

UK Insights

Quarterly Report
Q3 2019



We bring you the latest stats, charts and big data insights into how rental prices, property yields and time on market are faring in Birmingham, Manchester and Leeds.

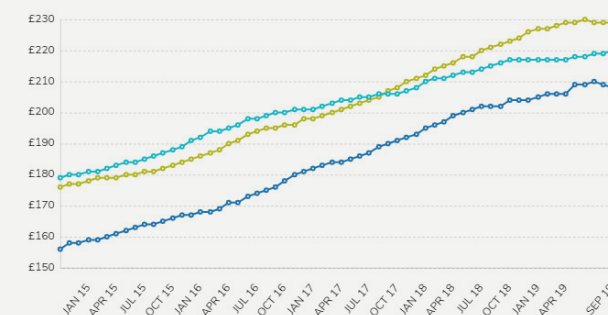


OVERVIEW

Varied house prices

The Northern Powerhouse cities have been on a steady upward trajectory in recent years in a trend that seemed unlikely to change. In Q3 2019, Leeds values have increased, while Birmingham properties have held their value at £229/sqft. But with the first decline in median values of properties in Manchester since Q1 2011, could this trend be about to change?

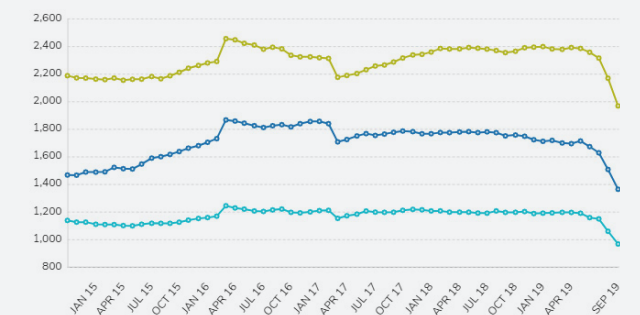
Median £/sqft – Sales



Volumes of sales transactions reduces

After a relatively stable period, volumes of sales transactions have noticeably reduced in recent months and into Q3 2019. The number of sales transactions has been affected in all three of our Northern cities, as well as in London.

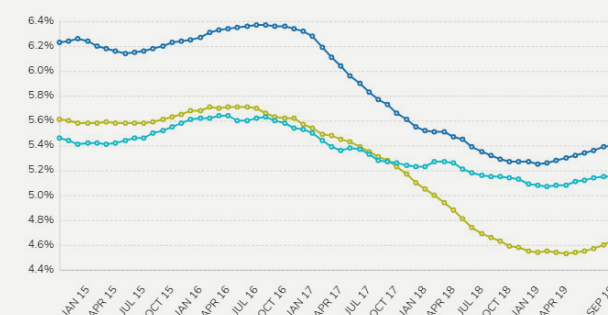
Median Sales Transactions



Steadily rising yields

Gross yields for Birmingham, Leeds and Manchester have continued to steadily increase since the beginning of this year, though to a lesser extent than yields in London. This change was likely influenced by the increase in interest rates by the Bank of England in August 2018.

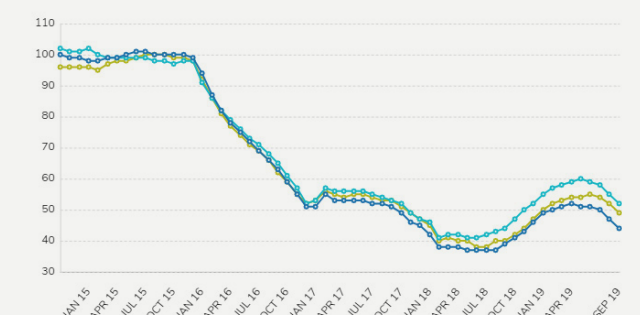
Median Gross Yields



Improving sales process

While the number of days properties took to sell in Birmingham, Leeds and Manchester peaked in May 2019, it would appear that the sales process has since improved. On average, properties are on the sales market for less time in Q3 compared to previous months.

