



## Press Release

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### Burnley crowned capital of flipping for the sixth year running as the proportion of homes flipped in England & Wales reaches highest level since 2008

- The proportion of homes flipped (properties bought and sold within a 12 month period) across England and Wales is now at the highest level since 2008. So far this year 2.5% of homes sold have been flipped within 12 months, a figure which is likely to equate to around 23,000 transactions by the end of the year. (table 3)
- Despite coronavirus, more homes will be flipped with greater profits made this year than last. The average profit (£40,995) on a flipped home in England & Wales has been boosted by a shift from flats to houses. Just 5% of flipped homes bought and sold since the market reopened in May were flats, down from 20% in 2019. (table 3)
- More homes have been flipped in Burnley this year than in any other local authority in England and Wales. 8.2% of homes sold in Burnley this year have been flipped, of which 81% were bought for £40,000 or less, under the threshold at which stamp duty is payable. (table 1)
- The North East and North West of England are the regions that continue to see the greatest number of homes flipped.

Burnley has seen more homes flipped in 2020 than in any other local authority in England and Wales. 8.2% of all homes (table 1) sold in the town during 2020 so far had been bought within the preceding 12 months (i.e. flipped). It is the sixth year in a row that Burnley has topped the list in England and Wales (table 2). The last time Burnley failed to take top spot was in 2014 when it was pipped by the City of London and finished in second place.

81% of the homes flipped in Burnley this year were bought for £40,000 or less, with buyers not liable to pay either general or investor stamp duty. 93% of these purchases were terraced houses, bought for an average price of £38,000. For all flipped homes in Burnley, the average difference between the purchase and sale price (i.e. gross profit) was £20,643, or 44% (table 1). Just over two-thirds (67%) of these homes subsequently sold for more than £40,000, with the new buyer liable to pay stamp duty.

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Across England and Wales during 2020 the proportion of homes sold twice in a 12-month period has reached the highest level since 2008. So far this year 2.5% of homes sold have been flipped (chart 1), a figure which is likely to equate to around 23,000 transactions by the end of the year. This may prove to be the largest number of homes flipped since 2007.

Despite the pandemic, 2020's figure is likely to surpass 2019 both in terms of the number of homes flipped and the profit made. In 2019, 2.4% of homes sold had been bought inside 12 months, or 20,857 properties (table 3). This year the average difference between the purchase price and sale price is £40,995, the highest figure on record and up from £29,685 in 2019 (table 3). This is equivalent to an average gross profit of 26%.

The rise in gross profit has been driven up by a move away from flats. Just 5% of flipped homes bought and sold since the housing market reopened in May were flats, down from 20% in 2019. In 2019, flippers in England and Wales spent a total of £4.4bn buying homes, collectively bringing in £5.1bn after selling them last year.

In recent times flipping has increasingly been concentrated across Northern England. So far in 2020, six of the top 10 places are located in the North East or North West of England (table 1). It has been two years since anywhere in Southern England made it into the top 10, a reflection of the weakness of the market and the amount of stamp duty payable. In 2018 the London Borough of Hackney saw the tenth largest proportion of homes flipped nationally.

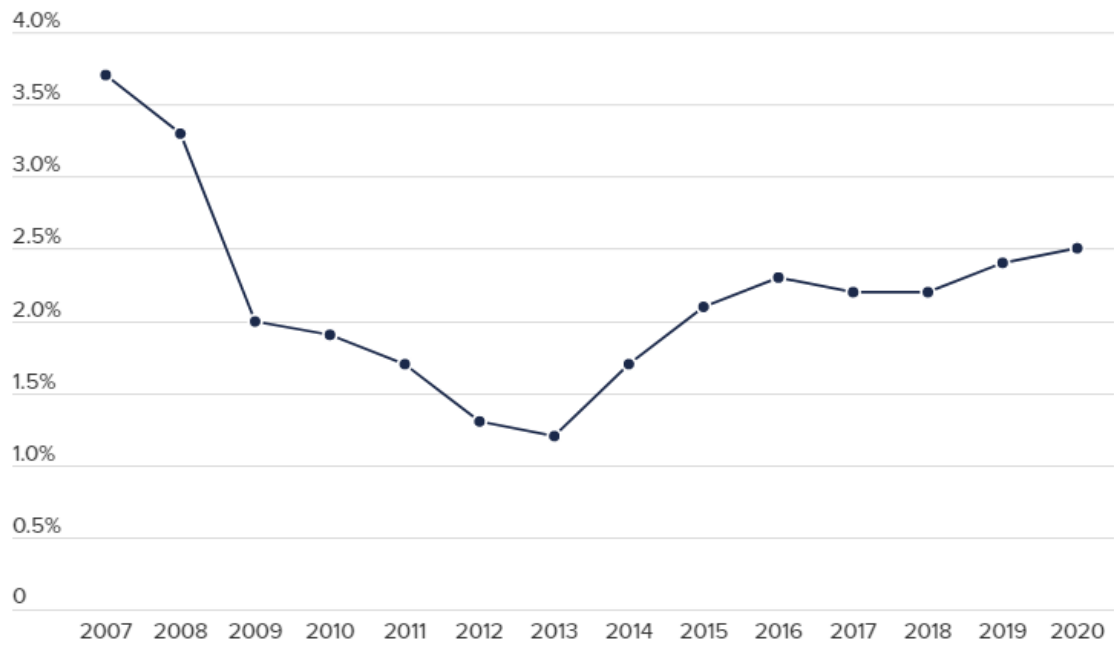
Commenting Aneisha Beveridge, Head of Research at Hamptons International, said:

