

Home Opinion



MELISSA YORK

@melyork



Is no deal better than a bad deal? I'm not talking about Brexit (OK, I am a bit, sorry), but about your house sale. We've all heard the rumours: if Britain doesn't strike a deal with the European Union on October 31, house prices could fall by 6% next year. The report, released last month by KPMG, goes on to say that "a drop of 10% to 20% [is] not out of the question".

With a no-deal departure glowing like a jack-o'-lantern the closer we get to Halloween, what does this mean for the property market? To find out, I asked some experts to make

some tentative predictions about buyer behaviour. That's if you haven't had enough of experts, of course.

First of all: are these huge price drops even likely? Tom Hall, chief economist at the construction industry analyst Barbour ABI, thinks so. He predicts a fall of up to 15% if a no-deal Brexit results in an economic downturn in the next quarter, and warns that we can expect to see new housing developments being mothballed or cancelled. "You would see a dramatic slowdown in housebuilding very soon after October 31 because, historically, developers follow the mood of the wider economy."

It's not all bad news, though, especially if you live in the sort of area that's attractive to international buyers. Everyone seems to agree that Brexit Day is Bargain Day if you're buying UK property in a foreign currency. This is because of a likely fall in the value of the pound: a Reuters survey says it could trade between \$1.10 and \$1.19, compared with \$1.26 last week. "If we leave with no deal, I will be very surprised if I don't have clients on the phone wanting to buy on November 1," says Marc

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Schneiderman, director of Arlington Residential. His estate agency sells 60% of its homes, most of which are in northwest London, to overseas buyers.

Stop harping on about Hampstead, I hear you cry – I've only got a £180,000 two-bedder in Little Snoring. In that case, this is the wrong time for you to be on the market full stop. Lindsay Cuthill, head of the country team at Savills estate agency, says there's always a lull in the rural market in winter, because no one wants to buy in the countryside when it's dark and cold.

However, if you were to try to sell your house in May, when country sales start to pick up again, following a no-deal Brexit, Cuthill says it's all about perspective. You may not get the price you would have achieved at the market's peak, but the average UK house price is still £64,000

higher than it was a decade ago, according to the Nationwide; the average price in London is £195,000 higher.

"Domestic buyers are buying for the next 15 years, not the next six months," Cuthill says, matter-of-factly. "They feel, irrespective of deal or no deal, the end of Brexit will herald a better market for them in the future. If I have a buyer that wants money off because of no deal, I'd say go ahead, but the vendor will simply withdraw that house and wait until the spring for somebody else."

Some sellers aren't so confident, and are desperate to push deals through before Halloween. As Schneiderman puts it: "You may as well take a hit in a flat market rather than take a chance on an unstable one."

In the no-deal Brexit fallout, the chancellor could cut stamp duty to unblock the market. Politically, this could be a smart move, but the cost to the public purse may outweigh the benefits. "It's not looking particularly likely on that basis alone," says Lawrence Bowles, a research analyst at Savills. Whatever happens, it won't be business as usual.

melissa.york@sundaytimes.co.uk

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We believe that excellent design is intrinsic to creating quality homes. That's why The Sunday Times British Homes Awards exist: to celebrate the best architecture, developments, interiors and housing solutions.

Every year, we call upon the impeccable taste of Sunday Times readers to select the winner of the Readers' Choice category. Our shortlist for 2019 featured three homes designed to be built in a factory and assembled on site, and A Family of Four, by the East Midlands-

based developer TopHat, came out on top.

The homes (pictured below) are based on "a family of four" building blocks that can be combined together in different configurations to make 130 sq metre (1,400 sq ft) homes. These are designed to sit comfortably alongside each other in a community that's "mixed, affordable and green". Prices for the homes currently start at £1,075 per sq metre, including delivery and installation. Read about the rest of our worthy winners on page 15.

