GARRINGTON

PRIME MOVERS REPORT

Autumn/Winter 2019

PRIME MOVERS ESCAPE TO THE COUNTRY?

As political confusion prevails, there are many conflicting views on the state of the country's housing market. While some savvy buyers see the current market as being ripe with opportunity, others are more cautious, viewing the threats with increased uncertainty. As the political narrative plays out in coming weeks and months, what happens next and how buyers react is likely to shape market conditions as we head into 2020.

Londoners seeking value

Whatever happens next politically, Garrington are already seeing a change in market dynamics impacting on buyers' decisions on where to buy.

Despite the uncertainties, it has been a busy few months at the top end of the market, but buyers are increasingly looking for discounts. To achieve this, some buyers are exploring locations further afield which are offering improved value for money.

This trend has been emerging over recent years. The latest migration data (published June 2019) shows that in the 12 months prior, around 340,000 Londoners left the capital to live in other parts of the UK, with over 16,000 relocating from London's most prime boroughs. Along with greater value for money, they may be in search of more space as families grow or a quieter pace of life. But where did they move to and what effect has this inward-migration had on local housing markets?

Leaving london

22% moved to predominantly rural locations

Prime London residents relocating to other parts of England

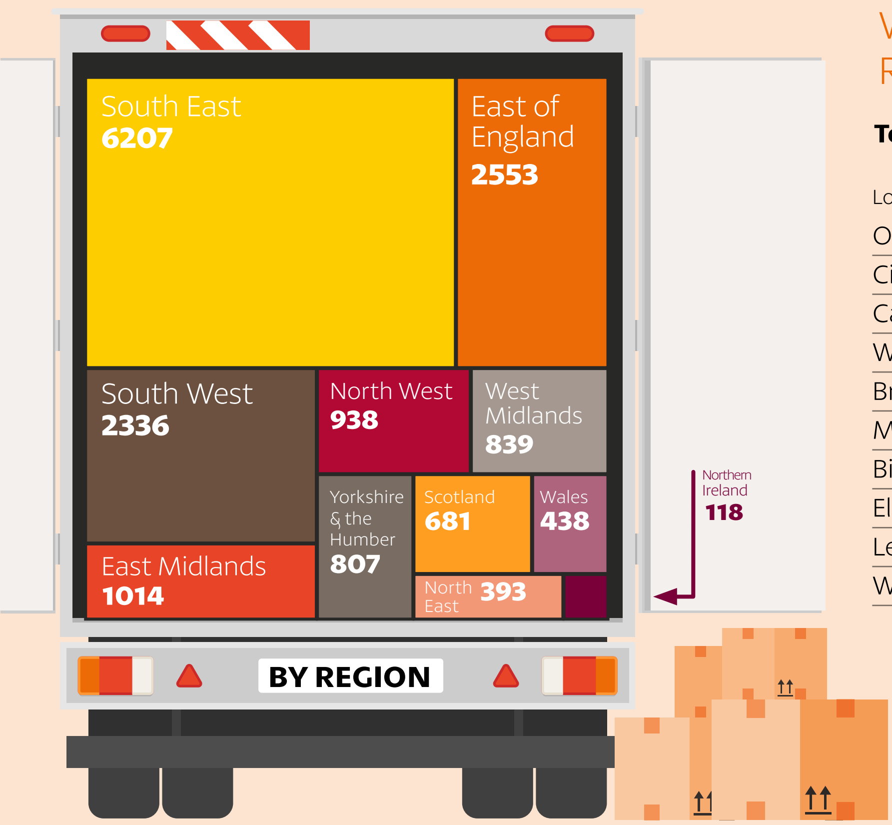
14% remained within London commuter belt

The 24 Local Authorities with more than 10,000 commuters into London

10% moved to strong, active, prime housing markets

Across England. Identified on page 3

Source: Garrington Research using data from Defra, ONS, Land Registry, Census



WHERE ARE LONDON RESIDENTS MOVING TO?

Top 10 locations for London movers*

Local/Unitary Authority	No.	%
Oxford	**597**	3.7%
City of Bristol	**464**	2.8%
Cambridge	**453**	2.8%
Windsor and Maidenhead	**359**	2.2%
Brighton and Hove	**335**	2.1%
Manchester	**299**	1.8%
Birmingham	**289**	1.8%
Elmbridge	**257**	1.6%
Leeds	**240**	1.5%
Wiltshire	**238**	1.5%

Source: Garrington Research using ONS.
*Migration out of London's prime boroughs of Kensington & Chelsea, Hammersmith & Fulham and Westminster to other parts of the UK in 12 months to June 2018.

LOCAL PRIME HOUSING MARKETS

Inward-migration driving local prime housing markets

More than 3.3 million people move across Local Authority borders every year in the UK, transferring demand and equity from one market to another. The sheer scale of this number has led us to question the impact of inward-migration on local housing markets, after a prolonged period of low transactions.

To explore this question, we identified a sample of strong, active, prime locations in every region across the UK. Prime, for this purpose, was defined as places where prices, price growth and turnover are all above average for their region. We then examined rates of inward-migration in these markets.

