

# Five Year Forecasts What they mean for you

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How is the market  
performing currently?

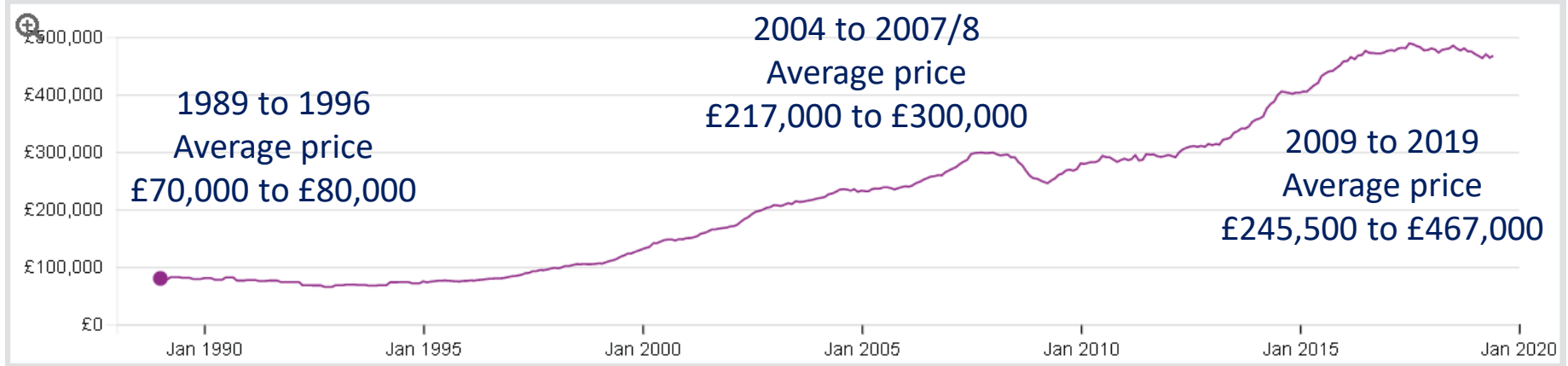
It depends!

# London house prices aren't representative of most areas

## Average price by type of property in London

All property types
  Detached houses
  Semi-detached houses
  Terraced houses
  Flats and maisonettes

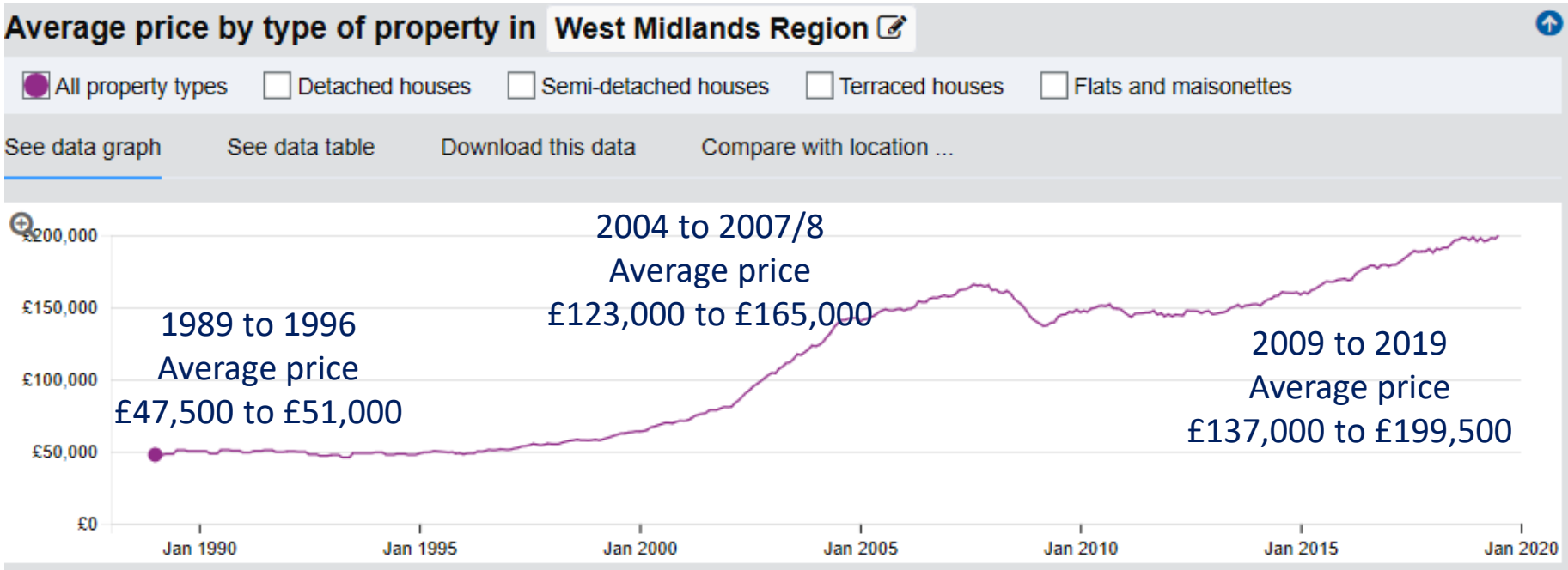
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1997 to 2003  
 Average price  
 £80,000 to £217,000

