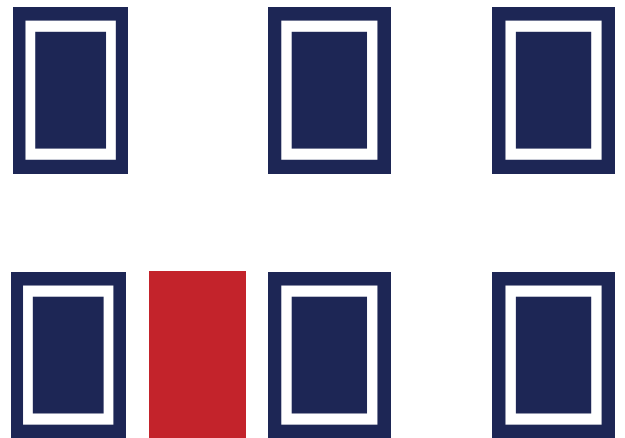


# 12.6%

## increase in new applicants

Source: CJ Hole, start of September 2016, compared to start of June 2016



## Gloucester & Worcester

With properties available to suit all needs and budgets, Gloucester and Worcester are proving increasingly popular locations to set up home.



# 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 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

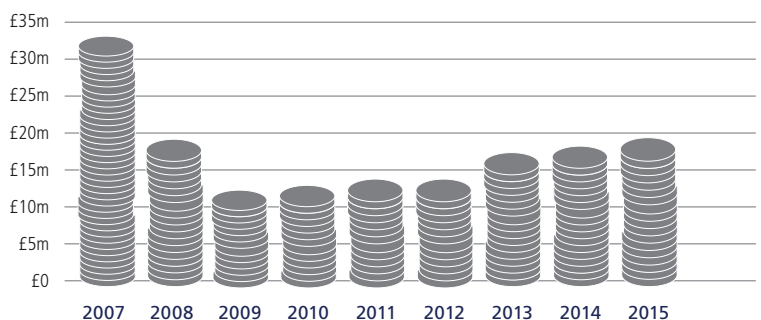
Average price of a property across the South West, 9.5% higher than the UK as a whole.  
Source: UK House Price Index, September 2016

## 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

There were 5% more properties sold in our area in the first half of 2016 compared to 2015. New applicant registrations are up 12.6% and valuations are also on the increase. Summer proved busier than usual, with the EU referendum result having little impact on our market. Indeed, August was a record month for completions in our Worcester office.

Whether moving here for the first time, upsizing or downsizing, property in our area is favourable to neighbouring Bristol and Cheltenham. With demand still outstripping supply, very little stock is languishing on the market and much is achieving close to asking price.

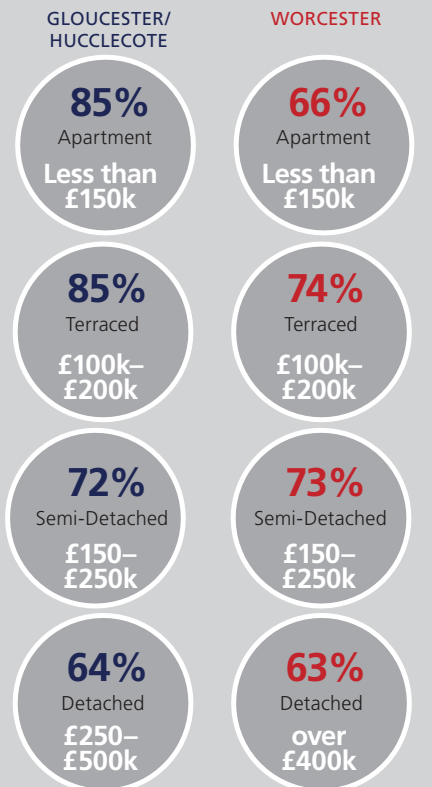
Over the past year, we have seen an upsurge of interest in new build property, which has accounted for 12% of all sales in our markets and 25% of all apartment sales. In Worcester, there has been a significant rise in instructions to value and sell three-plus bedroom properties to allow families to move chain-free to new developments. Gloucester attracts interest from investors on the back of rental demand from the University and employers such as the Gloucester Royal Hospital and GCHQ.

Across Hucclecote, the market is dominated by detached family properties, also popular in areas such as Kingsholme and Hempsted. 72% of all property sales across Hucclecote over the last 12 months have been of detached properties, up from just 61% a year earlier, with 50% selling at prices between £250,000 and £400,000.

There is still strong demand across our rental market, with average prices for a two-bedroom property at £660 per calendar month. Based on current sales prices, this offers a gross yield to investors of 5.1%.

