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Analytical Report

Sale Market Analysis(August, 2024)

Intelligence Team

Overview

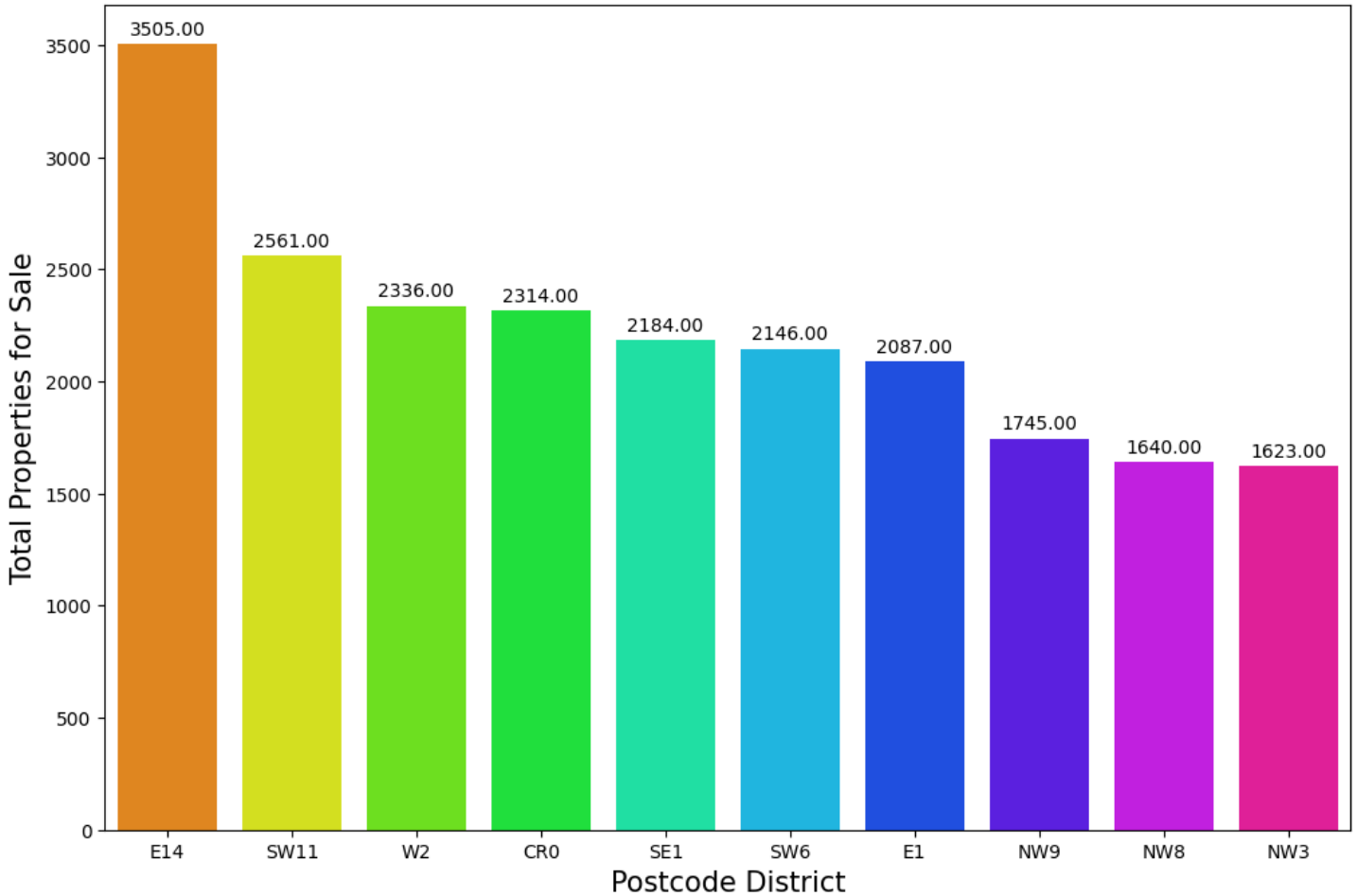
The following report represents information on sale properties in various postcode districts in London.

