

HOT PROPERTY

ALL YOU NEED TO KNOW ABOUT THE LONDON PROPERTY MARKET

Edited by **Helen Crane**



HOME ON THE MARKET? HERE'S WHAT YOU CAN DO IN LOCKDOWN

It's an uncertain time, but there are steps you can take to keep things moving, says **Helen Crane**

The spread of Coronavirus has taken us all by surprise, with the unprecedented UK-wide lockdown posing a whole host of questions about how life's milestones should be handled. If your home is on the market right now, there's little formal guidance about what you should do, and lots of uncertainty over what kind of housing market we can expect to return to. Here's what we do know so far.

First of all, agents are advising against taking your property off the market, even though viewings are no longer possible. "Towards the end of last week, we got as many of our properties videoed as we could," says James Clarke of Knight Frank. "Our view is that, with so many people at home, it

would be almost foolish to remove a property from the market as it's going to have maximum exposure online."

Paul Clarke, founder of agent Mr & Mrs Clarke backs this up, saying his firm has seen a "spike in traffic across all [its] digital advertising spaces – website, Rightmove, Zoopla and social media."

WILL HOUSE PRICES FALL?

It's too early to get a clear picture of what will happen to house prices post-lockdown. Pre-Coronavirus, things were in reasonable shape: the latest government house price index, which recorded sales in January, showed a 1.3 per cent year-on-year increase in the average house price, but a 1.1 per cent fall compared to December.

These were recorded after the Conservatives won a majority on 12 December, which led to anecdotal evidence of a 'Boris bounce' in house prices, as pent-up housing demand began to be released because buyers felt more secure. But the figures precede the UK's exit from the EU on 31 January, which was some said might lead to a further value spike.

The February figures, released in a month's time, are tipped to be the peak after which prices will drop,

recording the period before Coronavirus hit the UK. It's impossible to accurately predict how far they will fall at this stage.

"You'd be forgiven for anticipating the worst with property values already dropping in January, particularly given the fact we know what is to come as a result of the spread of Coronavirus," says Marc von Grundherr of Benham and Reeves.

"The positive news is that unlike Brexit or the previous financial crisis, buyer and seller sentiment remains, they are just unable to transact as normal. With both demand and supply

reducing instead of just demand, prices aren't going to take the same sort of hit," he says.

What's easier to predict is a fall in transactions. Zoopla noted a 40 per cent drop in buyer demand and a 60 per cent increase in fall-throughs over the seven days to 22 March compared to the previous week, although new sales agreed still outnumbered fall-throughs by four to one.

These figures will both fall further now we are in full lockdown, and Zoopla suggests a 60 per cent fall in transaction volumes in the second quarter of 2020.

Its director of research and insight Richard Donnell says he "[Does] not expect any immediate impact on prices," but that the longer term outlook depends on "how the government's major package of support for business and households reduces the scale of the economic impact." In other words, we have to wait and see how many people are financially impacted by Coronavirus to the extent that they change their plans to move.

Marc Schneiderman of Arlington residential says a small number of transactions could still go ahead in the coming weeks, mostly "off plan sales, and isolated sales to buyers who

may have viewed houses in the past and are now willing to commit to agreeing terms, most likely at reduced prices to those they might have paid a few weeks ago."

WHAT CAN SELLERS DO?

If you already have a buyer, use the downtime to "move forward with the necessary documentation and legal work, which is very much continuing as normal," says Jo Eccles, founder of agent SP Property.

For those still in the early stages, Paul Clarke suggests "being proactive and asking your agent to advertise your home across social media, email and offer virtual viewings." And if you're just contemplating a sale, it's time to get your house in order – literally, as hardware stores are among the few that are still open.

You can also start conversations with agents about putting your home on the market once the lockdown is over. They will be having similar discussions with would-be buyers, and can progress when the time comes.

Finally, Eccles suggests trying to stay upbeat, viewing moving plans as "Something exciting and positive to look forward to when the current situation eases."



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