Values of prime properties across the wider South (the region that sits beyond London’s commuter zone) marginally increased over the second quarter of 2019, growing by 0.6%. This leaves annual movement of the region’s prime properties down 0.7%, which is an improvement on the previous quarter when the figure stood at -1.4%.

During the past five years, the wider South has held up better than the other prime regional markets. Despite a backdrop of caution that has been evident across the wider UK housing market, this has been underpinned by demand from committed needs-based local buyers and London relocators.

**Relocation, relocation**

Since 2018, relocators have accounted for 34% of prime buyers across the wider South. This reflects the value which these prime properties offer relative to those in London or its commuter belt.

Properties located in the town and city markets, such as Bristol, Bath and Cheltenham in the South West, and Norwich in the East, are on average 5% above where they were in 2007.

By contrast, their counterparts within London’s commuter zone are 17.3% above the same benchmark.

Despite price adjustments in the domestic prime London markets, a buyer is still able to get just under twice the space in, for example, Clifton, Bristol than they can in Clapham, London. But the real value is in larger country properties. Rectors and manor houses are still around 13.5% below their peak of 12 years ago.

There is particular optimism in the prime markets of South Wales. Considerable investment in the local economy and increasing ease of accessibility – helped by the abolition of tolls on the Severn bridges – has opened that market up to a wider range of buyers.

### Price monitor

**Key statistics for house price growth**

<table>
<thead>
<tr>
<th>Quarterly price movement across all prime regional housing markets</th>
<th>0.3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarterly price movement across the prime wider South</td>
<td>0.6%</td>
</tr>
<tr>
<td>Five-year price movement across all prime regional housing markets</td>
<td>4.6%</td>
</tr>
<tr>
<td>Five-year price movement across the prime wider South</td>
<td>7.1%</td>
</tr>
</tbody>
</table>

*Note: Prices to Q2 2019*  
*Source: Savills Research*

### Growth in a cautious market

<table>
<thead>
<tr>
<th>Prime price movements (to June 2019)</th>
<th>All prime London</th>
<th>All UK prime regional</th>
<th>London suburbs</th>
<th>London’s inner commute</th>
<th>London’s outer commute</th>
<th>Wider South</th>
<th>Midlands and North</th>
<th>Scotland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarterly growth</td>
<td>0.0%</td>
<td>0.3%</td>
<td>0.7%</td>
<td>-0.6%</td>
<td>0.4%</td>
<td>0.6%</td>
<td>0.3%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Annual growth</td>
<td>-1.8%</td>
<td>-0.4%</td>
<td>-0.1%</td>
<td>-2.4%</td>
<td>-0.3%</td>
<td>-0.7%</td>
<td>0.6%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

*Source: Savills Research*
**ON THE WATERFRONT**

If you were to wind the clock back six years, the value of prime coastal homes was 27% below its 2007 peak, primarily a reflection of the discretionary nature of demand for second homes. At that point, buyers sensed there was good value, with prices recovering well until March 2017.

A strong second quarter of 2019, when prices rose by 3.7%, reflects the fact that coastal properties still offer good value compared with other parts of the prime market, especially given the emergence of super-commuters who are choosing to build a family base in these locations.

---

**Consistent performer** Coastal properties still offer good value, particularly for relocators

<table>
<thead>
<tr>
<th>To Q2 2019</th>
<th>Quarterly growth</th>
<th>Annual growth</th>
<th>5-year growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>0.4%</td>
<td>-1.4%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Town</td>
<td>0.1%</td>
<td>-0.9%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Village</td>
<td>0.9%</td>
<td>-0.6%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Coastal</td>
<td>3.7%</td>
<td>1.9%</td>
<td>14.5%</td>
</tr>
</tbody>
</table>

Source: Savills Research

"A strong second quarter of 2019, when prices rose by 3.7%, reflects the fact that coastal properties still offer good value compared with other parts of the prime market"

---

**OUTLOOK**

For 58% of our agents across the wider South, Brexit uncertainty is their biggest challenge in the current market. Further uncertainty over what the new prime minister will mean for our future relationship with the EU, the economy and, critically, tax policy is likely to mean markets will remain price sensitive for the rest of the year.

Boris Johnson has already raised the possibility of changes to stamp duty as a means of freeing up the housing market. For some sellers, this may seem like a reason to delay in the short term, in the hope that a future cut in rates may spur an increase in demand. But a decision to do so will be weighed against the risks of disruption to the market from a possible no-deal Brexit or, in more extreme circumstances, tax changes in the event of a change of government.

In the meantime, a rise in registered buyers and viewing activity this year suggests there will be continued demand for appropriately priced property. Quality is key in this cautious market so vendors must present stock of the best possible condition.

Over the longer term, the relative value offered in the regional prime markets compared with London will underpin future growth, together with wealth generated in the local economy and demand from second home buyers.

---

Poole, Dorset
Guide price: £1,495,000

---

**Definition of prime property** This market consists of the most desirable and aspirational property by location, aesthetics, standards of accommodation and value. Typically, it comprises properties in the top 5% of the market by house price.

---

Savills team
Please contact us for further information

Lucian Cook
Head of Residential Research
020 7016 3837
lcook@savills.com

Kirsty Bennison
Associate Director Residential Research
020 7016 3836
kbennison@savills.com

Andrew Perratt
Head of UK Country Residential
020 7016 3823
aperratt@savills.com

Savills plc: Savills plc is a global real estate services provider listed on the London Stock Exchange. We have an international network of more than 600 offices and associates throughout the Americas, the UK, continental Europe, Asia Pacific, Africa and the Middle East, offering a broad range of specialist advisory, management and transactional services to clients all over the world. This report is for general informative purposes only. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent. While every effort has been made to ensure its accuracy, Savills accepts no liability whatsoever for any direct or consequential loss arising from its use. The content is strictly copyright and reproduction of the whole or part of it in any form is prohibited without written permission from Savills Research.