2007/8 to 2009  
 Average price  
 £300,000 to £245,500

# West Midlands house prices



Source: Nationwide FTB Affordability Index: Mortgage payments as % of mean take home pay

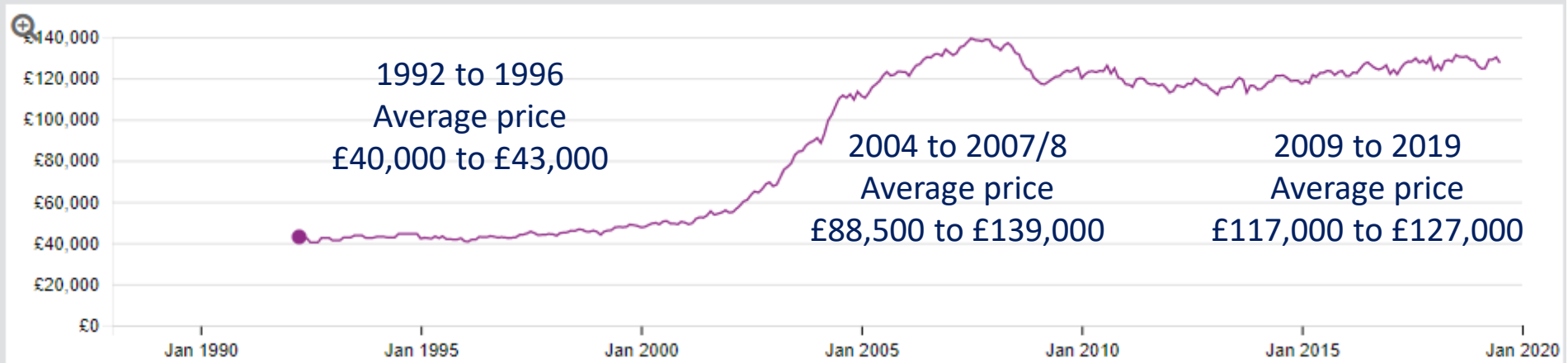
# North East house prices



## Average price by type of property in North East

- All property types
- Detached houses
- Semi-detached houses
- Terraced houses
- Flats and maisonettes

- [See data graph](#)
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1997 to 2003  
Average price  
£42,000 to £89,500

2007/8 to 2009  
Average price  
£139,000 to £117,000

Source: Nationwide FTB Affordability Index: Mortgage payments as % of mean take home pay

Individual property results that matter

# Individual properties that make money

## 124, Lillechurch Road, Dagenham, Greater London RM8 2BY

<b>£275,000</b>	Terraced, Freehold, Residential	12 Aug 2019	2 bedrooms
<b>£170,000</b>	Terraced, Freehold, Residential	11 Oct 2007	
<b>£106,000</b>	Terraced, Freehold, Residential	16 Oct 2002	



## 39, Meadow Pleck Lane, Shirley, Solihull, West Midlands B90 1SN

<b>£465,000</b>	Detached, Freehold, Residential	05 Aug 2019	4 bedrooms
<b>£339,950</b>	Detached, Freehold, Residential	09 Aug 2012	
<b>£290,000</b>	Detached, Freehold, Residential	08 Jan 2010	
<b>£214,000</b>	Detached, Freehold, Residential	03 Aug 2001	
<b>£187,500</b>	Detached, Freehold, Residential (New Build)	25 Feb 2000	



## 32, Cleveland Drive, Washington, Tyne And Wear NE38 0PP

<b>£44,000</b>	Flat, Leasehold, Residential	16 Aug 2019	1 bedroom
<b>£79,950</b>	Flat, Leasehold, Residential	11 Apr 2008	
<b>£56,000</b>	Flat, Leasehold, Residential	24 Aug 2003	
<b>£22,000</b>	Flat, Leasehold, Residential	06 Jan 2000	



Forecasts: how accurate are they?



