

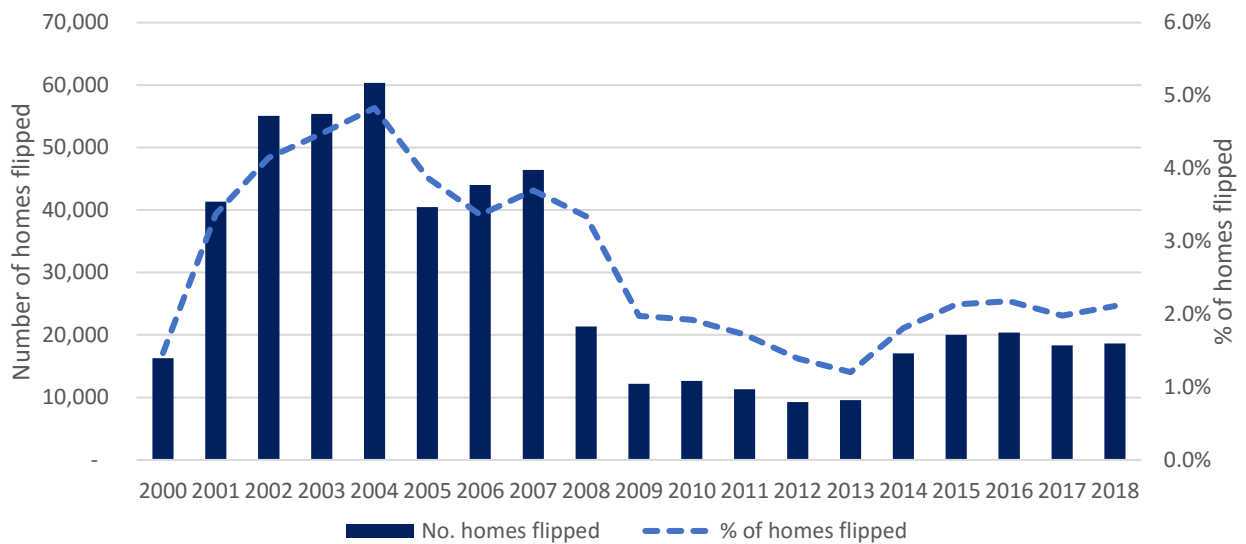
Press Release

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Number of homes flipped falls 69% since 2004 peak

Chart 1 – Number and % of homes sold more than once in a year



Source: Hamptons International & Land Registry

The number of homes sold more than once within a 12-month period (i.e. flipped) has fallen dramatically since its peak in 2004. Last year 18,630 homes were flipped in England & Wales, 69% less than the 60,340 homes flipped in 2004. However, between 2017 and 2018 the number of flipped homes increased 1.6% (table 1).

Despite the year-on-year increase, flippers now make up a smaller part of the housing market compared to historic standards. In 2004, 4.8% of homes sold in England & Wales were flipped within 12 months. This proportion has fallen gradually ever since and last year just 2.1% of homes were flipped in England and Wales, although this is 0.1% more than in 2017 (table 1).

In 2018, £3.9 billion worth of property was flipped, £0.2 billion less than in 2017 and half the value of the sector in 2004 (£8.2bn) (table 1). Last year £0.6 billion of homes in London were flipped.

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The average ‘flipper’ sold their property for £30,150 more than they paid for it (pre-tax), which equates to a 22% average gain in England and Wales. However, this is less than the 32% average gain made in 2004 at a time when house prices were rising faster than they have been in the last few years.

The number and proportion of homes flipped has fallen in every region since 2004. London saw the biggest drop in the number of homes flipped since 2004 (-81%), followed by the North West (-73%). The North East is still the region with the highest proportion of flipped homes, with 3.6% of homes sold more than once in 2018 (table 2).

However, between 2017 and 2018 every region other than London recorded a small increase in the percentage of homes flipped. The North East saw the biggest increase, with the proportion of homes flipped in the region rising from 3.3% in 2017 to 3.6% in 2018. Meanwhile the proportion of homes flipped in London fell from 1.5% in 2017 to 1.4% in 2018 (table 2).

Burnley has often been the local authority with the highest proportion of homes flipped. Last year 11.2% of homes sold in Burnley were bought in the previous 12 months, followed by Wolverhampton (6.1%), Hyndburn in Lancashire (5.4%) and Hackney (5.1%) (table 3). In fact, it’s the first time in two years that a London borough has come in the top 15 local authorities with the highest proportion of flipped homes (table 3).

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

“The art of flipping generally involves buying, renovating and selling a home, in most cases for a profit. Flippers play an important role in the housing market by improving existing housing stock and bringing empty homes back into use. Yet the number of flipped homes has fallen considerably since its heyday in the early 2000’s.

“Flippers tend to operate when house prices are rising, to really maximise their profits. Between 2000 and 2007 house prices were rising at an average annual rate of 13%, so there were plenty of opportunities for flippers to make profits. But following the financial crash price growth has slowed, and this combined with tax changes has meant that generally it’s harder for flippers to make as much of a return as before.”