*“Flipping generally involves buying, renovating and selling a home over a short period of time, in most cases for a profit. Flippers play an important role in the housing market by improving housing stock and taking on projects other buyers often won't touch.*

*“Since the market weakened following the financial crash of 2007, the number of flipped houses dwindled. However in recent times their numbers have started to recover. But the introduction of the 3% investor stamp duty surcharge has served as a cap, with flippers increasingly targeting cheaper areas where they don't have to pay stamp duty. At the same time, tightening yields and increased regulation have pushed some landlords away from long-term ownership towards buying, refurbishing and selling on.*

*“Burnley has cemented itself in the top spot for the last six years as it's one of the few places where investors can purchase a home without paying any stamp duty. And while the current stamp duty holiday will see flippers across the country save money, its full impact won't be felt until early next year when these homes are likely to return to the market for sale. Given investors in more expensive areas will see larger stamp duty savings, there is potential for Burnley to be knocked off the top spot before too long.”*

Chart 1 – Proportion of homes sold twice within 12 months (England & Wales)



Source: Land Registry & Hamptons International

Table 1 – Top 10 local authorities with the highest proportion of flipped homes this year

	Homes sold twice in 12 months	Profit (£)	Profit (%)
BURNLEY	8.2%	£20,643	44%
COUNTY DURHAM	5.8%	£6,780	21%
RUTLAND	5.8%	£45,269	24%
MIDDLESBROUGH	5.5%	£6,100	24%
STOCKTON-ON-TEES	5.4%	£8,775	20%
WOLVERHAMPTON	4.7%	£22,191	23%
HYNDBURN	4.6%	£26,410	44%
MERTHYR TYDFIL	4.5%	£20,417	36%
DARLINGTON	4.5%	£11,549	10%
WALSALL	4.4%	£27,536	26%

Source: Land Registry & Hamptons International

Table 2 – The local authority with the highest proportion of flipped homes over time

Homes sold twice in 12 months	
2007	PENDLE
2008	MIDDLESBROUGH
2009	SEDGEFIELD
2010	GLOUCESTER
2011	MANSFIELD
2012	NORTHAMPTON
2013	KENSINGTON AND CHELSEA
2014	CITY OF LONDON
2015	BURNLEY
2016	BURNLEY
2017	BURNLEY
2018	BURNLEY
2019	BURNLEY
2020	BURNLEY

Source: Land Registry & Hamptons International

Table 3 – Proportion of homes sold twice within 12 months

	Homes sold twice in 12 months	Homes sold twice in 12 months	Profit (£)	Profit (%)
2007	46,453	3.7%	£31,728	23%
2008	21,107	3.3%	£16,025	14%
2009	12,214	2.0%	£15,013	18%
2010	12,398	1.9%	£29,666	23%
2011	11,184	1.7%	£25,182	19%
2012	8,694	1.3%	£36,146	25%
2013	9,470	1.2%	£40,615	27%
2014	16,865	1.7%	£40,867	28%
2015	20,862	2.1%	£35,763	29%
2016	23,168	2.3%	£39,624	29%
2017	21,360	2.2%	£32,102	25%
2018	21,096	2.2%	£28,193	24%
2019	20,857	2.4%	£29,685	21%
2020		2.5%	£40,955	26%

Source: Land Registry & Hamptons International

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For further information, please contact:

Alison Blease

Head of Research PR, Hamptons International

Tel: +44 (0) 776 96 77 825

Email: [bleasea@hamptons-int.com](mailto:bleasea@hamptons-int.com)

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