

**Fine & Country and Zoopla discuss what might be in store for the year ahead**

Nicky Stevenson, MD of Fine & Country UK, sat down with Zoopla’s Head of Research, Gráinne Gilmore to discuss their November House Price Index, as well as a forecast regarding aspects that will influence the property market in 2021.

According to Zoopla’s November HPI, so far in 2020 there has been an average house price growth of 3.5%, with the expectation of this being at 4% growth overall at the end of the year. It is also expected that there will be a 6% decrease in overall property transactions for the year when compared to 2019.

“Given the year we have had,” says Stevenson, “to end 2020 with just a 6% drop in transactions highlights the resilience of the UK housing market and is quite a different picture to what we would have predicted in March this year.”

Gilmore answers, “I think the Government would admit the housing market has been one of the bright spots of the economy in this year of global pandemic and dipping into a recession. We are finding an escalation of growth as we head toward the end of the year. If we had said that prices would be up 4% by the end of 2020 while we were all sitting in lockdown, that would have been questioned. However, what we could see at that time was the demand building and that has continued to be a theme. It is not just the pent-up demand that has had an impact, but also a once in a lifetime reassessment among some homeowners about how and where they want to live. People are looking to live in different areas because they don’t have to commute as much, they are looking at homes with more inside space and more outside space, and that is really driving the market.”

She continues that in terms of total transactions, the figure given is completions that are able be completed. “When we look at the pipeline of activity the figure is much higher. The pipeline of activity being pushed through to meet the stamp duty deadline will also create a bit of a bumper first quarter of 2021. While completions might be 6% lower, we know the pipeline of activity exceeds the figure seen this time last year,” Gilmore explains.

Echoing that, Stevenson says that the increased activity in the market has led to Fine & Country increasing their SSTC figures by around 36% on last year.  While the momentum is expected to carry through the first quarter of next year, will it continue past the stamp duty holiday deadline?

According to Gilmore, there will be people who were enticed by the potential savings that will not move if they do not make the deadline. “However, around three-quarters of private households are owned by those aged over 45 years old, a demographic that generally tends to move less than younger people, but we are seeing far more activity than usual from these

homeowners.  This group is more financially secure, and you only need a small fraction of them to continue to move to keep the market going. I believe this level of the market will continue beyond the stamp duty deadline, and that would be at the higher end of the pricing scale among people who would continue even if they are not making a £15,000 savings,” she says. “While there are many factors at play such as the Brexit deal and the rate at which the economy recovers, we do believe that transactions will remain broadly stable next year. In terms of pricing, we think that prices will be up 1% at the end of next year, which is no mean feat. In real terms that is probably a fall in pricing but up 1% in nominal terms. This will mean an easing from where we are now.”

Stevenson adds that from a Fine & Country perspective, the brand anticipates we will see a similar number of transactions in 2021 to 2020. “We will definitely see transaction levels weighted toward the beginning of the year, but we are not expecting activity to completely drop off a cliff post stamp duty holiday. We could potentially see a lull but expect the market to maintain slightly below average season trends thereafter. Life does go on, and certainly at the top end of the market there is still a desire to move. Shifts in personal priorities will continue and moving home is such an emotional decision driven by the lifestyle that individuals aspire to have. In the upper quartile of the market home movers are generally more mature and as Zoopla data confirms, there is a trend of this demographic moving, and they generally have the job security or financial means to make that move,” says Stevenson.

She notes that data in a recent Fine & Country survey revealed that the primary reason for selling was to relocate due to personal choice. “Our survey also highlighted that just one in four said that the stamp duty holiday caused them to speed up purchasing their home, implying that 75% didn’t rush ahead because of the incentive. According to Zoopla’s demand chart, we can see that buyer demand was at a peak even before the stamp duty holiday was announced, indicating that other aspects such as lifestyle priorities that have had a hand in driving the market forward and will continue to do so in 2021,” Stevenson concludes.

You can view the full interview which includes a discussion on how Brexit and the 2% surcharge will impact 2021, as well as key features buyers are looking for, [here.](https://www.fineandcountry.com/uk/blog/post-fine-country-and-zoopla-discuss-what-might-be-in-store-for-the-year-ahead-1608139553)

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**Editors Notes:**

Fine & Country specialises in the sale and rental of prime residential properties. The company has offices in 300 locations around the world including in the UK, Cape Verde, Cyprus, Ireland, Germany, Mauritius, Morocco, Romania, The Channel Islands, USA, Dubai, Egypt, France, Namibia, Portugal, Spain, South Africa, West Africa, Hong Kong, Australia and Hungary. Fine & Country has won Best Estate Agency Marketing and Best International Estate Agency Marketing seven times in the past 10 years at the International Property Awards.