

Analysis predicts summer boost for UK house prices

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House prices in the UK could be on course for a summer boost with a new analysis suggesting they are set to rise by 1.2% over the next three months.

Average values grew strongly in June 2019, rising by 6.5% compared to May and those looking to move may wish to do so before the next Brexit deadline at the end of October as the chance of No Deal rises, according to the forecast from Reallymoving.

It is predicting that there will be a strong market in August

with average prices rising by 3.2% then dipping again in September with a 1.2% over the June to September period. While the spring market got off to a slow start this year, a busy May for house hunters is expected to translate to price rises in August when those sales typically complete.

As home buyers register for quotes for home move services on the site typically 12 weeks before their purchase completes, providing data on the purchase price agreed, Reallymoving says it is able to provide an accurate three-month property price forecast before those deals complete three months' later.

Historically, Reallymoving's data has closely tracked the Land Registry's Price Paid data, published retrospectively. It says that a more resilient than expected spring market was reflected in substantial monthly house price growth in June, which saw average prices in England and Wales increase by 6.5% compared to May. This can be partly attributed to the seasonal effect, but Reallymoving's seasonally adjusted figures also show growth of 3.2%, indicating that the market saw genuine strong growth in values for sales completing at the start of the summer.

Average values are set to remain relatively stable in July, dipping by just 0.5%, followed by a surge of 3.2% between July and August.

Annually, property values fell consistently between January and May 2019, but as predicted, this trend reversed at the start of the summer when prices increased by 2.3% in June compared to the 12 months previously.

Annual growth is forecast to remain in positive territory through the summer, with a 0.7% annual increase forecast in July, followed by 1.2% in August and 3.8% in September. The forecast figure for September represents the strongest annual growth seen for ten months, since the previous peak of 4.3% growth in November 2018.

'The spring market was more robust than expected and this has prompted positive growth through the summer, particularly for deals agreed in May which are translating to sale prices in August,' said Rob Houghton, chief executive officer of Reallymoving.

'The chance of leaving the European Union without a deal seems increasingly likely and people are realising that the window between now and the end of October may present their best opportunity to sell. The market has proved itself to be surprisingly stable over the last 12 months, but this could change if we crash out of the EU on Halloween,' he explained.

'A mixed picture remains regionally, but there are twice as many regions forecast to see price growth over the summer than price falls, with particularly strong performances in Wales, Scotland and Northern Ireland,' he added.

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