Median Days on Market – Sales



Manchester



Leeds



Birmingham

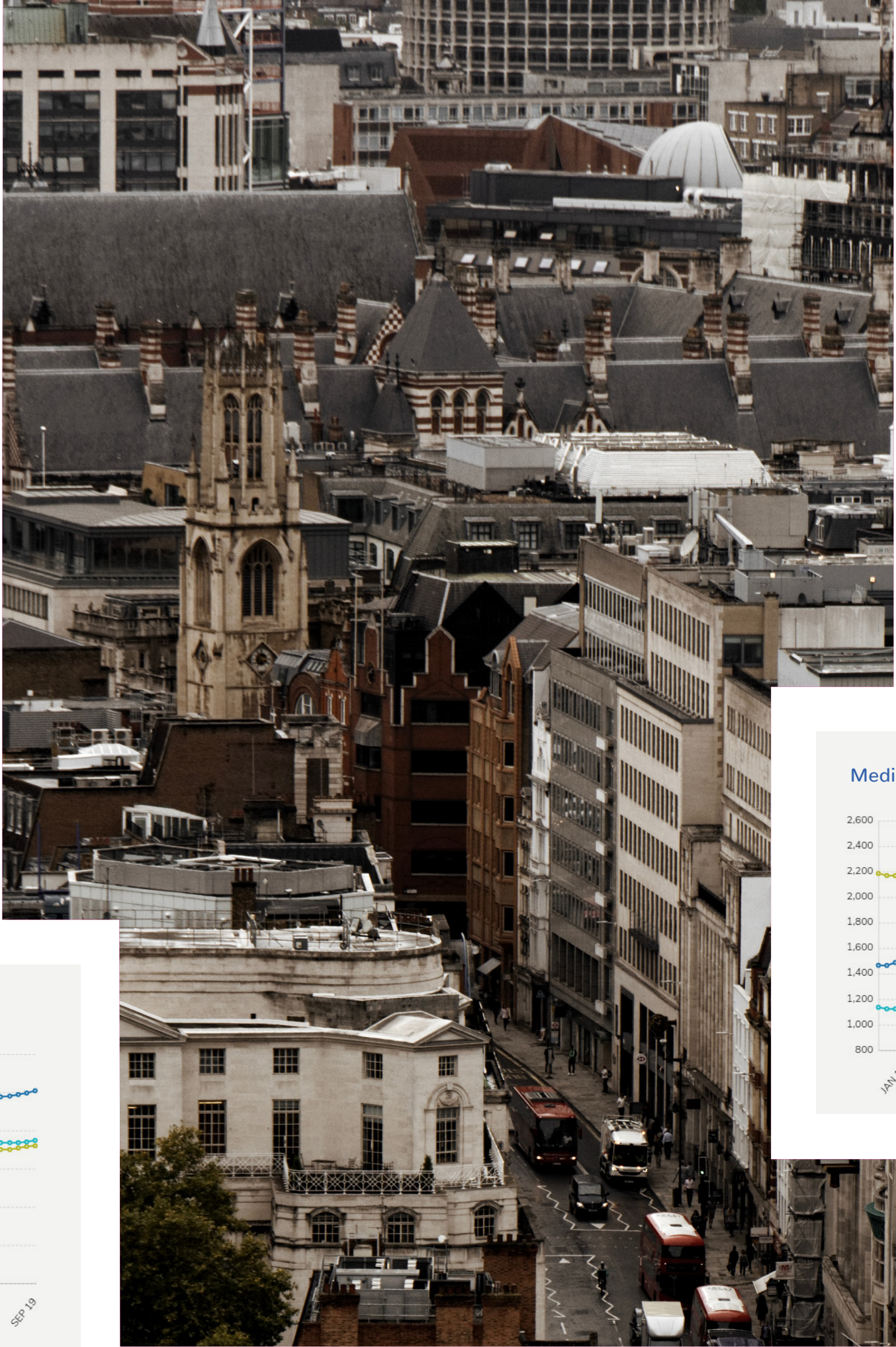
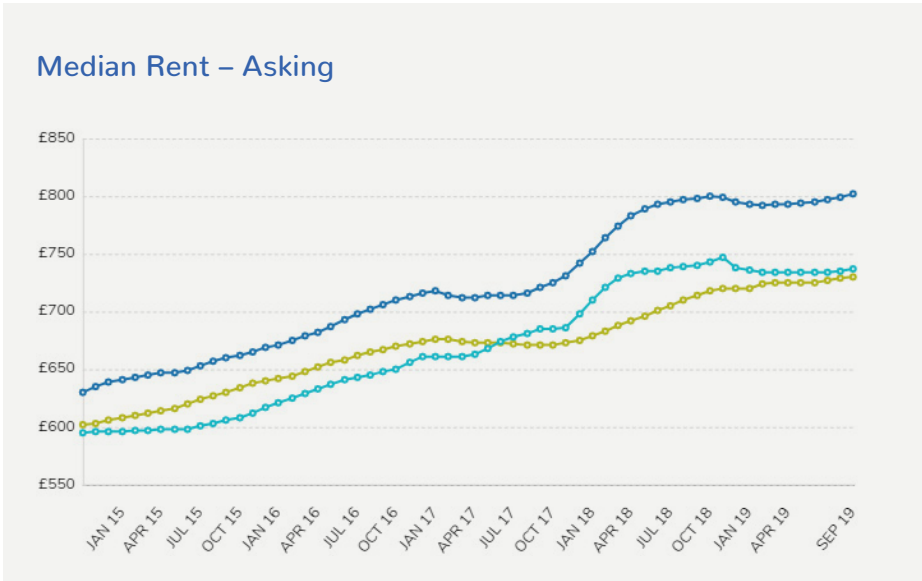
DETAILED ANALYSIS



