

Market Insight

Swindon has homes for a broad spectrum of lifestyles, from first time buyers in new build urban apartments, to families in period detached rural homes, and downsizers. As a result, it isn't surprising that house prices continue to rise.

5.5%

Price growth in the Swindon area*

The national housing market



6.2%

Annual house price growth, South West

compared to 5.8% for UK

Source: ONS, February 2017



£18.2bn

Gross Mortgage Lending

Closely matches the £18.1bn lent in February 2016

Source: Bank of England, February 2017



£1.35m

Swindon

Most expensive sale in last three months

Source: Land Registry

UK average house prices rose by 5.8% in the 12 months to February (ONS), and 6.2% in the South West, taking the price of an average property sale in the South West to £242,000. Asking prices also continued to rise.

Fewer homes are coming to the market. According to RICS, levels of available stock per agent fell to a record low in March 2017. The amount of mortgage lending to home-movers (those with a property to sell) is falling, and first time buyers or those seeking to re-mortgage are driving the lending figures.

The rate of mortgage lending dipped in March 2017, suggesting that demand may be starting to slow as consumer spending is tightened. Almost a fifth (18%) of all sales in 2016 were second homes or investments, when measured by the number of transactions that have incurred the 3% stamp duty surcharge for additional properties since April 2016.

The supply of rental property fell in February 2017 according to ARLA Propertymark but demand remains strong. As across the sales market, limited supply supports price growth, with the average rent paid by tenants across the UK rising by 2% in the year to March 2017 (ONS private rental index).

The Economy

Inflation breached the Bank of England's 2% target in February for the first time since 2013. At 2.3%, it is likely to put pressure on wages and household spending.

The consensus forecasts published by the Treasury are for GDP growth of 1.7% in 2017 and inflation (CPI) of 3% by the end of the year, before falling back to 2.5% over 2018.

LOW MORTGAGE RATES

1.37% MARCH 2017

Average mortgage rates have fallen over recent years to record lows in March.

Based on average 2 year fixed mortgage and Loan to Value ratio of 75%.

Our market

"Crossrail is already having a positive impact on the Swindon housing market"

Glynn Rolfe

Sales

The average price of property (excluding new build) sold between December 2016 and February 2017 in Swindon was £244,243. This is 11.7% higher than the same period last year, despite market activity in 2017 so far being slow, with transactions down by about 10%. However, the snap general election means that a degree of caution is anticipated in the short term, before business as usual resumes.

Over the year, price growth has been strongest for terraced properties, where investors and other buyer types compete for available stock.



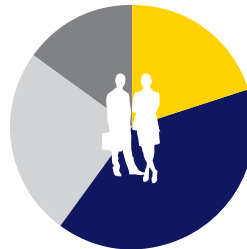
Source: dataloft/Land Registry, Parkers

Who are our buyers?

Buyer profile

Investors have dominated the Swindon housing market during the first few months of the year, accounting for approximately 40% of all sales. Home movers, whether from within the local market area or relocating from further afield, account for a further 40% of all purchases in our local area. First time buyers make up the remaining 20%. This profile remains unchanged from the end of last year.

Source: dataloft/Parkers Q1 2017



First time buyers
Investors
Home movers local
Home movers relocation

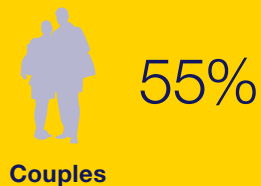
Lettings

The local rental market in Swindon remains strong, in part driven by a strong local economy, with average rents continuing to climb.

Couples make up over half (55%) of rental demand but so far this year, demand has been increasing from families, some of whom are unable to find suitable stock in the sales market.

Who is renting?

A profile of our tenants



Source: dataloft/Parkers Q1 2017

* from front cover Including new build, between March 2016 and February 2017, vs same period a year earlier.

Disclaimer: This report has been prepared in good faith on the basis of calculations that rely on a set of assumptions that will vary considerably between geographical regions and over time. They illustrate hypothetical examples of returns that may be possible under the given set of assumptions, however no warranty is given as to the accuracy or completeness of information contained in this report. Accordingly, this report is for general information purposes only and no liability is accepted by Parkers, its associates, employees, directors and representatives for any negligence in relation to the information, forecasts, figures or conclusions contained in this Report or for any loss, damage, or consequence whatsoever, arising from any action taken based on its content. This report does not constitute and must not be treated as investment advice or guidance and users should always obtain independent professional advice before making any investment decision. The content is strictly copyright and reproduction of the whole or part of it in any form is prohibited without the express prior written permission of Parkers. Date of publication: May 2017

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Founded in 1948, Parkers is one of the South's most well-established and respected estate and lettings agencies. Our focus is on providing an honest and straightforward approach, and high quality customer care to achieve the very best results for our valued clients.

Swindon

T 01793 511222 | E swindon@parkersproperties.co.uk

parkersproperties.co.uk

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