

# Prime & Country House Market Insight

August 2019

## More +£2million homes sold in the South than ever before

London's housing market peaked in 2015 following a period of considerable growth. And then everything changed. Reform to stamp duty, biting affordability and uncertainty all took their toll and the slowdown began to spread outwards from London to the Prime Country markets best connected to the Capital.

Average house prices in southern Prime Country markets have fallen a further -0.9% over the last year as uncertainty and affordability pressures continue to weigh on the market. This currently puts Prime Country prices around 5% below their 2015 peak.

However, following four years of stagnation, expectations are beginning to adjust and asking prices are being cut to attract new buyers. In fact, one in five homes that had a price reduction ended up selling above their final asking price during the last 12 months and this is leading to more activity.

Despite ongoing uncertainty, which resulted in a fall in the number of transactions in Great Britain last year, the Prime Country market outperformed. There were more +£2 million homes sold in the South last year than ever before - equating to £2.2 billion worth of sales.

It's also important to put these short-term price falls into a longer-term context. Since the financial crisis house prices in Prime Country have risen 49%, outpacing the UK average of 42%. This means that the average seller in the South East sold their home last year for £123,380 more than they paid for it, having owned the property for nine years on average. In South Buckinghamshire, for example, the average seller made a £280,950 gain.

While undoubtedly, confidence is important in the housing market, households still need to move. And with affordability pressures mounting in the Capital, more buyers are seizing the opportunity to purchase future-proofed homes in the country too.



