

London Insights

Quarterly Report
Q3 2019

Ralyze

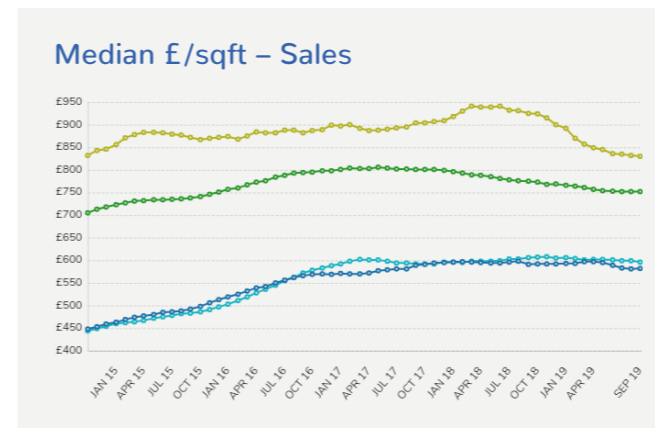
We bring you the latest stats, charts and big data insights into how the property market is faring in the nation's capital.



OVERVIEW

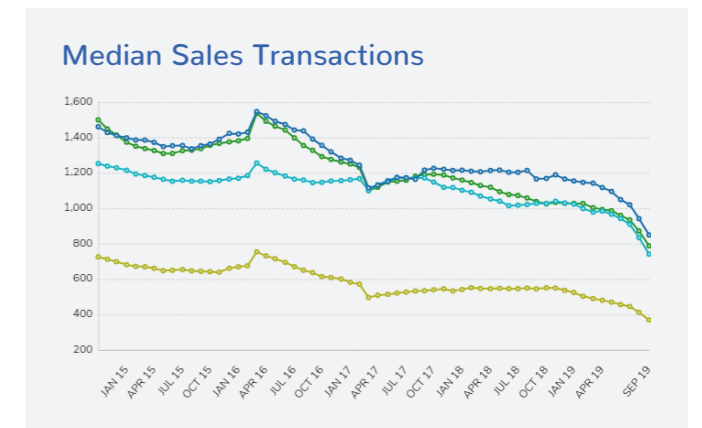
← The house price plateau continues

The trend in sold house prices continues on a steady and relatively flat trajectory, with W and SW postcodes holding the most value per square foot. Any sure signs of a trend in either direction have yet to emerge.



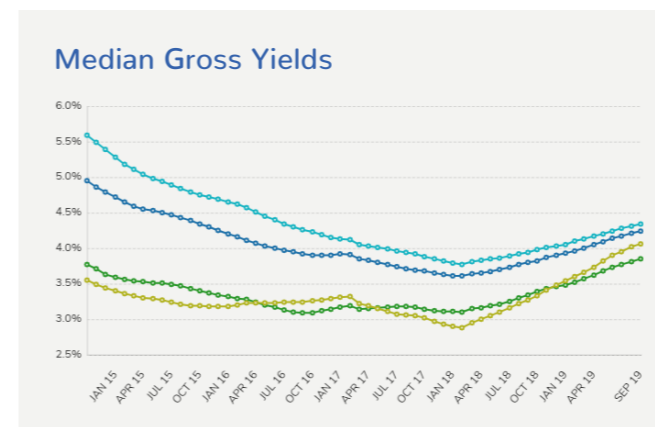
↘ Reduction in London sales transactions continues

Volumes of sales transactions in London have continued to reduce throughout this year, noticeably declining in this quarter. It seems that Brexit uncertainty has struck the residential property market once more.



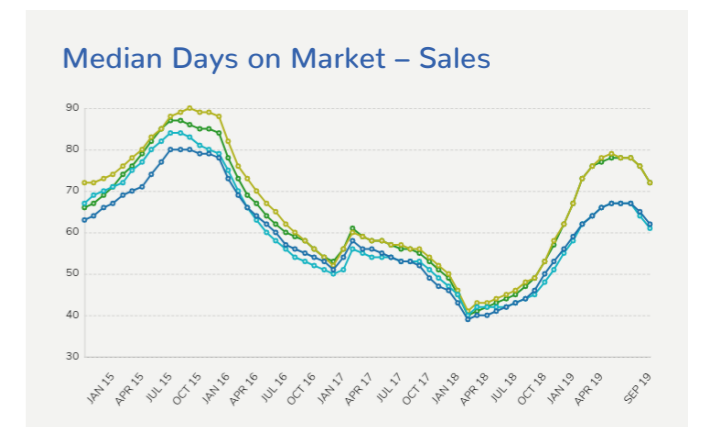
↗ Rising yields

Gross yields have continued to modestly rise across the capital, in spite of house prices plateauing. The first sign of the positive trend occurred after the Bank of England raised interest rates last year, which is likely to have been a key influence.