Steady asking rents

Asking rents across Birmingham, Leeds and Manchester have continued to increase overall, though at a steadier pace in Q3 2019. This slower rate of increase may be due to the new build properties that were previously introduced and since tenanted, which have since been absorbed into the market.

Properties in Manchester continue to sit in pole position, commanding rents of £810 on average per month, compared to £745 in Leeds and £740 in Birmingham. Significantly, this makes renting a property in Manchester considerably more expensive than owning a property. Interestingly, property prices in Manchester have seen the first decline this quarter since Q1 2011. Whether this trend will affect the rental market in future months is worth noting, with tenants taking the opportunity to get their foot on the property ladder and into home ownership.

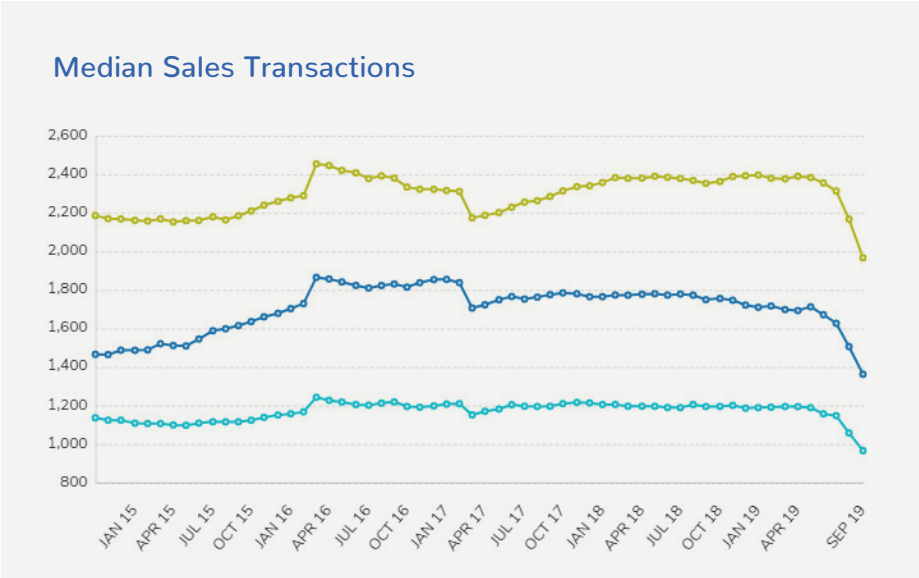


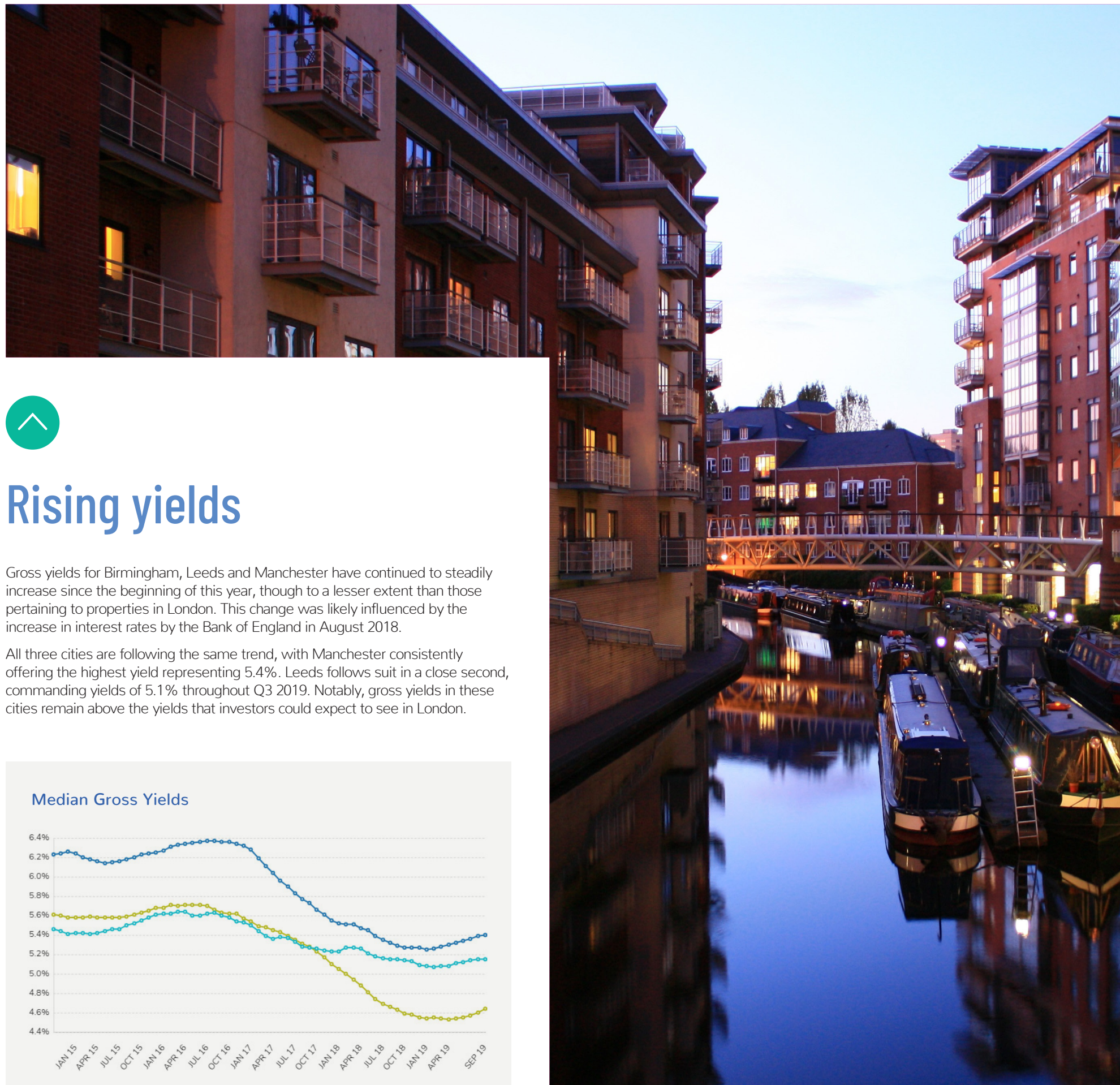
Volumes of sales transactions reducing

After a relatively stable period where the number of sales transactions held steady throughout 2017 and 2018, a downward trend emerged in April 2019 and continued significantly into Q3 2019.

While transactions in all three of our Northern Powerhouse cities have fallen in the last quarter, Birmingham took the brunt of the impact with a rate of decline of 18.5% in its volume of median sales transactions. It will come as no surprise that this coincided with further uncertainty around the future of Brexit negotiations.

In the context of the broader housing market slowdown in the UK, these fluctuations are meaningful. While overall house and rental prices in these locations have continued to rise, this decline in the number of sales transactions may indicate some hesitation in the market to engage with current price levels. If this is the case, the heady increases seen previously in these cities may begin to level out or even start to decline.



