

REAL ESTATE

Activity in UK residential property markets shows no sign of fading

July 20, 2020



Six-bedroom house for sale in Old Avenue, St George's Hill, Weybridge, Surrey, KT13, price 9,995,000. Image credit: Knight Frank

By LUXURY DAILY NEWS SERVICE

There has been a flurry of activity in the U.K. residential markets, with records broken in June.

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What seems obvious from U.K. real estate brokerage and consultancy Knight Frank's research is that buyers and sellers are living in the moment, making decisions now in the face of uncertainty as the government stimulus tapers off and the real economy shows its true face.

Here is what Tom Bill, head of London residential research at Knight Frank, had to say about the U.K. residential market outlook starting July 20.

This will be no ordinary summer.

Not just because overseas holidays and the Olympic Games have been postponed until 2021. There will also be an unusual pattern of activity in U.K. property markets for buyers and sellers to navigate.

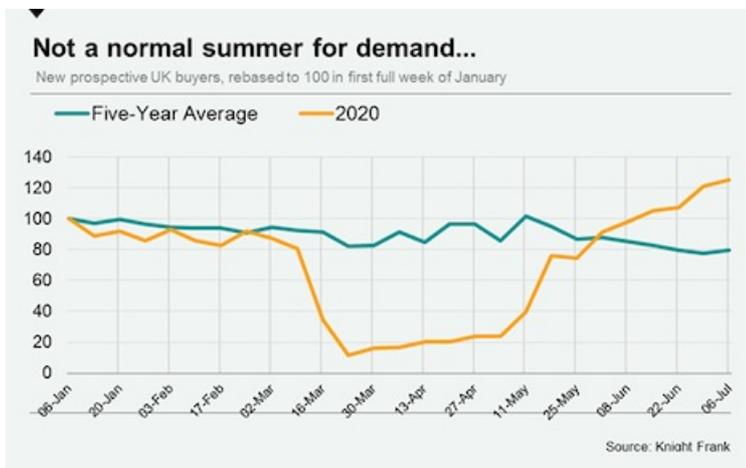
First, a recap.

The election of a majority government at the end of last year was the starting pistol [that] the property market had been waiting to hear and 2020 started with a bang.

Things came to a juddering halt at the end of March and, like many other sectors of the economy, the property market went into a state of suspended animation.

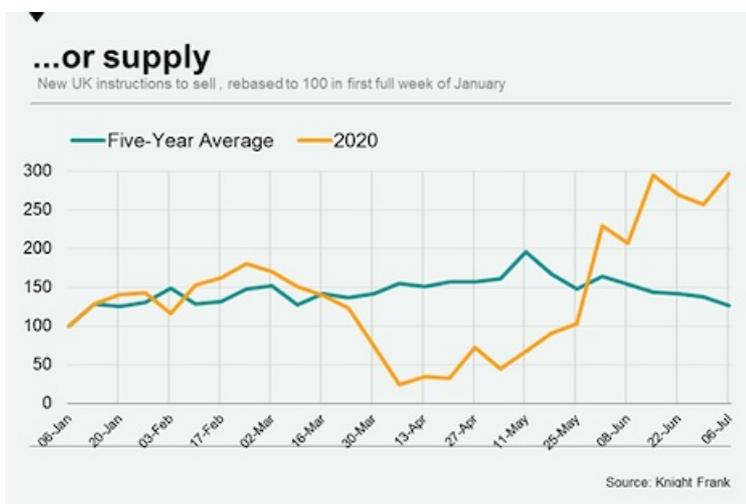
After the re-opening in mid-May came a surge in activity that caught most people by surprise. We analyzed last week [the records broken in June](#).

The result, as the charts below show, is that there is unlikely to be any seasonal lull in July and August this year. The stamp duty holiday announced last week makes this even less likely.



Not a normal summer for demand ... Source: Knight Frank

New supply in the first week of July was three times higher than the first week of the year. That compares to an average increase of 26 percent over the last five years. Meanwhile, demand was 25 percent higher than the first week compared to a five-year average decline of 20 percent.



Nor a normal summer for supply ... Source: Knight Frank

If you're a buyer, it will clearly pay to do your homework. Indeed, many agents are reporting that first viewings have become the equivalent of second viewings with the more widespread use of video technology.

If you're a seller, the traditional wait until September before listing your property may not be the most fruitful option this year. The perfect buyer is less likely to be on an overseas beach.

As well as the release of pent-up activity, a number of buyers and sellers are also acting now because they are unsure what the final few months of the year will bring.

For some, uncertainty around the impact of a second wave of coronavirus and the potential economic fallout as the government unwinds its financial support measures is causing them to act sooner rather than later.

Either way, the third quarter of this year will undoubtedly look very different from the second quarter. In time, we will know whether this remains true into the fourth quarter.