Key Metrics

- Total properties for sale: This value indicates the total number of properties available on the market for sale in a month.
- Average transaction per month: The average number of properties sold in a calendar month.
- Months of inventory: The amount of time it takes for the said “total properties for sale” to be sold out.
- Turnover percentage per month: The proportion of properties that change hands each month.
- Days on the market: The average number of days it takes for a property to be sold out.
- Rating: This value provides a qualitative assessment of the market type based on certain criteria including demand, sale price etc.
- Sellers Market: Market with high demand and less supply.
- Balanced Market: Market with approximately equal demand and supply.
- Buyers Market: Market with high supply and less demand.

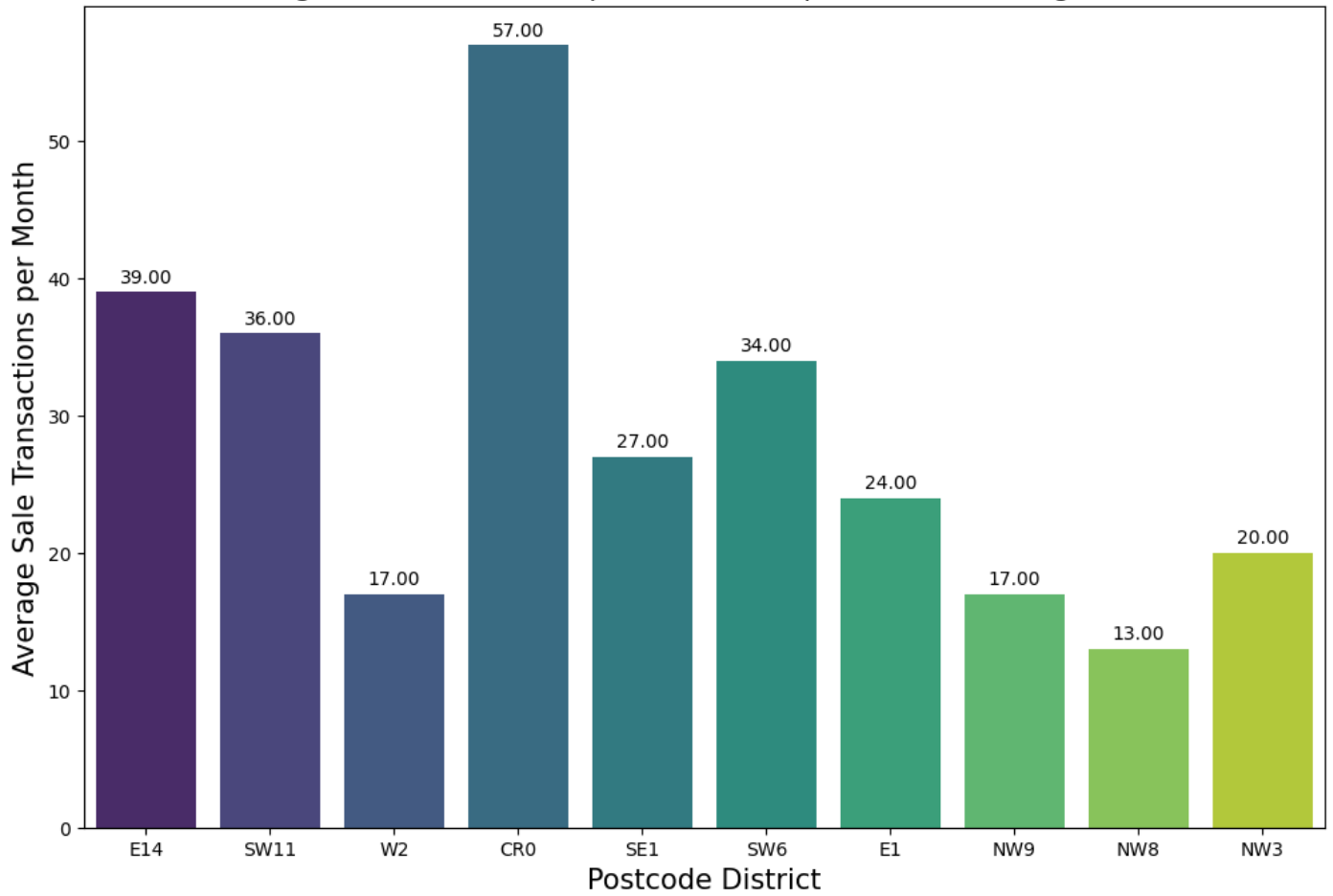
High-level Analysis: The following analysis gives an overview of how the sale market appears to be in some of the postcode district in the month of August, 2024.