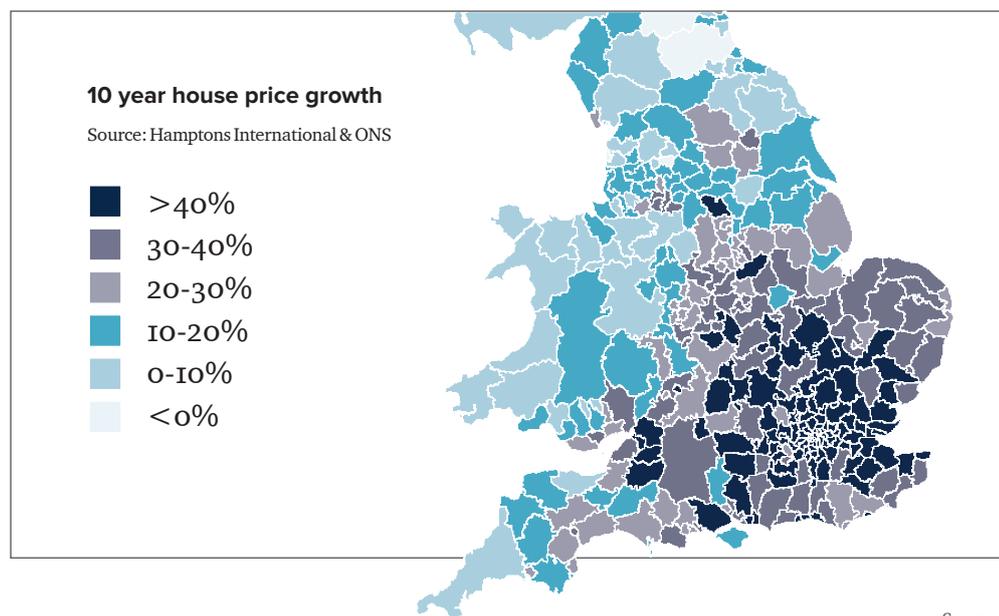
House price growth  
in prime country



Value of +£2million  
homes sold in the  
South in 2018

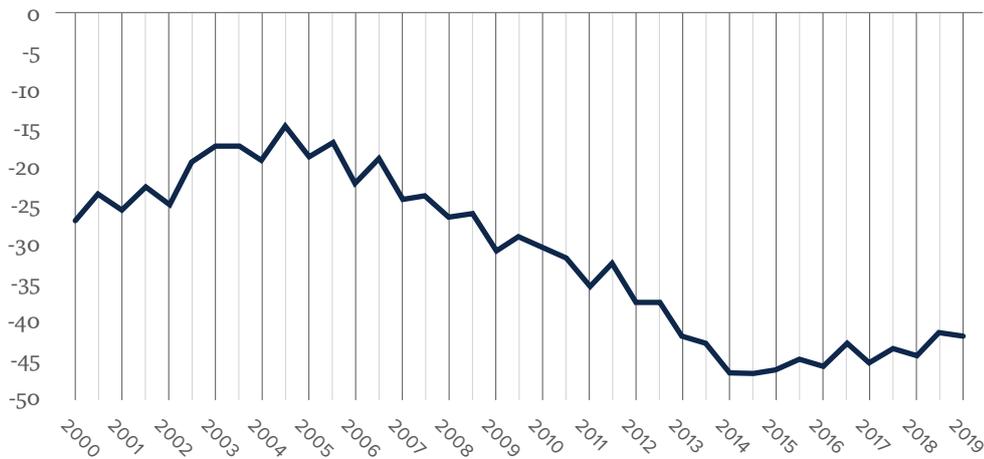


Average gain  
for sellers in the  
South East



## % price difference between prime London and prime Country

Source: Hamptons International and Land Registry



It has long been known that Londoners fuel the prime rural markets of the South of England, but with the average age of a city leaver moving to the country falling from 48 years old in 2006 to 37 last year, the demographics of Prime Country buyers are definitely changing.

In 2018, Londoners purchased £30 billion worth of property outside the capital, equating to 74,350 homes. Or, to put it another way, one in five Prime Country homes in the South of England were bought by a Londoner, the highest proportion on record.

Over the last ten years, the gap between London and country house prices has grown considerably. A decade ago a home in Prime London would have cost 35% more than a house in the country, but today it costs 77% more.

All of which means that city buyers thinking of making the move can now buy more space for their money. Important for those who want to future-proof further home moves, while saving on the onerous transaction costs associated with moving.

Changing priorities, such as starting a family or wanting a slower pace of life, have been the traditional drivers of out of town moves. However, with the high cost of buying in the Capital, it comes as no surprise to learn that a record 12% of Prime Country homes were purchased by first-time buyers this year.

For city leavers looking for a slice of rural life, now may be a good time to buy. Prime Country's underperformance over the last decade creates an opportunity for buyers looking for value and this will fuel demand in the future.



**-42%**  
Difference between average house price in prime London and prime Country



**37 Years**  
Average age of a prime country buyer

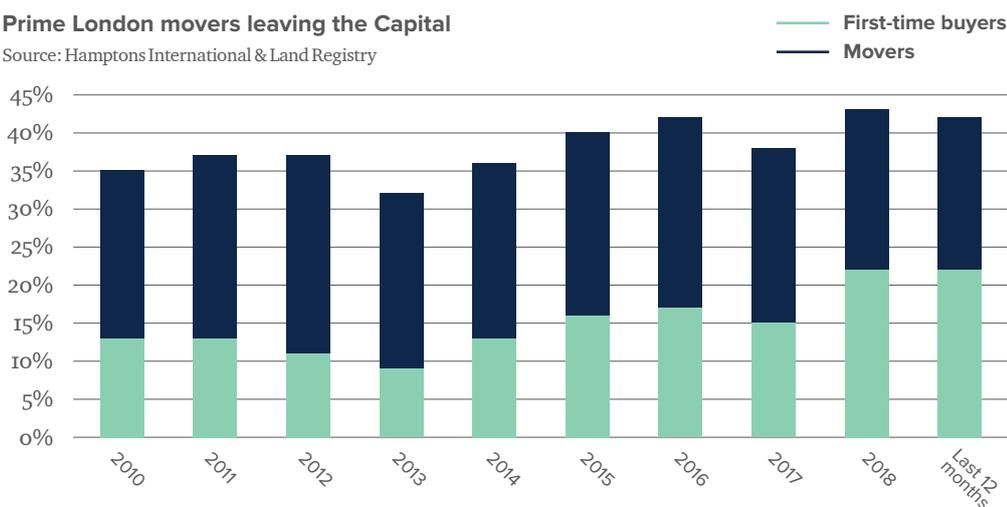


**10%**  
Of homes in the country bought by an International buyer

Source: Hamptons International & Land Registry

## Prime London movers leaving the Capital

Source: Hamptons International & Land Registry



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If you would like our help or advice, whether you are buying, selling, renting or letting a property, please get in touch.