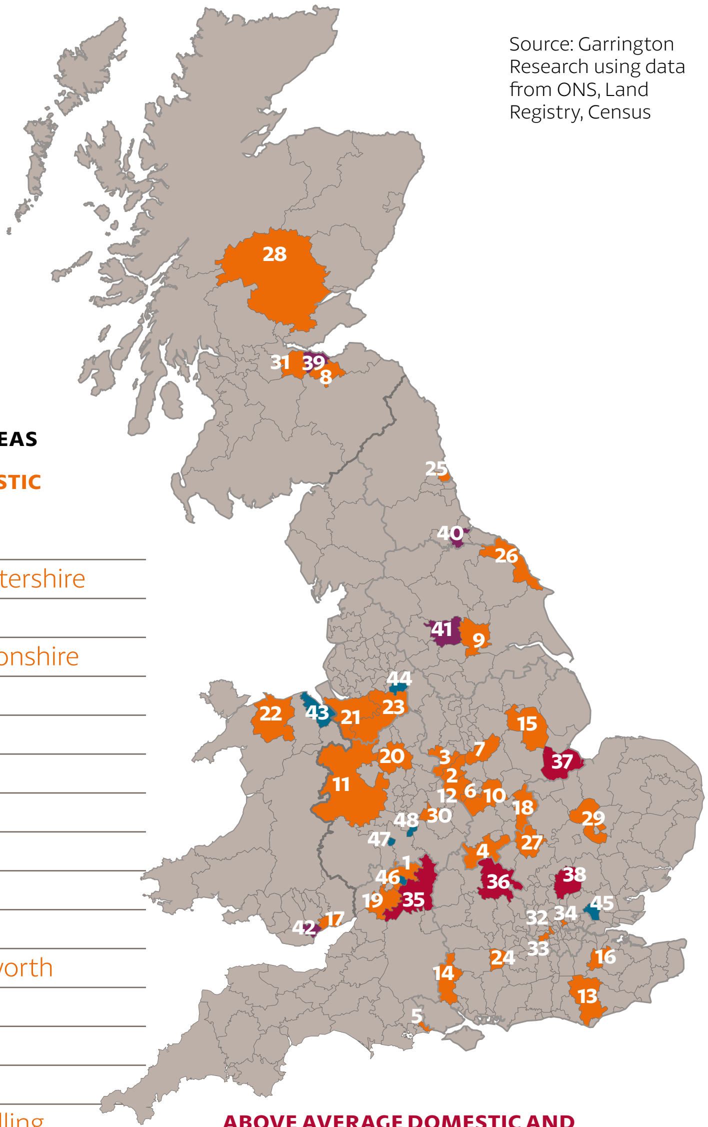
Success breeds success

Of the 48 best performing prime markets, almost 80% (38) also had above average net inward-migration. In other words, strongly performing housing markets attract inward-movers, or, more likely, high levels of inward-migration drive high prices, strong price growth and active turnover. These same prime markets tended to have above average rates of net international migration too.

Inward-migration (along with inward-investment) is a good indicator for a strong local economy and, it seems, is a useful leading indicator for a strong local housing market too. This analysis provides further proof of values cascading from one market to another, or the 'trickle down' effect.

There are a number of reasons why we could expect internal migration to rise in a post-Brexit era. First, the return of expats from Europe and second, the release of pent-up demand from people who put moves on hold during the prolonged period of uncertainty. The search for value (and space) with vendors cashing in on equity gains, are likely to drive demand, and the markets highlighted here have potential to benefit.

MIGRATION TRENDS IN STRONG, ACTIVE PRIME HOUSING MARKETS



Source: Garrington Research using data from ONS, Land Registry, Census

MOST ACTIVE PRIME AREAS

ABOVE AVERAGE DOMESTIC INWARD-MIGRATION

1 Tewkesbury
2 North West Leicestershire
3 South Derbyshire
4 South Northamptonshire
5 Christchurch
6 Blaby
7 Rushcliffe
8 Midlothian
9 Selby
10 Harborough
11 Shropshire
12 Hinckley and Bosworth
13 Wealden
14 Test Valley
15 North Kesteven
16 Tonbridge and Malling
17 Newport
18 East Northamptonshire
19 Stroud
20 Stafford
21 Cheshire West and Chester
22 Conwy
23 Cheshire East
24 Hart
25 North Tyneside
26 Scarborough
27 Bedford
28 Perth and Kinross
29 East Cambridgeshire
30 Solihull
31 West Lothian
32 Richmond upon Thames
33 Hammersmith and Fulham
34 Hackney

ABOVE AVERAGE DOMESTIC AND INTERNATIONAL INWARD-MIGRATION

35 Cotswold
36 Aylesbury Vale
37 South Holland
38 East Hertfordshire

ABOVE AVERAGE INTERNATIONAL INWARD-MIGRATION

39 City of Edinburgh
40 Stockton-on-Tees
41 Leeds
42 Cardiff

BELOW AVERAGE DOMESTIC AND INTERNATIONAL INWARD-MIGRATION

43 Flintshire
44 Stockport
45 Brentwood
46 Cheltenham
47 Redditch
48 Worcester

THE GARRINGTON TEAM

GARRINGTON

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SOUTH

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SAM WILLIAMS

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KATE VINCENT

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JENNIFER MULLUCKS

NORTH WEST

DAVID LEWIS

NORTH EAST

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ANYA LOOMS

Garrington work on behalf of private and/or corporate clients who want to buy, rent or invest in property both in London and throughout the UK.

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