↘ Sales process is improving

Similar to other parts of the country, properties across the capital are sitting on the market for less time than the previous quarter, indicating the start of a reassuring change.



DETAILED ANALYSIS



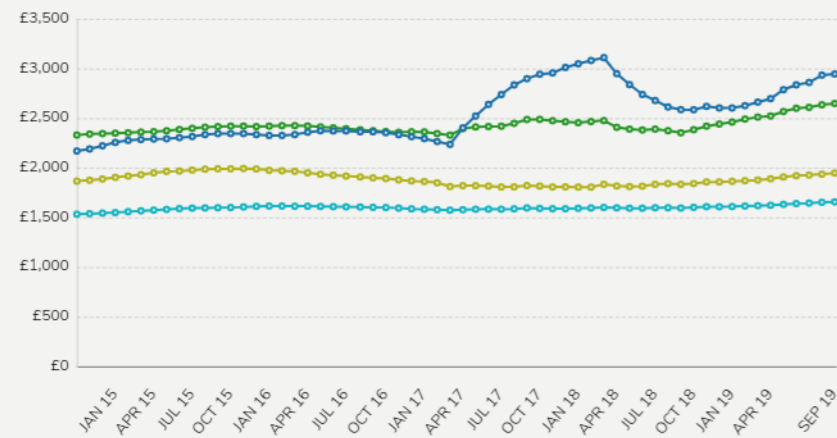
Asking rents continue to rise

Asking rents continue to rise across the capital, especially in West and Central London postcodes. SE and E postcodes have also seen slight increases in their asking rents, while asking rents in northern areas of London have remained relatively flat. Questions remain as to how long city dwellers will meet the demands of ever-increasing asking rents,

particularly as commuter towns and the suburbs are emerging as more affordable alternatives.

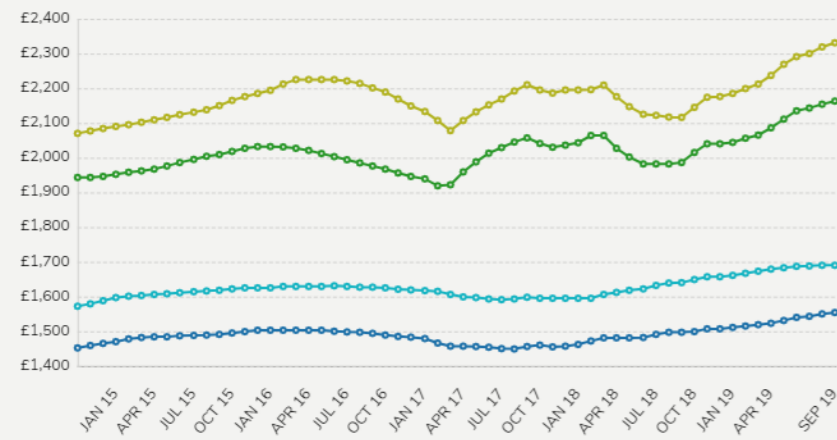
Interested to see our month-by-month analysis of asking rents in London? Look out for the REalyst's Monthly Insight Reports on the blog.