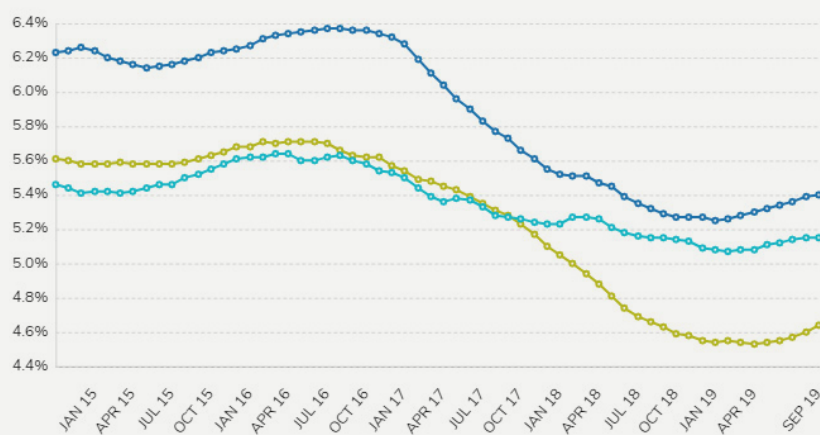


Rising yields

Gross yields for Birmingham, Leeds and Manchester have continued to steadily increase since the beginning of this year, though to a lesser extent than those pertaining to properties in London. This change was likely influenced by the increase in interest rates by the Bank of England in August 2018.

All three cities are following the same trend, with Manchester consistently offering the highest yield representing 5.4%. Leeds follows suit in a close second, commanding yields of 5.1% throughout Q3 2019. Notably, gross yields in these cities remain above the yields that investors could expect to see in London.

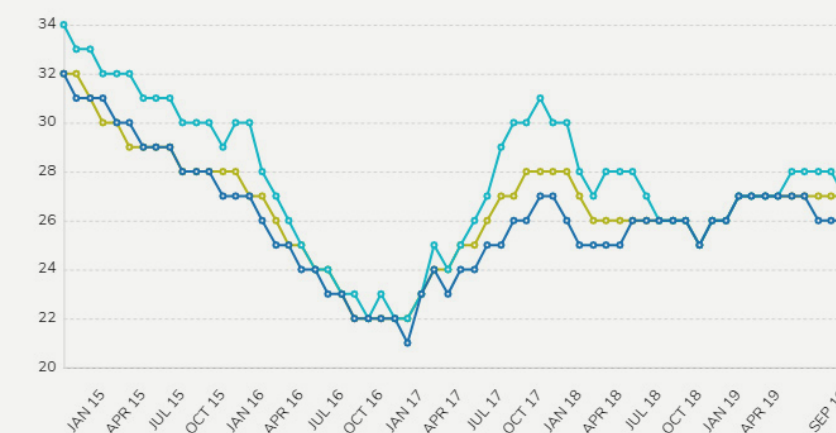
Median Gross Yields



Properties take almost a month to let

According to our data, on average properties in Leeds and Birmingham have taken 27 days on the market to let out in the last quarter, while properties in Manchester have taken 26 days. Although this time on the market is not showing signs of the number of these days increasing, if you are a buy-to-let developer in these cities, it is worth factoring in this time as it could take as long as a month to find tenants.

Median Days on Market – Rent





Improving sales process

The number of days properties in our Northern Powerhouse cities sit on the sales market has seen a definite trend emerge in Q3 2019. On average, properties are on the sales market for less time in Q3 compared to previous months.

Of all three cities, properties in Manchester have taken the least amount of time to sell, sitting on the market for 44 days. Meanwhile, properties in Birmingham have taken 49 days to sell, and in Leeds 52 days. This is the first significant decline since Q4 2017, which could be early signs that the market is warming up, indicating a reassuring change amidst Brexit uncertainty. Although it is worth noting that these changes are relatively minor and properties are still taking longer to sell than they were throughout 2018.