Total Properties for Sale in Top 10 Districts - August 2024



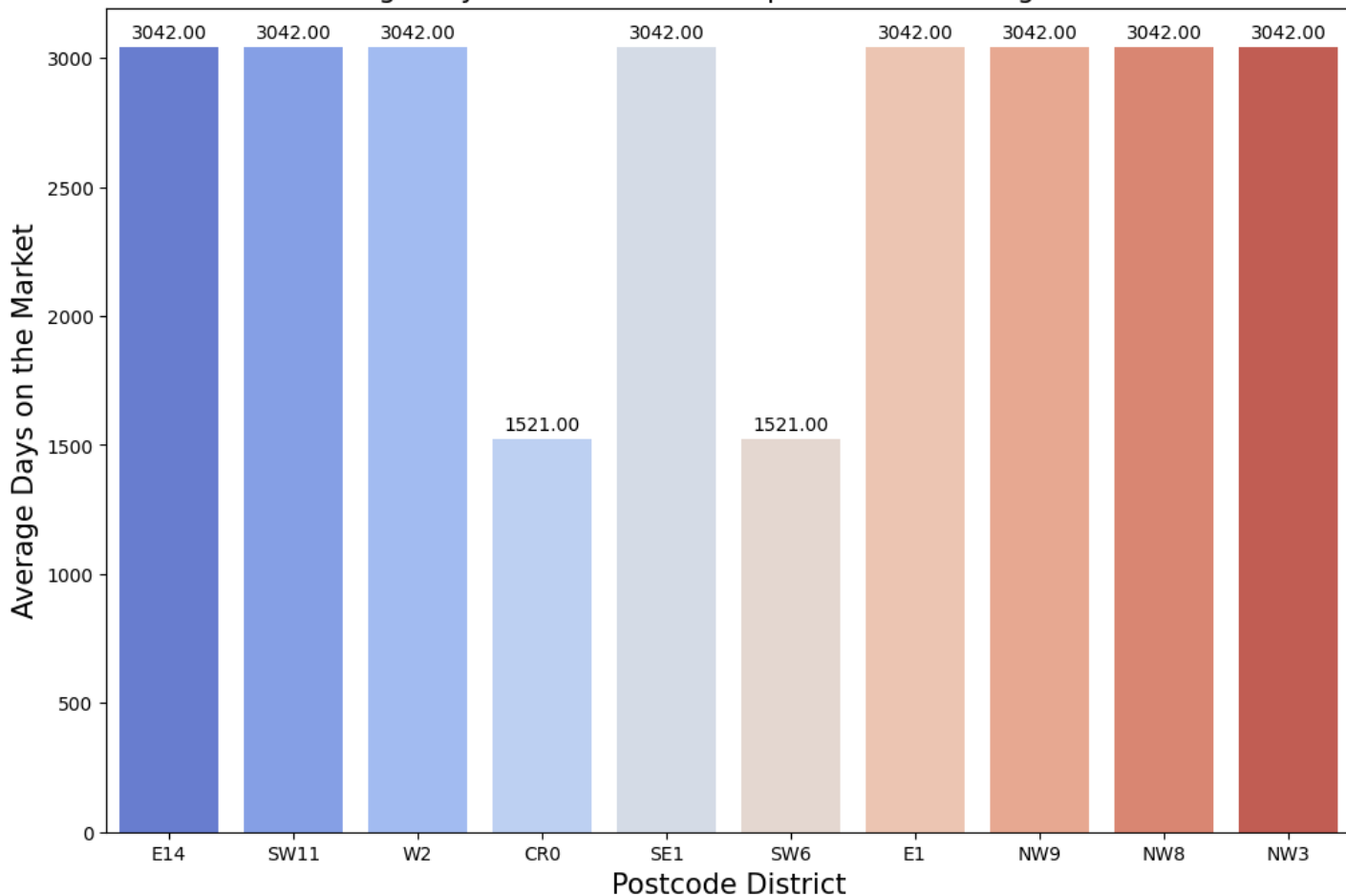
As of August 2024, the London property market shows notable trends. The E14 postcode, including Canary Wharf, leads in property listings, possibly due to oversupply, a shift from the financial hub, or economic uncertainty. The top 10 districts span various parts of London, indicating a broad buyer's market. Central London postcodes are missing, suggesting they may be more resilient or have fewer listings. Outer London areas like Croydon (CR0) and Kingsbury (NW9) are prominent, signalling a move towards suburban living. The high inventory in areas like E14 might lead to price drops. Areas such as Southwark (SE1) and Fulham (SW6) could be ripe for regeneration. August's high property numbers may reflect a backlog or sellers aiming to complete transactions before autumn. This buyer's market might be ideal for first-time buyers, and slower sales could increase rental properties, impacting the rental market.

