

Residential Research Update

December

The Savills logo consists of the word "savills" in a lowercase, sans-serif font, colored in a dark red or maroon hue. It is positioned on a bright yellow rectangular background.

SEARCH PROPERTIES | BOOK A VALUATION | INSIGHT & OPINION

It's my last monthly email of the year, and so in amongst the usual housing market insight, I have included a few Christmas film references to inspire you for **The Holiday** season.

While some way short of a full **Nightmare Before Christmas**, Labour's first budget has created a number of headwinds for the top end of the housing market.

Prime Forecasts

We have sought to unpick what effect the following measures will have on the prime housing market:

- the abolition of 'non-doms' status,
- the addition of VAT on school fees,
- the additional 2% stamp duty surcharge for second home buyers and investors both north and south of the border, and
- restrictions on inheritance tax reliefs.

You can [read the full report](#) at your leisure when you find a little time **Home Alone** over the festive period. It includes our [forecasts for prime housing markets](#) over the next five years. There is plenty in it to **Love Actually**, even if it administers a slight dose of reality.

It includes predictions for 2025 of a 4% price fall in central London, which we expect to wash through the market in the early part of next year. In turn, that is likely to present a strong buying opportunity later in the year.

In comparison, we expect prices to remain flat across the other prime housing markets of the capital and rise by an average of 2% elsewhere.



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We figured it would be s-**Elf**-ish to only cover the sales market, so you can also get a better understanding of what's expected to drive the rental market from our inaugural **Landlord Sentiment Survey**, which has helped inform **prime rental forecasts**.

Mainstream metrics

In the run up to the budget we saw something akin to a minor **Miracle on 34th Street** as **mortgage approvals rose** to 68,300 in October, their highest level since March 2022.

Meanwhile **Nationwide** surprisingly reported annual mainstream house price growth of 2.4% in October, **Trading Places** with 3.7% in November, though we wait to see if such a large uptick is a result of any **Gremlins** in the data.

Data from Twenty CI certainly supports some ongoing resilience in the market with newly agreed sales in November 7% above the pre-pandemic norm and 14% above last year. However, it sits against the context of increased concerns that inflation – having increased above the Bank of England's 2.0% target again – will slow the pace of future rate cuts.

That's something we will be watching closely in 2025, but only after putting to bed the usual debate as to whether **Die Hard** and **Lethal Weapon** can be classified as true Christmas films.

So far, fixed-rate debt costs have only risen marginally, marking a year of much greater stability in the mortgage markets. And so, as I keep a close eye on the weather forecast to see how likely **A White Christmas** is, all that remains for me to say is I wish you the very best for the festive season, and I'll see you next year.



MY TOP PICKS



Just launched: Prime UK Residential

Our Autumn/Winter 2024 report provides insights into the factors that will shape the property market in the coming months, offering valuable data and perspectives to help you make more informed property decisions.

[Read more](#)



Tablescaping: How to achieve the perfect setting

An artfully dressed table makes for a memorable Christmas party. Three styling experts offer their tips for creating an atmospheric arrangement.

[Read more](#)

We'd love to hear from you *

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Let us know