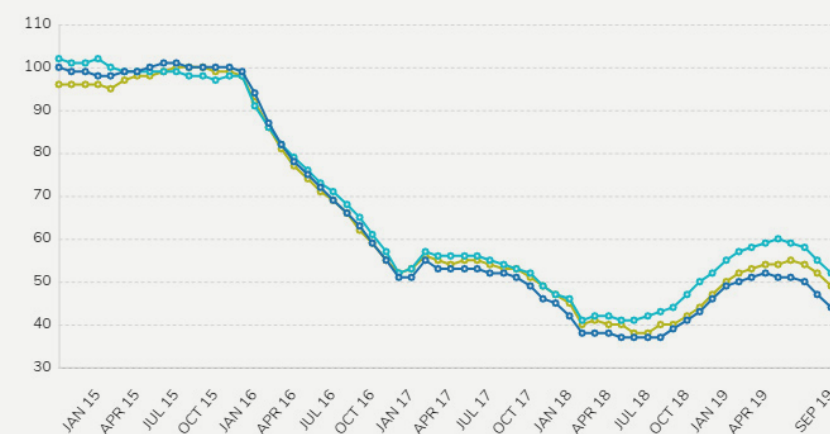


Variable discounts

The discounts (the difference between asking prices and achieved prices) entered a relative freefall in Q1 2018. Since their respective peaks in 2018, discounts in Manchester have fallen by 33%, Leeds by 37% and Birmingham by 36%.

May 2019, however, marked a change in this trend, which appears to be plateauing and, in the case of properties in Leeds, increasing. Interestingly, of all three cities, Leeds is where properties take the longest time to both sell and let. This new and emerging trend also occurred at the same time as median sales transactions started to notably decline in volume.

Median Days on Market – Sales



WHY REALYSE?



All Your Data in One Place

REalyse gives you access to the **most comprehensive UK residential dataset in one platform**. Our 550 datasets are a mix of proprietary and market sources, which gives you the most accurate view of the UK market.



Effortless Analysis

Quickly analyse **99% of the UK** residential market, utilising market trends, demographics, land ownership and planning to give you a leg up on your competition.



REalyse Approved Data

Our team has built an **automated data pipeline** to ensure all of the data in the system is of the highest quality in the market, leaving you feeling confident about your results and analysis.

We Improve Your Process, Save You Time & Money

Time & Money Saved



Without RE

40h £200k

With RE

4h £20k

Efficiency 10x

Macro Analysis

Government and private data is seamlessly integrated and standardised, right down to specific neighbourhoods.

Monitoring

Save important information into folders and update data every month to track projects.

Investment Review

Easily visualise information, compile reports and adapt charts.

Desktop Appraisal

Instant access to market, property, socioeconomic and location data across all of the UK.

Datasets by Category

Land Registry



Office for National Statistics

HM Revenue & Customs

Royal Mail

Environment Agency

Barbour ABI

Historic England

RICS

Companies House

Market

£/sqft – Rent
£/sqft – Sales
Median Discount
Gross Yield
Price Asked
Price Paid
Rent Asking
Days on Market – Rent
Days on Market – Sales
Local Housing Allowance
Property Size
Rent Listings
Sales Listings
Sales Transactions
Comparables – Rent
Comparables – Sales

Demographics

People & Population
Total Population
Median Age
Population Density
Education Level
Population Age
Local Area
Bus Stations and Stops
National Rail Stations
Dwellings
Broadband Speed
Points of Interest
Education
Education Levels
Ofsted
Economics
Area Leverage
Debt per Building
Mortgage Lending
Mortgage Debt per Capita
Credit Score
Mean Income
Monthly Income by Age
New Businesses
Business Closure
Deprivation
Homelessness
Repossessions
Unemployment Level
Crime

Land & Ownership

Address
Ownership
Site Coverage (Plot Density)
Site Area
Planning Use Classes
Local Authority
Flood Defence
Flood Risk
Tenure

Planning

Planning Reference
Authority
Development Type
Stage
Scheme
Status

Here's what our clients think

REalyse harnesses the power of big data to help me make decisions on the ground. The suite of features helps me pick out the signals from the noise, which underpin our investment strategy. Invaluable insight into the residential markets.



Eleanor Jukes
Senior Strategist
Legal & General



Mark Charlton
Head of Research and Forecasting
Colliers



Adina David
Vice President
The Collective



Trusted by





London Office

REalyse
1 Poultry
London EC2R 8EJ

T: +44 (0)20 7903 6986

E: sales@realyse.com