## Our market in figures

% of property sales by price bracket

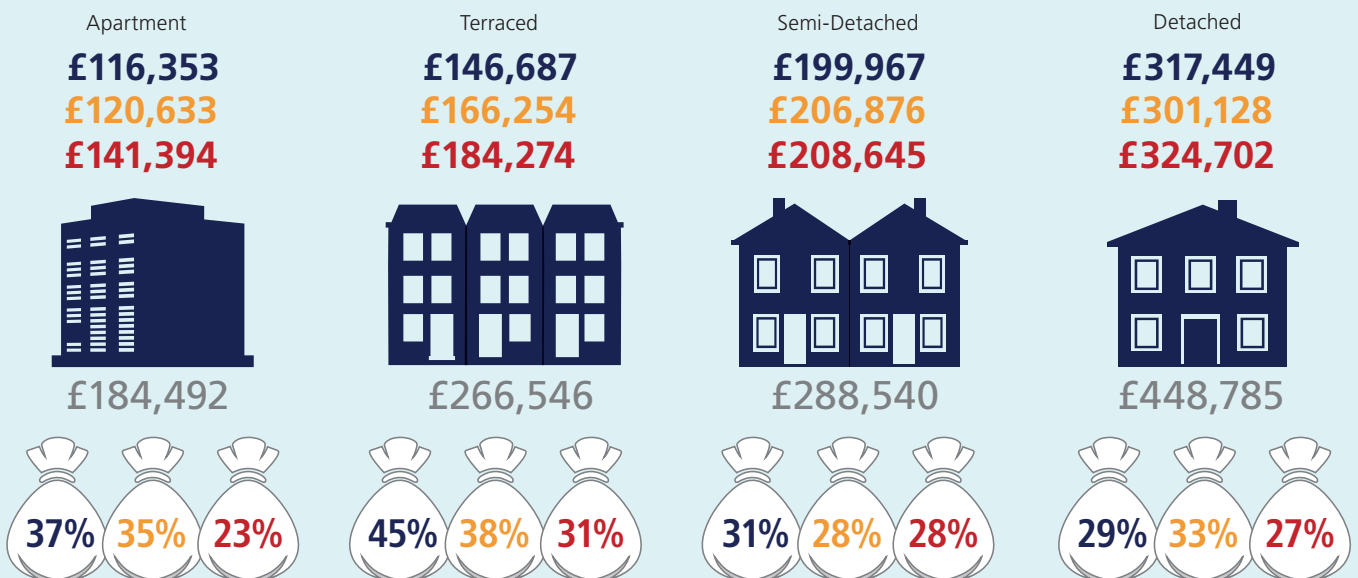


Source: Dataloft, Land Registry (January – July 2016)

## Purchasing in our area offers a substantial saving compared to Cheltenham







A comparison of average property prices between our three local markets and the key commuter city of Cheltenham.

■ Gloucester\* price   ■ Hucclecote\* price   ■ Worcester price   ■ Cheltenham  
 🍊 Saving compared to Cheltenham



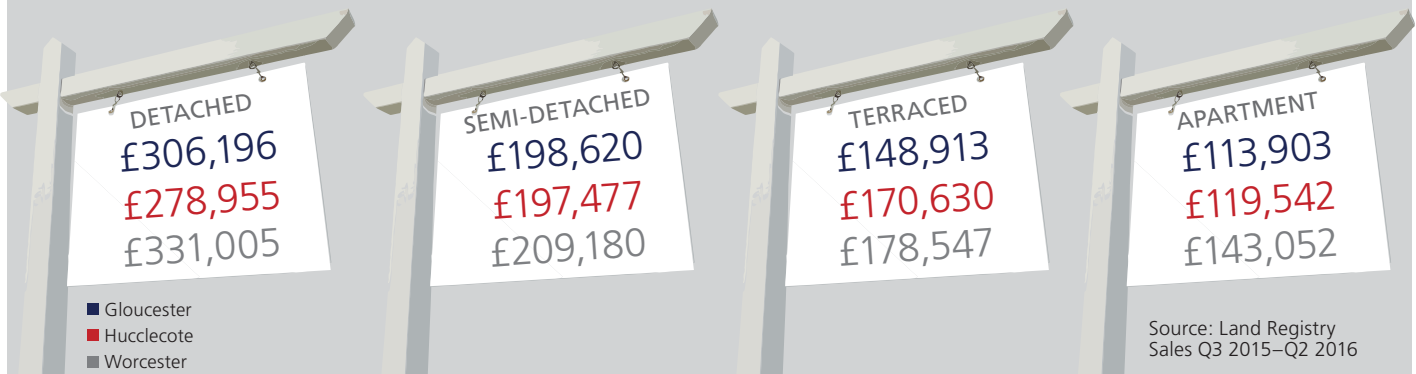
Source: Land Registry (Sales May – July 2016) \*Hucclecote refers to GL3 2, GL3 3, GL3 4, and GL4 3, GL4 4 and GL4 5, whereas Gloucester refers to GL1, GL12 and part of GL3, GL4 and GL10

# Our market in figures

Sales			Lettings		
					
Average price of a property 12 months to June 2016	House price growth 12 months to June 2016	Sales agreed June – August 2016	Average price per month for a 1 bed property	Average price per month for a 2 bed property	Gross yield 2 bed property
<b>Gloucester</b> £190,416	5.4%	50	£442	£638	5.0%
<b>Hucclecote</b> £209,387	1.4%		£453	£675	5.1%
<b>Worcester</b> £234,106	3.5%				

Source: Land Registry, Martin & Co, Zoopla (weighted average)

## Average prices achieved by property type



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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Compiled by DataLoft [www.data loft.co.uk](http://www.data loft.co.uk)



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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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