



Press Release

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Proportion of homes bought with cash falls to record low

- The proportion of homes in Great Britain bought with cash (i.e. without a mortgage) fell to 28% in H1 2019, the lowest level since records began in 2007 (chart 1).
- The West Midlands recorded the biggest decrease, with the proportion of homes bought with cash falling 9% since H1 2017 (table 1).
- The average home bought with cash in H1 2019 cost £217,810, up 1.4% since H1 2017 (table 1). However in London the average cash purchase cost 3.6% less than two years ago.
- Investors accounted for 24% of cash buyers in H1 2019, compared to 32% ten years earlier (chart 2).

The proportion of homes in Great Britain bought with cash (i.e without a mortgage) fell to 28% in H1 2019, the lowest level since records began in 2007. This is significantly lower than the peak of 36% recorded in 2009 (chart 1, table 1). Over the last two years the proportion of homes purchased across Great Britain with cash has fallen by a further 5% (chart 1, table 1).

Every region in Great Britain recorded a fall in cash sales over the last two years. The West Midlands recorded the biggest decrease in the proportion of homes bought with cash since H1 2017 (-9%), followed by London (-7%). Scotland recorded the smallest fall, with the proportion of homes bought mortgage free decreasing 1% since 2017 (table 1).

The South West remains the region with the highest proportion of cash sales; 34% of homes were purchased with cash in H1 2019. Meanwhile London had the lowest proportion of cash sales – just 19%, which is 8% lower than 2009 when cash buyers in the capital peaked (table 1).

According to the latest Land Registry data the average home bought with cash in H1 2019 cost £217,810, up 1.4% since H1 2017. Meanwhile in London, the average home bought with cash cost £489,820, 3.6% less than in H1 2017 (table 1).

West Somerset had the highest proportion of homes bought with cash. More than half (58%) of homes in the local authority were purchased without a mortgage in H1 2019, this is 7% less than in H1 2017. Ceredigion (57%), Torridge (53%), West Dorset (53%) and North Norfolk (53%) followed. Kensington & Chelsea was the only London borough to feature in the top 10. 53% of homes in the borough were purchased with cash in H1 2019 at an average price of £1.26 million (table 2).

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Ten years ago investors accounted for 32% of cash buyers, but during the first half of 2019 only 24% of cash purchases were bought as a buy-to-let. The majority (68%) of homes bought with cash this year were purchased by homeowners wanting to live in the property. This is up from 61% in H1 2009. Meanwhile second homeowners accounted for 5% of cash purchases this year (chart 2).

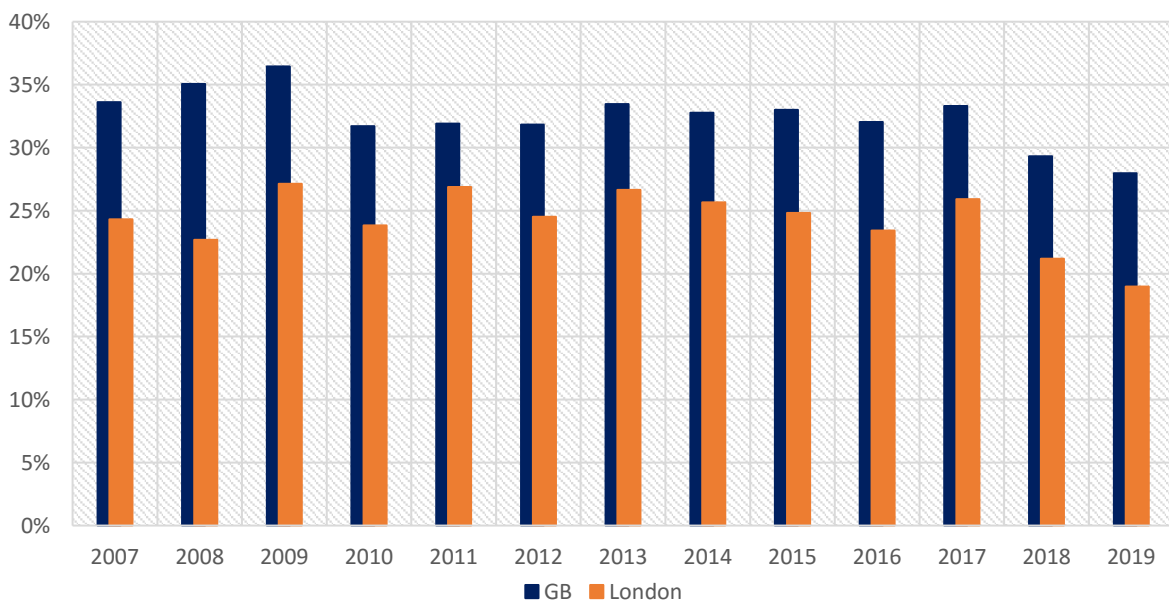
Those buyers who did purchase in cash bought smaller homes too. 18% of cash buyers purchased a 4-bedroom home in H1 2017, but this fell to 16% in H1 2019. Meanwhile the proportion of cash purchasers buying a 2-bedroom property rose from 32% in H1 2017 to 34% in H1 2019.