Median Rent – Asking



WC London N London NW London EC London

Median Rent – Asking



SE London E London W London SW London



SE London E London W London SW London

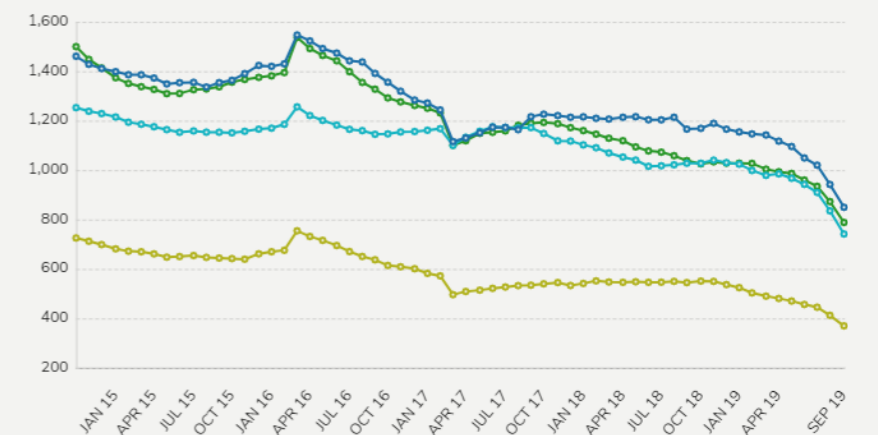


Sales transactions reducing in volume

In the last quarter, a definite downward trend emerged in the number of sales transactions across London. This was likely instigated by Brexit uncertainty, with volumes of transactions notably reducing in April 2019, which coincided with the news to delay B-Day. The trend indicates potential buyers in the market becoming more cautious about committing to buying properties in the UK's capital until a decision is reached – especially stalling overseas investors who had previously been attracted to the London market.

All postcodes included in the quarterly analysis have followed the same trend in Q3, as well as other postcodes in British cities. SE postcodes continue to have the highest number of sales transactions, with 2,811 in total in Q3 2019. It is worth noting, however, that SE also experienced the most significant rate of change, falling by 23.6% in the same quarter.

Median Sales Transactions



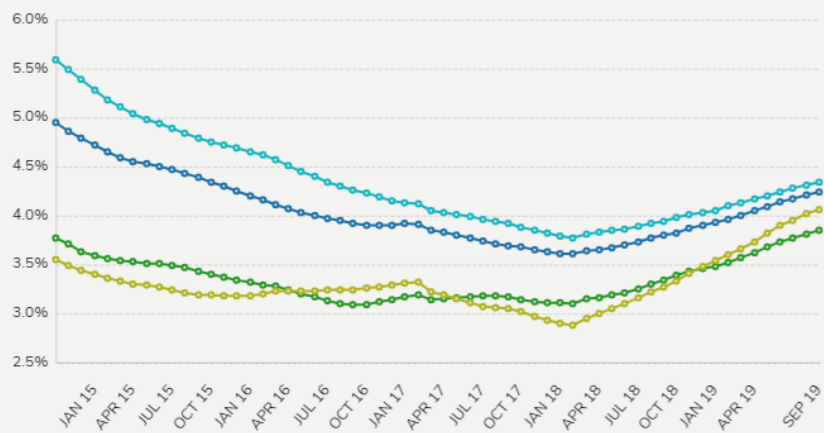


Yields continue to rise

Gross yields continue to rise throughout London, increasing steadily since January 2018. This is likely due to a fortuitous combination of increasing rents and decreasing property prices. Should interest rates rise again and the market begins to take into account less capital appreciation (or depreciation), further increases in rental yields are likely to continue on an upward trajectory across the city.

W postcodes have seen the greatest increase in yields since the trend started, increasing by 41.4%. This is in line with its asking rents gradually increasing during this period since then as well. However, in real terms yields in West London have only increased by 0.2% in the last quarter. Meanwhile, E postcodes remain top of the table, commanding 4.3% gross yields this quarter.

Median Gross Yields



Properties take less than a month to let

Properties in W postcodes have taken as long as 30 days on average to let in Q3 2019. Despite this, a definite trend has not emerged this quarter, with a mixed bag across the capital. W postcodes briefly rose and fell. SE and SW postcodes remained unchanged. E fell marginally.

Compared to Q3 2018, however, the number of days on the market has fallen across London, with East London properties taking an average of 10 days less to let than 12 months ago.