Average Sale Transactions per Month in Top 10 Districts - August 2024



Index	Postcode District	Turn over(%) per Month
1	E14	1
2	SW11	1
3	W2	1
4	CR0	2
5	SE1	1
6	SW6	2
7	E1	1
8	NW9	1
9	NW8	1
10	NW3	1

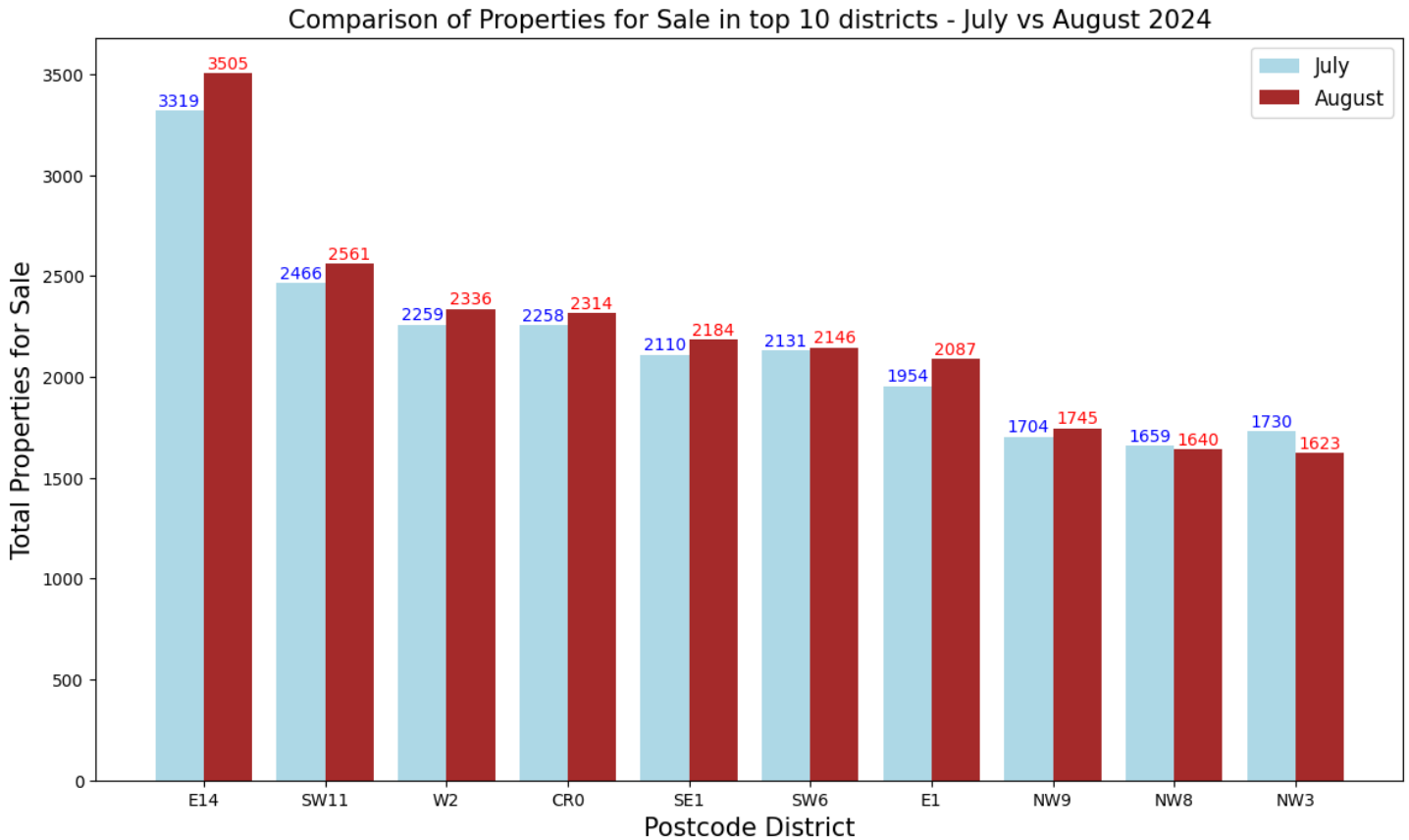
Average Days on the Market in Top 10 Districts - August 2024



