



HARINGTONS

THE INDEPENDENT PROPERTY BUYING SERVICE

SPRING 2021

“A perfect storm”

It's no secret to anyone who reads the papers that this year the country market is a wild hive of activity. The demand for £1.5-3.5 million family houses in the more sought-after counties has simply exploded and some agents have been quoted as saying that they have 20 buyers for every house they launch, with more ringing up every day; in certain areas there is competitive bidding for the better houses, leading to sales at 20-30% in excess of the guide prices. Needless to say, some parts of the country are hotter than others and at the moment the Cotswolds is the “belle du jour”, with some old hands in the property business saying that it is more bonkers today than in the late 1980's.

A sure sign of a raging bull-market is that even the flawed houses – which suffer from aircraft or road noise, are blighted by pylons or sit in the shadow of a pig farm – are selling, and selling strongly. In the absence of other choices, even some of the obvious frogs are beginning to look like princes.

So, it might be reasonable to ask why, after years of relatively flat prices and a steady supply of houses in the countryside, is the boot now so dramatically on the other foot? The answer has a number of unconnected components, all of which have conspired to create a perfect storm.

The first factor is that outside of London is a largely domestic market, where the buyers are mostly Brits, who have a curiously shared vision of what they want; ideally a pretty Georgian or Victorian rectory or farmhouse, on the fringe of a village, but with enough land to provide privacy and the space for any budding Vita Sackville-West to exercise those itchy green fingers. Of course, the bulk of the houses in the country are either cottages, bungalows or barn conversions, so the reality is that the supply of this ideal country house has always been short.

Secondly, we're now seeing the result of nearly six years pent-up demand; 2014 saw the introduction of the revised levels of Stamp Duty, we then had an election followed by a referendum (which resulted in Brexit), another election which resulted in the very real possibility of a hard left Corbyn-led government and then a covid lockdown. It cannot surprise anyone that the simultaneous release of 6 years-worth of buyers has resulted in a frenzied spending spree; remember that most of these buyers spent the spring 2020 lockdown looking out of their windows at the longest period of unbroken sunshine in living memory, wishing that they lived somewhere else.

Thirdly, we've now missed two spring selling seasons worth of houses. The country market operates to a strict timetable, which is centred around the optimum time to photograph and sell country houses

– traditionally when the blossom is on the trees, and the oh-so-important garden looks its freshest, radiant best. Spring, of course. Sadly, spring 2020 coincided with a three-month national lockdown so, needless to say, very few of the houses we'd expected to see actually came to the market. Buyers were left to squabble over the scraps left over from 2019, which were the houses that the 2019 buyers had picked over and rejected.

Spring 2021 hasn't been much better as we've had yet another lockdown and with children at home during the days trying to home-school so, unsurprisingly, few sellers have chosen to endure the upheaval of launching their houses on the market.

A writer on one of the Sunday papers suggested that the current crazy market felt a little like the loo-roll shortage of last year – a bit of an artificial blip that will cure itself – and that perhaps buyers were in the grip of collective hysteria. Whilst I'm not sure that comparing country houses to loo rolls is entirely reasonable, it is probably true to say that as when lockdown ends and more houses are tempted onto the market with the lure of better prices, supply will improve and things will return to normal. But at the moment the demand for country property is red-hot, and for buyers it's a case of the devil take the hindmost.

London appears to have entered a new chapter having been a comparatively sedate marketplace throughout the pandemic, whilst weathering fluctuations exaggerated by the national lockdowns and international travel restrictions. However, during the month of March, across prime London property markets, we saw amongst the highest levels of transactions in a decade. This level of activity was largely supported by the original stamp duty holiday expiring on 31st March and the end of the tax year but also a vote of confidence in the UK's vaccination programme, education system and increased political stability. As an indicator of future activity, the levels of accepted offers in April are at similar highs. The shortage of supply is less severe in London but remains more notable in higher-value markets where houses, outside space and certain neighbourhoods have become increasingly sought-after by British domiciled buyers. It is likely that demand will be driven higher as international travel restrictions are relaxed and a meaningful level of overseas buyers return to London.

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MARKET COMMENT



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