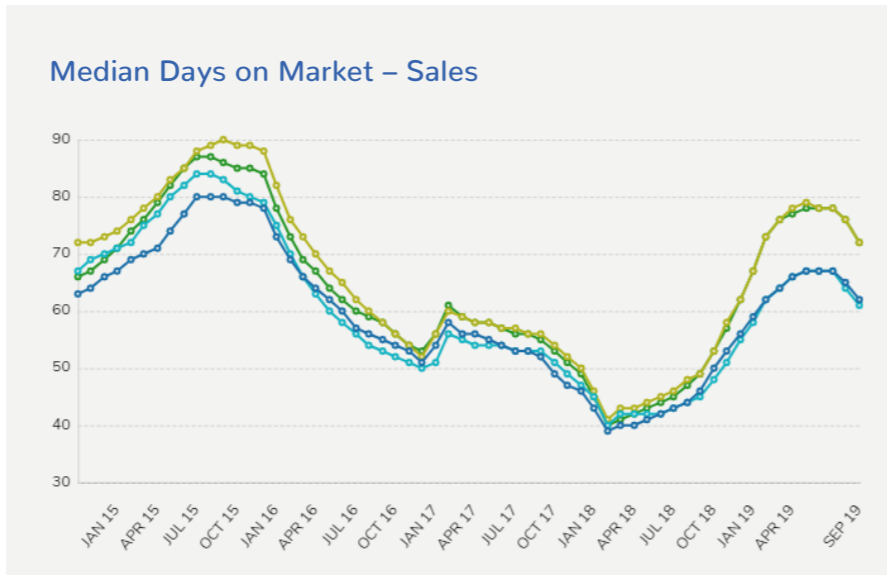
Median Days on Market – Rent





Sales process taking less time

The number of days London properties were listed on the market peaked in the second quarter of 2019. The good news is, however, that it has been falling ever since. The third quarter of 2019 seems to indicate a reassuring change, falling by 8.0% on average across London. Notably, this decline in number of days on the market is the first decrease since January 2018, which could indicate that the capital's property market is getting warmer in spite of Brexit uncertainty.



Increase in new build purchases

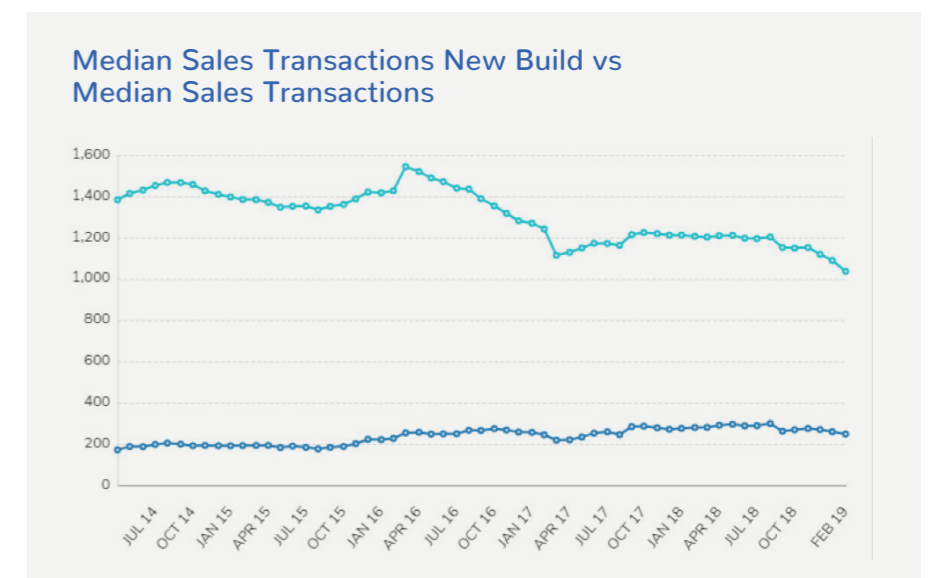
One of the interesting things that has been occurring in the London property market in Q3 2019 is the increase in new build purchases, as shown by the dark blue line in the chart below. Potentially spurred on by help-to-buy schemes, the volume of sales of new build properties has been gradually increasing. This is in contrast to the rest of the market, as shown by the light blue line which, like many other areas of the UK, has seen gradual declines in the volume of sales transactions.

How long this pattern continues will largely depend on continued government support for the housing market via help-to-buy schemes, contrasted with general unease in the market in relation to prices and political uncertainty.



Discounts plateauing

Discounts started to fall dramatically in Q1 2018, with SE postcodes reducing by as much as 58.8% since then. The freefall continued until rate of change started to plateau in June 2019 throughout London. This trend has continued into the most recent quarter, indicating that the market has found some consistency, with vendors likely to accept a discount between 2.0% and 2.7% in order to keep the market moving. Notably, this trend emerged at the same time as the median days a London property is on the market started to reduce.



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.



REalyse has become an integral data source for our Residential and Research teams, providing a wealth of data and analytics through a user-friendly interface. We have been particularly impressed by their pro-active approach, "can do" attitude.



REalyse gives us immediate access to market data and demographics via a user-friendly format that we didn't have before, cutting our time in half during the initial underwriting and due diligence process, allowing us to process deals faster.



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