Index	Postcode District	Months of Inventory
1	E14	100
2	SW11	100
3	W2	100
4	CR0	50
5	SE1	100
6	SW6	50
7	E1	100
8	NW9	100
9	NW8	100
10	NW3	100

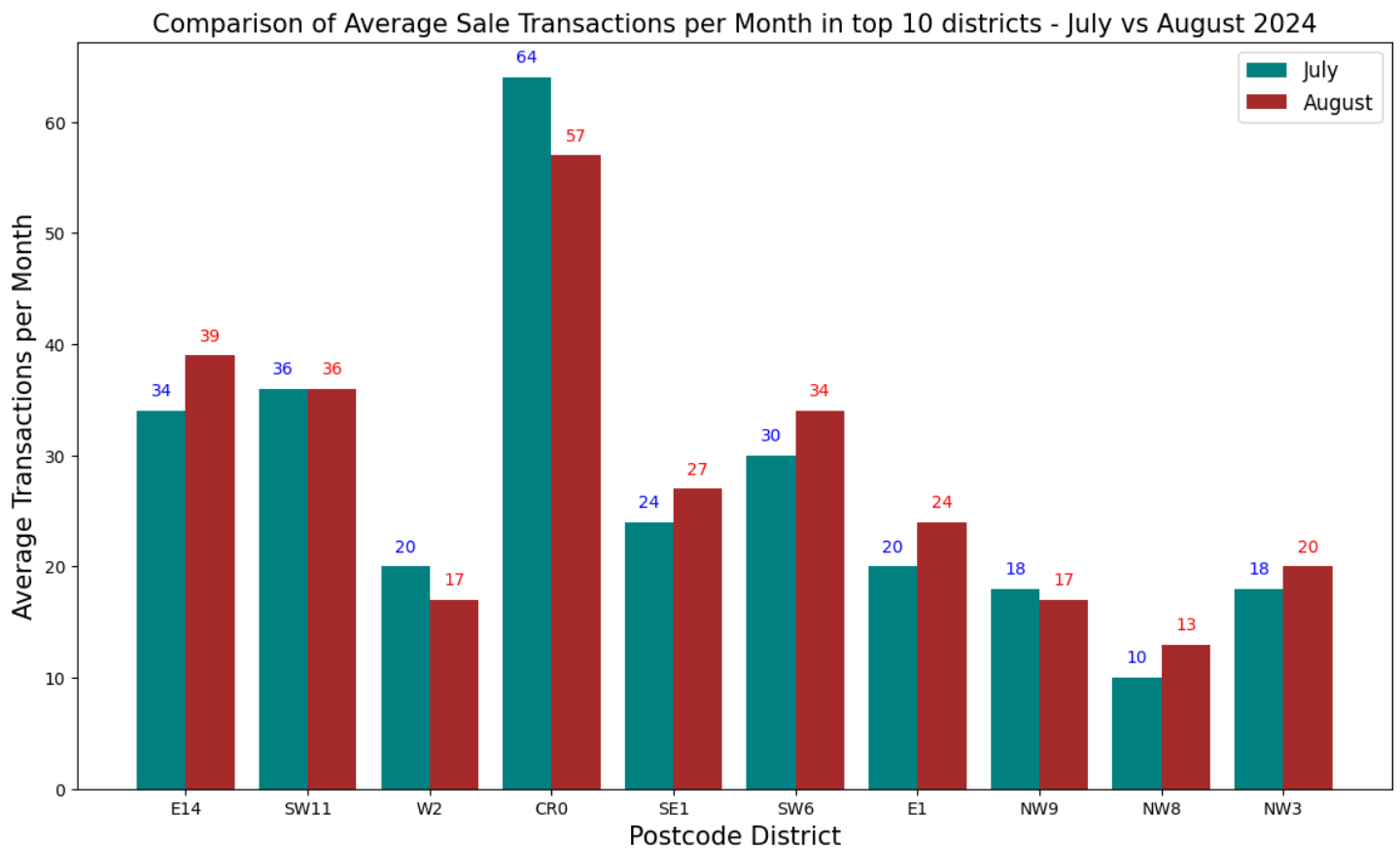
Comparison of data: July vs August, 2024