Commenting Aneisha Beveridge, Head of Research at Hamptons International, said:

“The proportion of homes bought with cash has fallen to the lowest level on record. Although transactions have fallen this year, cash purchases decreased even further. Just 28% of homes were bought without a mortgage in H1 2019, significantly lower than the peak of 36% recorded 10 years ago.

“The fall in cash purchases not only reflects tighter affordability, but also a decrease in activity amongst downsizers, the group of people most likely to have built up enough equity to purchase property with cash. It also reflects a drop off in the number of homes bought by investors, many of whom used cash to purchase their properties.”

Chart 1 – Proportion of homes bought with cash (H1 of each year)



Source: ONS & Hamptons International

Table 1 – Proportion of homes bought with cash by region

	% of cash buyers (H1 2019)	Change in proportion of cash purchases since H1 2017	Average cash purchase price (H1 2019)
South West	34%	-6%	£250,830
Wales	32%	-6%	£156,240
North East	31%	-5%	£116,610
Scotland	30%	-1%	£138,090
North West	29%	-5%	£149,890
Yorkshire & the Humber	29%	-6%	£155,310
East Midlands	27%	-6%	£185,200
South East	27%	-6%	£306,380
East of England	26%	-6%	£274,860
West Midlands	23%	-9%	£172,050
London	19%	-7%	£489,820
Great Britain	28%	-5%	£217,810

