Chelmsford Property Update

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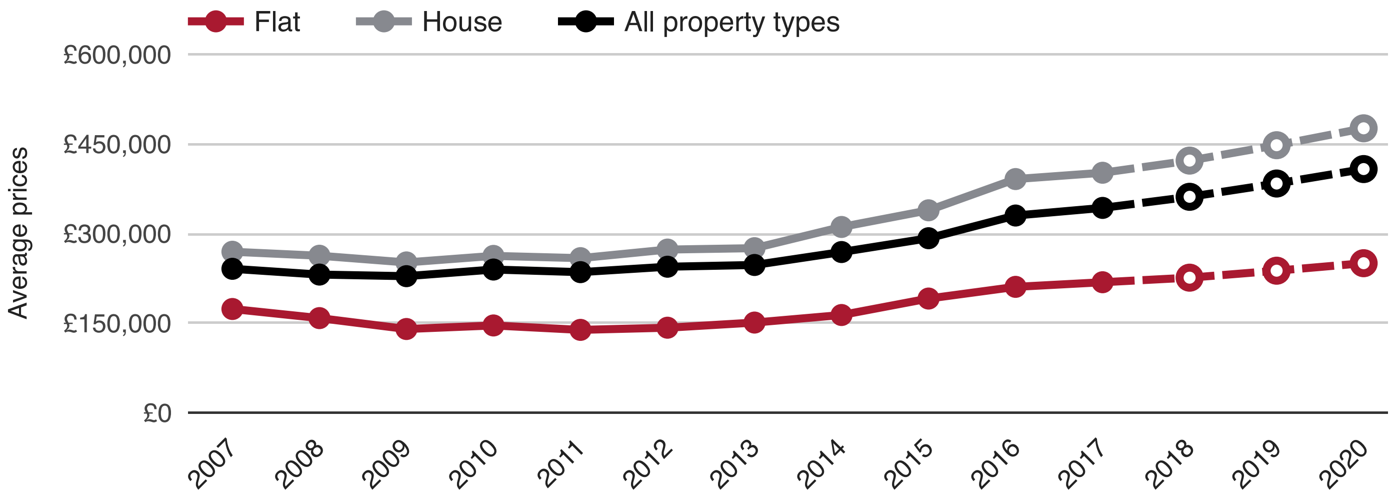
salesandlettings

Statistics show more good news ahead for Chelmsford



The British press is being so hysterical about the UK property market at the moment, you'd be forgiven for thinking we were back in 2008 again, staring down the barrel of another credit crunch. This couldn't be further from the truth. Week after week, more statistics come out revealing how bouyant the market is at the moment. Here are just three of the reasons why homeowners in Chelmsford should be grinning.

The first and main reason to be happy is illustrated very clearly in the chart above. Long term house price growth in the area has been strong, with the average annual rate of growth since 2000 sitting at an admirable 11.9 per cent. The broad base of the market and the solid fundamentals underpinning it mean we expect this to continue in the medium and long term.

The next reason to be happy is the abundance of liquidity in the market. In laymen's terms, this means that lots of people are buying and selling and the market isn't in danger of stagnation. As of the fourth quarter of 2017, the data shows that sales now sit at their long-run equilibrium level, that is to say below the 2007 peak but above the trough of the credit crunch.

The third reason to be happy is the amount of sanity in the market which has come about due to more grown-up mortgage regulation. The meteoric rise in prices in the area pre-2008 led to price 'froth' building up in the market which ultimately caused the 2008 crash. While price growth since 2008 has been less rapid, it is far more sustainable and will save us from another crash. Please pop into our office for the full low-down.

> *"The average annual rate of growth since 2000 sits at an admirable 11.9 per cent*

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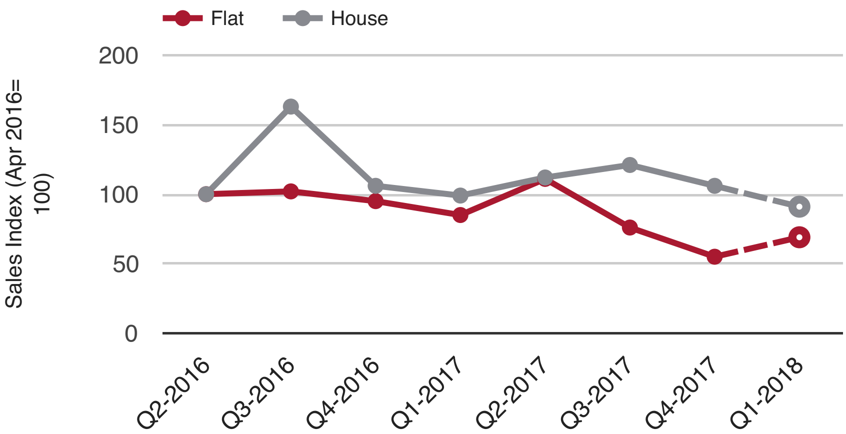
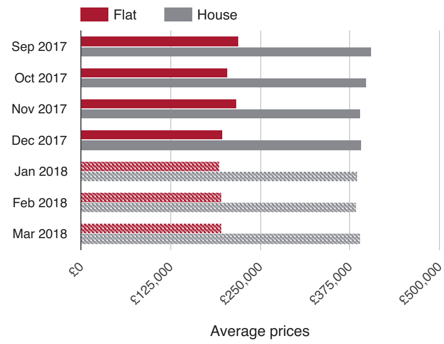
Quarterly index of sales by house type

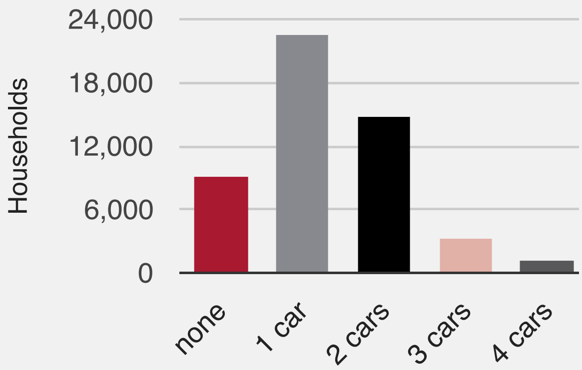


This chart has indexed the levels of transactions for flats and houses over the last eight quarters. That means it takes the actual level of sales at the start of the period and converts them to 100, and then you can see the relative changes running up to the present. It should be noted that the smaller the number of properties, the more extreme the volatility.

Prices in last few months (flat vs house)

We wanted to take a look at how overall average prices of flats and houses have changed in the last eight months. This is quite a short timeframe so there's a fair bit of volatility from month to month but the story it tells is an interesting one nonetheless.





How many cars per household?

The profile of car ownership is a great signal of the practical needs of residents in a local market. Most households have a car, but the number owned varies enormously based on the type of area. For example if you live in a one bedroom flat in a city you're much less likely to own a car than if you live in a commuter suburb.

Source: ResiAnalytics, Office for National Statistics & Land Registry © Crown copyright 2018. Dotted lines & hatched areas on charts are estimates based on historical trends. For full terms of use, please visit resianalytics.com/docs/terms

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