The graph provides a comparative analysis of properties for sale across the top 10 London postcode districts between July and August 2024, reflecting the current buyers' market.



Analysing property listings in London's top 10 districts from July to August 2024 reveals several trends. Most districts show increased listings, indicating more sellers entering the market, possibly due to growing economic pressure, seasonal patterns, or delayed reactions to economic factors. Notably, E14 (Canary Wharf) saw a significant jump, suggesting continued pressure on the financial district, new developments, or waning investor confidence. SW11 (Battersea) experienced a surge, likely due to completed regeneration projects or improved transport links. In contrast, districts like SW6 (Fulham) and NW8 (St John's Wood) remained stable, while NW3 (Hampstead) saw slight decreases, potentially indicating quicker sales or a shift in seller strategies. Central London, represented by W2 (Paddington/Bayswater),

showed moderate increases, while South London’s CRO (Croydon) rise might reflect ongoing regeneration or changing perceptions. East London’s E1 (Whitechapel/Stepney) also saw significant growth, possibly due to local development. Variations in North-West London postcodes suggest localised factors at play. Overall, the increase in listings across most districts suggests a potential shift towards a buyers' market, although longer-term data and broader economic indicators would provide a clearer picture.



Analysing average monthly sale transactions in London’s top 10 districts from July to August 2024 reveals several key insights. Overall, few districts experienced a decrease in transactions, indicating a market slowdown despite increased listings. This suggests buyers are becoming more cautious, potentially due to economic uncertainty or a widening gap between seller expectations and buyer willingness. CRO (Croydon) leads in transactions but saw a decline, possibly due to reaching a saturation point or the completion of large developments. E14 (Canary Wharf) showed resilience with an increase in transactions, which may be

due to more realistic pricing or successful new developments. Central London's W2 (Paddington/Bayswater) saw a decrease, reflecting continued pressure on high-value properties and a shift in buyer preferences. SW11 (Battersea) remained stable while SW6 (Fulham) saw an increase, suggesting localised success in regeneration efforts. Outer London areas like NW8 and NW3 showed growth, potentially indicating rising interest in suburban living. E1 (East London) also saw a notable increase, reflecting the appeal of local developments. SE1 in South London remained steady, while North London exhibited varied trends across NW postcodes. Overall, the market appears to be cooling with more supply but fewer transactions, which could lead to downward pressure on prices as buyers become more selective and face challenges in completing purchases.