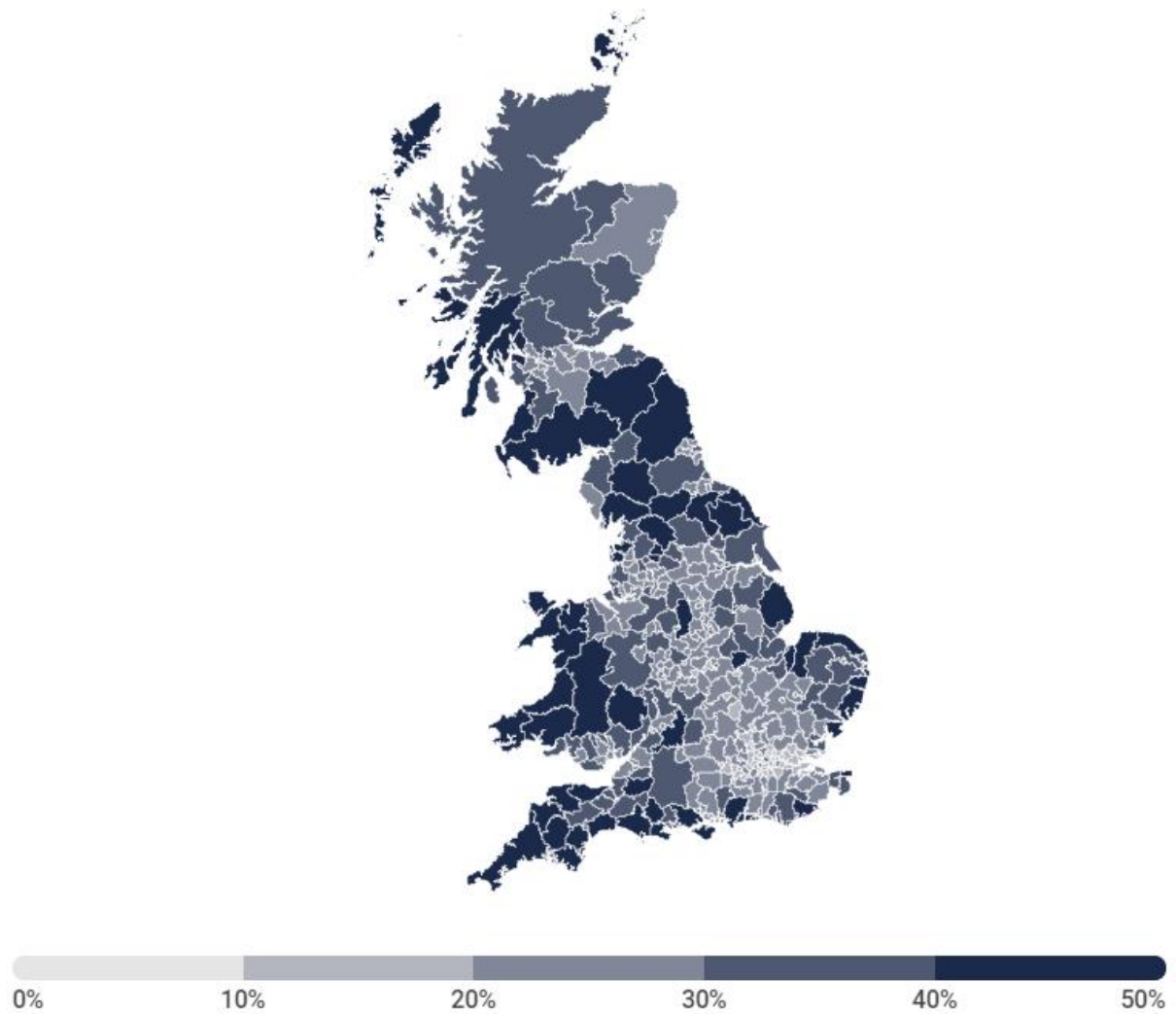
Source: ONS & Hamptons International

Table 2 – Top 10 cash buyer hotspots by local authority

Local Authority	Region	% of homes bought with cash (H1 2019)	Change in proportion of cash purchases since H1 2017	Average cash price
West Somerset	South West	58%	-7%	£231,890
Ceredigion	Wales	57%	4%	£191,430
Torridge	South West	53%	0%	£241,160
West Dorset	South West	53%	-8%	£289,290
Kensington & Chelsea	London	53%	-3%	£1,261,080
North Norfolk	East	53%	-7%	£260,240
Conwy	Wales	52%	2%	£164,440
East Lindsey	East Midlands	52%	-8%	£178,090
Isle of Wight	South East	52%	-4%	£223,950
Argyll and Bute	Scotland	51%	-1%	£140,970

Source: ONS & Hamptons International

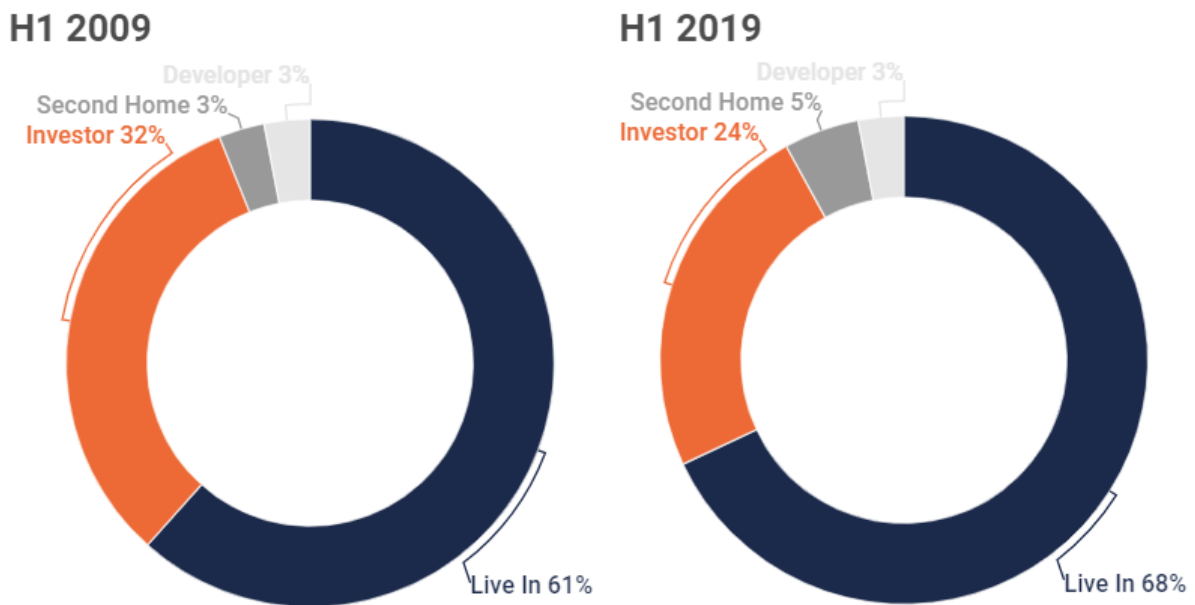
Map 1 – Proportion of homes bought with cash by local authority (H1 2019)



Interactive map: <https://infogram.com/of-homes-bought-with-cash-h1-2019-1hdw2j9oyd7d6l0?live>

Source: ONS & Hamptons International

Chart 2 – Cash buyer types



Source: Hamptons International

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About Hamptons International

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