# How accurate are the forecasts?

Property Price Forecasts	Savills 2019 (Nov 18)	Knight Frank 2019 (Nov 18)	JLL 2019 (Oct 18)
<i>Date of publication/source</i>			
UK	1.5%	-1.0%	0.5%
London	-2.0%	-2.0%	0.5%
South East	0.0%	-1.0%	0.0%
South West	0.5%	-2.0%	1.0%
East of England	0.0%	-2.0%	0.5%
East Midlands	3.0%	-1.5%	0.0%
West Midlands	3.0%	-1.0%	1.0%
North East	2.0%	0.5%	0.0%
North West	3.0%	0.0%	1.0%
Yorks & Humber	2.5%	0.5%	1.0%
Wales	2.0%	0.0%	1.0%
Scotland	2.5%	-1.0%	2.0%

PwC 2019 (Jul 19)	PwC 2021-2022 (average) (Jul 19)	Home.co.uk 2019 (Dec 18)
1.2%	3.0%	
-1.2%	3.2%	-3.5%
-0.3%	3.1%	-2.0%
1.0%	3.1%	-1.0%
0.2%	2.4%	-1.5%
2.7%	3.2%	0.0%
3.4%	3.2%	2.0%
0.5%	3.0%	1.0%
3.1%	4.2%	4.0%
2.4%	3.7%	4.0%
4.0%	4.0%	7.0%
1.7%	4.7%	1.5%

UK HPI Actuals (Jul 19)	Nationwide Actuals (Q3 19)
0.7%	0.3%
-1.4%	-1.7%
-2.0%	-0.6%
0.7%	0.5%
-0.5%	1.7%
1.9%	0.4%
1.8%	2.1%
-2.9%	2.0%
2.3%	2.5%
3.2%	0.1%
4.2%	2.9%
1.4%	0.8%

# Forecasts: 2020

# Expectations for 2020

<b>Property Price Forecasts</b>	<b>Savills 2020</b>	<b>Knight Frank 2020</b>	<b>JLL 2020</b>	<b>PwC 2020</b>
<i>Date of publication/source</i>	(Nov 18)	(Nov 18)	(Oct 18)	(Jul 19)
UK	4.0%	1.0%	1.0%	2.1%
London	0.0%	1.0%	2.0%	1.0%
South East	2.0%	1.0%	1.0%	0.4%
South West	3.5%	1.0%	0.5%	1.7%
East of England	2.0%	0.0%	1.0%	0.9%
East Midlands	5.0%	0.0%	0.5%	3.4%
West Midlands	5.0%	0.5%	0.5%	4.1%
North East	5.0%	2.5%	0.0%	1.8%
North West	6.0%	1.5%	1.0%	3.8%
Yorks & Humber	5.5%	1.0%	0.5%	3.1%
Wales	5.5%	0.5%	0.0%	4.2%
Scotland	5.0%	0.5%	1.0%	2.4%

Forecasts: to 2023

# 5 Year Forecasts

<b>Property Price Forecasts</b>	<b>Savills 5 Yr compound growth</b>	<b>Knight Frank 5 Yr Forecast</b>	<b>JLL 5 Yr cumulative growth</b>
<i>Date of publication/source</i>	(Nov 18)	(Nov 18)	(Oct 18)
UK	14.8%	10.3%	11.4%
London	4.5%	9.2%	14.8%
South East	9.3%	9.2%	11.4%
South West	12.6%	7.6%	10.9%
East of England	9.3%	7.1%	13.1%
East Midlands	19.3%	8.1%	9.8%
West Midlands	19.3%	10.8%	9.3%
North East	17.6%	13.6%	6.6%
North West	21.6%	11.4%	12.0%
Yorks & Humber	20.5%	12.0%	10.4%
Wales	19.3%	9.8%	8.2%
Scotland	18.2%	10.3%	11.5%

What does this mean for investors?

# What does this mean for investors?

- There is no 'easy money'
  - Be careful shifting investment 'up north'
- Have to be clear on your objectives:-
  - Capital growth
  - Income
- Recommend either
  - Very long term strategy eg 20 years minimum
  - Need to develop eg build to rent
  - Need to buy at a discount with cash
    - Short lease
    - Major issues
      - Subsidence, fire damage

# Headwinds, but stability?

- Election
  - Fear of Labour being elected
  - Who do you vote for?
    - Will the conservatives change their anti BTL strategy?
- Recession
  - Widely expected, even without Brexit
  - Likely to dampen the market
- But
  - If rates stay low
  - Supply remains subdued
  - Prices likely to remain relatively stable



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