Table 1 – Number and % of homes sold more than once within a year

	Number of homes flipped	% of homes flipped	Value of homes flipped (£bn)
2004	60,340	4.8%	£ 8.2
2017	18,330	2.0%	£ 4.1
2018	18,630	2.1%	£ 3.9
1y change	1.6%	0.1%	-£ 0.2
Change since peak (2004)	-69%	-2.7%	-£ 4.3

Source: Hamptons International & Land Registry

Table 2 – Number and % of homes sold more than once within a year by region

	Number of homes flipped			% of homes flipped		
	2018	YoY change	Change since peak (2004)	2018	YoY change	Change since peak (2004)
East Midlands	1,910	4%	-63%	2.4%	0.1%	-2.6%
East of England	1,730	1%	-67%	1.8%	0.1%	-2.1%
London	1,240	-16%	-81%	1.4%	-0.1%	-2.6%
North East	1,430	8%	-66%	3.6%	0.3%	-3.6%
North West	2,930	6%	-73%	2.6%	0.2%	-4.0%
South East	2,320	-1%	-67%	1.6%	0.1%	-1.8%
South West	1,810	-4%	-68%	1.8%	0.1%	-2.7%
Wales	1,120	8%	-64%	2.3%	0.2%	-3.1%
West Midlands	1,990	6%	-64%	2.3%	0.2%	-2.6%
Yorkshire & the Humber	2,090	4%	-69%	2.5%	0.2%	-3.3%

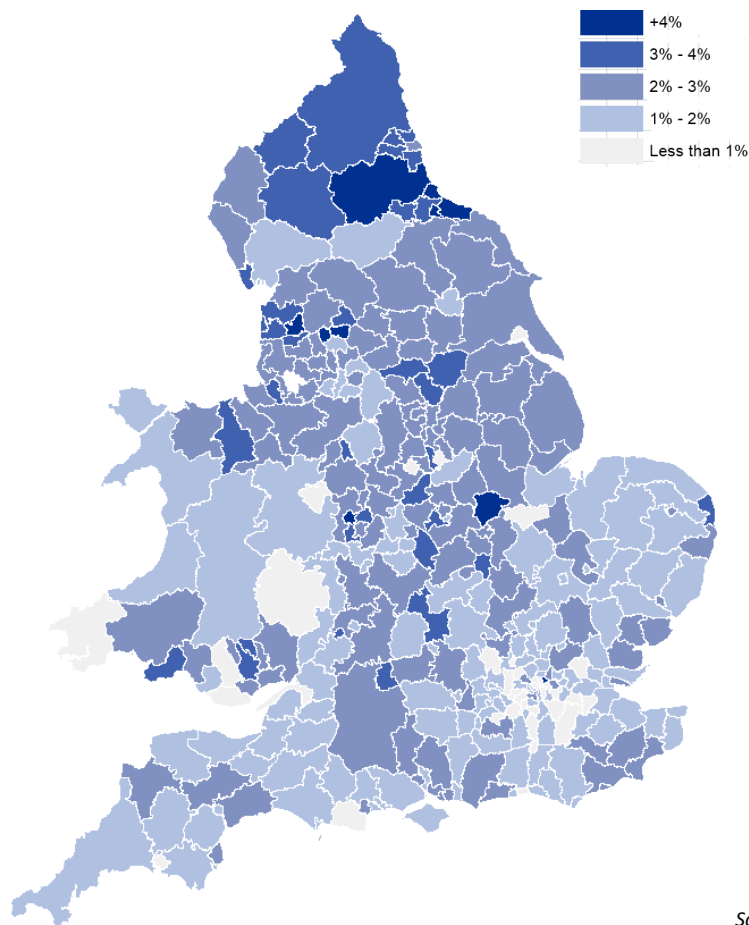
Source: Hamptons International & Land Registry

Table 3 – Top 15 local authorities with highest % of homes flipped in 2018

Local Authority	Region	% of homes flipped in 2018
BURNLEY	North West	11.2%
WOLVERHAMPTON	West Midlands	6.1%
HYNDBURN	North West	5.4%
HACKNEY	London	5.1%
COUNTY DURHAM	North East	4.8%
REDCAR AND CLEVELAND	North East	4.4%
HARTLEPOOL	North East	4.4%
MIDDLESBROUGH	North East	4.3%
RUTLAND	East Midlands	4.1%
PRESTON	North West	4.0%
SOUTH RIBBLE	North West	3.9%
BARROW-IN-FURNESS	North West	3.9%
WELLINGBOROUGH	East Midlands	3.9%
WALSALL	West Midlands	3.8%
BLACKPOOL	North West	3.8%

Source: Hamptons International & Land Registry

Map - % of homes flipped (2018)



Source: Hamptons International & Land Registry

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About Hamptons International

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