residential sales indices:** Property prices (the price they are listed at, not what they end up being sold at necessarily) in London are slowly edging upwards (2.9% since March in London). The trend is reversing in the home counties for the first time since March.
- **FIGURE 2 – Average sold Price Per Square Foot indices:** while there is always a lag between a property being sold and the value recorded on the Land Registry, the upward trend observed on list price is not currently reflected on sold prices – this may reflect a bolder market following a Labour win, and potentially sellers' growing confidence about the future.
- **FIGURE 3 – Market Key Performance Indicators:** the average discount inherent in the market, against listed price, is 5.7% in London and nearly 6% in the home counties. We sense the trend will slowly reverse in the next 12 months as optimism about the market starts to translate into higher demand – and pressure on prices.
- **FIGURE 4 –The nature of the market:** the market continues to favour buyers in London, and is still very much a "buyer's market", but the trend seems to be reversing in the home counties, with a shift in direction towards a more balanced market.

A good time to buy

The market is at one of its lowest points in recent years, and generally favours buyers at the moment, but it may not last as higher demand starts putting more pressure on stock and therefore prices. Why not come talk to us if you need help and advice to purchase a property, contact us for a complimentary consultation.

R3 RESIDENTIAL SALES DASHBOARD

FIGURE 1 - R3 Residential Indices
Average property prices as at the end of the month of the date of this Newsletter

R3 started its own two indices for average property prices, with a base of 100 against London average as at March 24.

APPI LON
Average Property Price Index for London

APPI HC
Average Property Price Index for the Home Counties (HC)

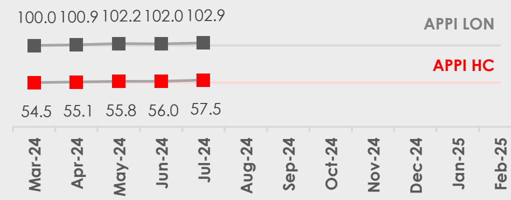


FIGURE 2 - R3 Average SOLD Price per Square Foot (PSF) Indices
Based on average property values as at the end of the month of the date of this Newsletter

R3 started its own two indices for average PSF, with a base of 100 against London average as at March 24.

ASPSF LON
Average "SOLD" **PSF -** Price Per Square Foot in London

ASPSF HC
Average "SOLD" **PSF** - Price Per Square Foot for the HC

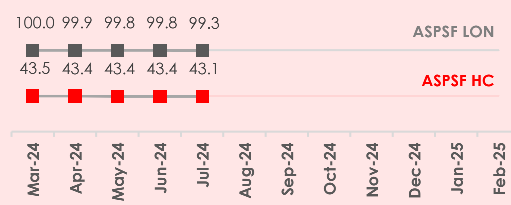
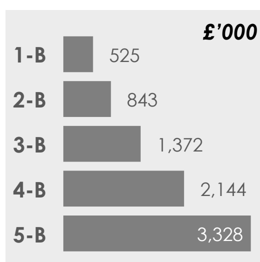
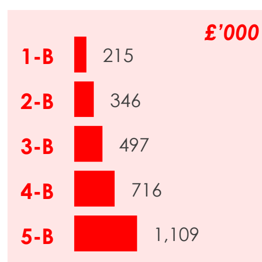


FIGURE 3 – Market Key Performance Indicators
Average property values and average ask and sold PSF, including inherent market discount on sales

London



Home Counties



Average £ PSF

London		Discount
SOLD	971	(5.7%)
ASK	1,030	

Home Counties		Discount
SOLD	427	(5.9%)
ASK	454	

FIGURE 4 – The nature of the market
Market Type and directional trend in London and the Home Counties, and average growth over 1-3 years

Market Type - London

BUYER | BALANCED | SELLER
<

Market Type - HC

BUYER | BALANCED | SELLER
>

House Price Growth (London)

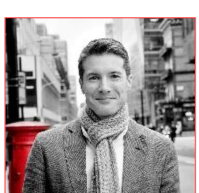
1 yr	3 yr	5 yr
(6.4%)	(3.2%)	(1.9%)

House Price Growth (HC)

1 yr	3 yr	5 yr
4.6%	7.4%	16.7%

Latest Market Indicators

Economic Growth (3 mths to 04/24)	0.7%
Inflation Rate inc. housing costs	2.8%
Mortgage Rate Big 6 (5-y fixed 75% LTV)	4.52%
Interest Rate	5.00%



Marco Previero
Director and Research Lead at R3

"The ability to consistently record and interpret key housing data is critical to providing the right guidance and advice to clients looking to purchase in London. R3 is simply the best at it in London.