Seller's Market - July 2024

Index	Postcode District	Total Properties for Sale	Average Transactions	Months of Inventory	Turn Over	Days on the Market	Rating
1	EC3R	9	2	5.3	19	160	Sellers Market

Balanced Market - July 2024

Index	Postcode District	Total Properties for Sale	Average Transactions	Months of Inventory	Turn Over	Days on the Market	Rating
1	BR3	312	29	11.1	9	338	Balanced market
2	DA1	232	27	8.3	12	254	Balanced market
3	SE9	220	20	11.1	9	338	Balanced market
4	BR5	213	21	10	10	304	Balanced market
5	EN3	202	21	10	10	304	Balanced market
6	UB2	195	19	10	10	304	Balanced market
7	RM3	185	19	10	10	304	Balanced market
8	WA7	179	27	6.7	15	203	Balanced market
9	N16	177	22	8.3	12	254	Balanced market
10	SM6	173	15	11.1	9	338	Balanced market

Insights

- Market Trends and Dynamics: The majority of districts, such as E14, SW11, W2, and SE1, are classified as "Buyer's Markets," where the supply of properties significantly exceeds demand. This excess supply gives buyers more leverage in negotiations, often leading to downward pressure on property prices as sellers compete for limited buyer interest. In these areas, despite the high number of properties available, transaction volumes remain low, reflecting sluggish demand. Conversely, districts like BR3, DA1, and SE9 are identified as "Balanced Markets," where supply and demand are more closely aligned, resulting in more stable pricing and fewer dramatic fluctuations. In these balanced areas, the equilibrium between buyers and sellers creates a more predictable market environment with less volatility. However, in buyer's markets, the turnover rates are strikingly low, at just 1-2%, meaning that only a small fraction of properties is being sold each month. This low turnover further exacerbates the issue of oversupply, causing properties to linger on the market for extended periods, which can create a stagnating effect where sellers may be forced to reduce prices further or wait out the slow market.
- Market Fluctuations and Variability: The months of inventory across districts reveal significant disparities, with areas like E14 having as much as 39 months of inventory, indicating a substantial oversupply and sluggish demand. This contrasts sharply with districts such as NW9 and NW8, where inventory levels are lower, at around 17 and 13 months, respectively, suggesting somewhat healthier market conditions but still indicative of moderate demand. The prolonged time properties spend on the market in buyer's markets, such as E14 and SW11, where the average is a staggering 3,042 days, underscores the severe imbalance between supply and demand. In these areas, the excess inventory contributes to the stagnation, making it difficult for sellers to move their properties without significant price reductions. On the other hand, in balanced markets like BR3 and DA1, properties

typically spend much less time on the market—338 and 254 days, respectively—indicating a more dynamic market where transactions occur more steadily. This stark variation in days on market across different districts highlights the significant challenges faced in buyer's markets, where properties linger unsold for extended periods, and emphasises the relative fluidity in balanced markets, where supply and demand are more aligned.

- *Market Possibilities and Opportunities:* Districts with low turnover rates and extended months of inventory, such as E14 and SW11, offer potential opportunities for buyers to negotiate substantial discounts, particularly if sellers are motivated to offload properties. Investors eyeing distressed properties may find deals in these areas, though patience is required due to the prolonged time properties spend on the market. Additionally, these conditions may create room for deeper market corrections, where prices could drop further if demand continues to lag. On the other hand, districts like BR3 and SE9, identified as balanced markets, offer more stable and less volatile investment opportunities. The equilibrium between supply and demand in these areas provides buyers with more predictable pricing, making them attractive for those seeking steady long-term growth rather than speculative gains. As low turnover persists in buyer's markets, prices may need to adjust further downward to stimulate sales, presenting opportunities for buyers to enter the market at reduced rates, but this could also signal impending shifts in overall market dynamics as corrections unfold.