

13.1%

house price growth

Bristol is top of the UK Cities League for house price growth.



Source: Hometrack UK Cities Index, September 2016

Bristol

A dynamic and exciting city, Bristol is in high demand as a place to live, work and invest.



The market in review

Optimism in the housing market is on the rise. The Royal Institute of Chartered Surveyors report that prices and sales volumes are expected to rise in the autumn, while house prices across England rose by 9.1% in the year to July, with average house prices 0.5% higher than in June.

The national market

The GfK confidence tracker reported a 5-point rise in its August survey, after initial post-Brexit falls. Consumers in the South were more confident about their personal, and wider, economic circumstances. The mortgage market remains robust, inflation – although rising slowly – remains well below the government’s target, and interest rates are at historically low levels. Although transactions in the three months to the end of July were 9.8% lower than the same period last year, volumes for the half-year were high and demand still exceeds supply across much of the UK, while prices remain steady on a monthly basis.

The economy

Following significant falls post-Brexit, the economy has shown more resilience than anticipated. Although GDP forecasts for this year and next have been downgraded (1.6% in 2016 and 0.7% in 2017), these are still significantly higher than during the Global Financial Crisis, when in 2009, GDP fell to -4.2% in 2009. The FTSE 100 has rebounded past its pre-Brexit level, while sterling has begun to recover ground against the US\$ and other global currencies. The service sector, which accounts for close to 80% of the UK economy returned to positive growth in August, while the manufacturing and construction industry posted better results than expected. With latest employment figures to July still at record high levels, it is clear that despite the challenges ahead, at present the waters remain calm.

7.8%

Annual house price growth across the South West.
Source: UK HPI, September 2016

97,660

Property transactions August 2016, 6.1% lower than 2015 but just 0.1% below July 2016.
Source: HMRC, September 2016

£22.5 billion

Gross Mortgage Lending August 2016, 7% higher than July and 15% higher than August 2015.
Source: Council of Mortgage Lenders

£237,291

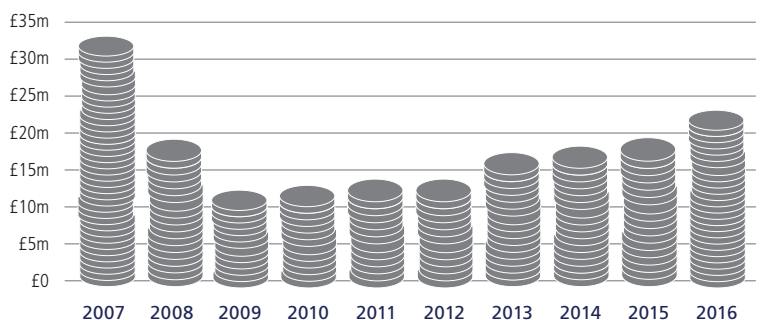
Average price of a property across the South West, 9.5% higher than the UK as a whole.
Source: UK House Price Index, September 2016

The relationship between interest rates and house price growth



Source: Bank of England, UK HPI (September 2016)

Gross mortgage lending at highest August level since 2007



Source: Council of Mortgage Lenders (September, 2016)

Our market

House price growth in Bristol topped the league table of major UK cities in August*, outstripping growth in London, where prices are beginning to stall following the EU Referendum.

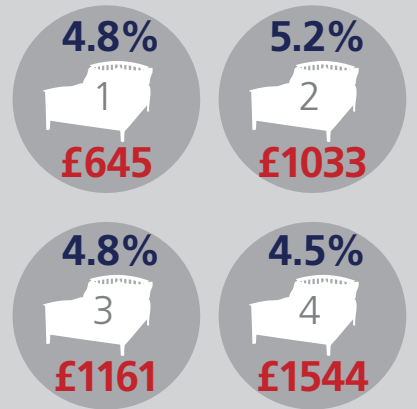
With journey times to London less than 90 minutes and set to reduce when rail improvements complete in December 2018, average house prices across Bristol remain some 48.8% lower than London overall. Quality schools and universities are accompanied by a host of cultural attractions and high class eateries. Bristol has been named the country's leading smart city outside of London and is supported by a buoyant local economy. Plus, with the coast and moors of Somerset and Devon within an hour's drive, property here is in high demand and is generally selling at or close to asking price.

Demand far outstrips supply for quality family housing, with Victorian terraces and substantial 1930s semi-detached properties particularly popular across both the sales and lettings markets. These property types accounted for 67% of all sales in Quarter 2 2016, up from 57% in the same period in 2015, of which 41.4% sold for between £250,000 and £500,000. This was up from just 30% the previous year.

A wave of new build and chic refurbished developments in Harbourside and central areas are adding to the quality and stock of apartments in the city. These are constantly in high demand from city workers or student rentals. The taxation changes imposed on the buy-to-let market means investors are becoming more astute in their decision making. However, with gross rental yields of over 4.5% and high capital growth, the Bristol area remains an attractive investment.

*Hometrack UK Cities Index, September 2016, Huawei UK Smart Cities Index, May 2016

Average monthly rents and gross yields by number of bedrooms



Source: Dataloft, Zoopla

6.2%

Increase in Bristol's population 2011–2016, compared to just 4.0% across England as a whole

Source: DCLG, 2016

Bristol properties offer a substantial discount over London prices

A comparison of average property prices between London and Bristol, highlighting price differentials.



Source: Dataloft, Land Registry (based on sales May – July 2016)

The Bristol market in figures



Source: Land Registry, Zoopla, CJ Hole

Disclaimer: This report has been prepared in good faith on the basis of calculations that rely on a set of assumptions that will vary considerably between geographical regions and over time. They illustrate hypothetical examples of returns that may be possible under the given set of assumptions, however no warranty is given as to the accuracy or completeness of information contained in this report. Accordingly, this report is for general information purposes only and no liability is accepted by CJ Hole, its associates, employees, directors and representatives for any negligence in relation to the information, forecasts, figures or conclusions contained in this Report or for any loss, damage, or consequence whatsoever, arising from any action taken based on its content. This report does not constitute and must not be treated as investment advice or guidance and users should always obtain independent professional advice before making any investment decision. The content is strictly copyright and reproduction of the whole or part of it in any form is prohibited without the express prior written permission of CJ Hole.

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Founded in 1867, CJ Hole is one of the UK's most historic and prestigious estate agents. Today it has evolved into an extensive network of over 20 branches across Bristol, Gloucestershire, Somerset, Worcestershire and South Wales.

CJ Hole is part of The Property Franchise Group, comprising six renowned estate agency brands throughout the UK. As one of the most dominant brands in the South West, we have cultivated a strong local reputation in traditional residential sales, with a growing lettings portfolio.

The region is increasingly impacted by the London property market, opening up a wide range of opportunities in the area.

So whether you want to buy, sell, let or rent a property, CJ Hole is well-placed to meet all your property needs.

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