

R3 MARKET INSIGHTS May 2024

A general election

The recent announcement of a General Election on 4th July surprised many as most of us expected it to occur later in the year. R3 remains positive that the effect on the property market will not be material one way or the other. Talk about sitting on the fence! In our defence:

- Both parties offer differing approaches to housing issues, all of which are likely to have a minimal impact on the property market, causing little disruption.
- The increased political certainty from the outcome of the General Election (okay, we're going to go out on a limb here and predict a Labour win) should also boost market confidence.
- London and the home counties are relatively resistant to local events, following broader macro-economic trends, and things are generally on the up (FIGURE 1 and 2 and FIGURE 4 Market Indicators).

A good time to buy

Having said all that, the market is probably at one of its lowest points in recent years, and generally favours buyers at the moment, and still trending in their directions (FIGURE 4 Market Type spectrum).

We might begin to see a shift towards the right on this "market type" spectrum over the coming months towards a more balanced market with lowering of interest rates (which will eventually filter through to mortgage rates), some glimmer of hope with regards to economic growth, and inflation returning to more normal levels. This in turn may boost buyers' confidence and therefore demand.

Come talk to us

For any thoughts or concerns about your property plans, and should you need help and advice to purchase a property, contact us for a free 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

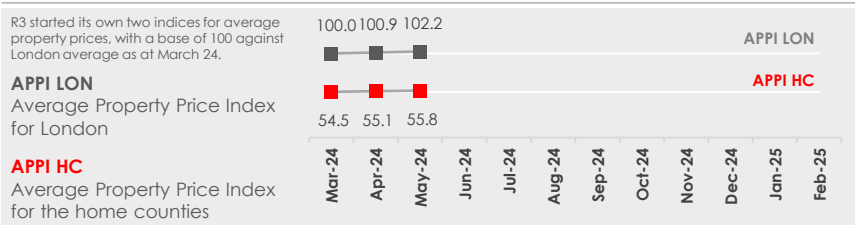


FIGURE 2 - R3 Ask Price per Square Foot (PSF) Indices

Based on average property values as at the end of the month of the date of this newsletter

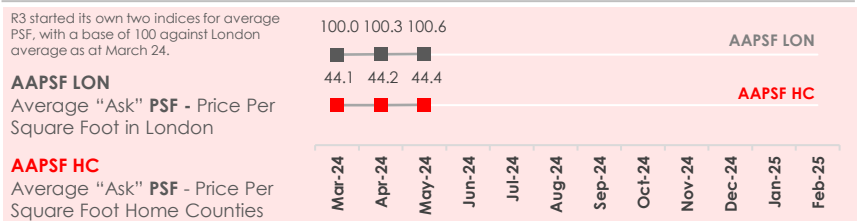


FIGURE 3 - Market Key Performance Indicators

Average property values and average ask and sold PSF, including inherent market discount on sales

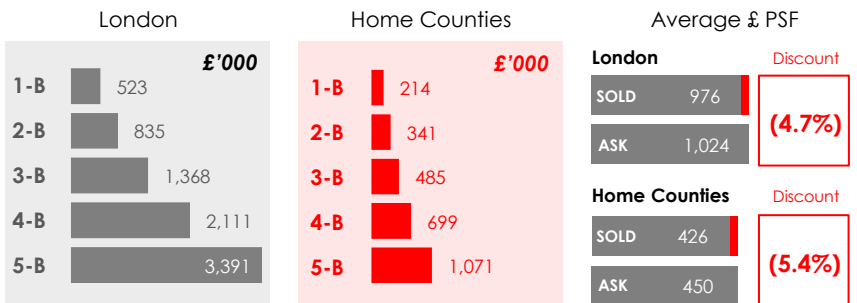
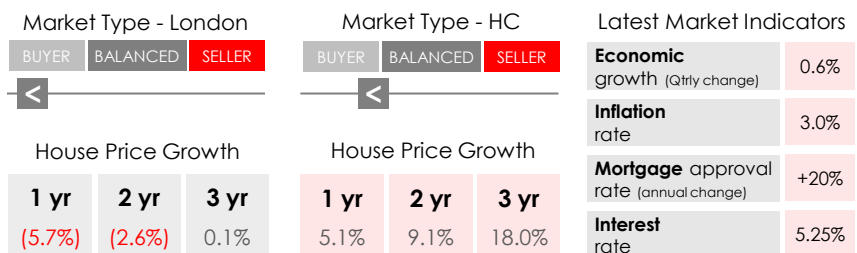


FIGURE 4 - The nature of the market

Market Type and directional trend in London and the home counties, and average growth over 1-3 years



Marco Previero

Director and Research Lead at R3

"Paradoxically, the election announcement removed the uncertainty around the timing of it. And we feel this may well reaffirm the positive signs observed in the market over the 1st quarter of 2024.

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