

PRESS RELEASE

For immediate release

BCM'S WEBINAR SERIES CONTINUES WITH "PROPERTY CYCLES & INVESTMENTS"

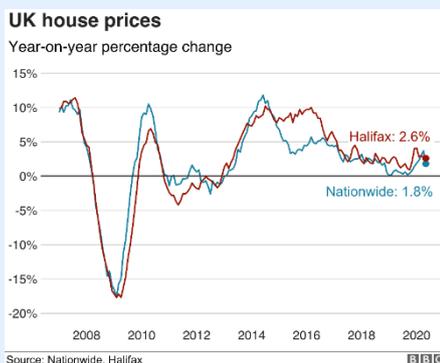


On 24th June 2020, Tom Woods, Head of Residential Sales and Lettings and Thomas Dawson, Assistant at BCM Rural Property Specialists in Merstone and Winchester, hosted a webinar discussing 'Property Cycles and Investments: How will the pandemic affect the property and investment market?'. They were joined by guest speaker Ben Silk, Director and Certified Financial Planner at Rouse. The webinar was well attended with 32 registrations and a Q&A session followed the discussion with accompanying slides.

"The Global Financial Crisis (GFC) is the closest comparable situation to the Covid-19 pandemic impact. In 2008, European property investment transaction levels fell 72 per cent from the peak of £140 billion to £29 billion" explains Thomas Dawson.

"Property experts predicted a different range of house price falls as a result of the 2008 crash including Capital Economics at 3%, Halifax at 14%, and two top national agents between 11-15%. During this time, UK house prices actually sank almost 16%.

"Comparatively, those same property experts expect this pandemic to not be as bad. Capital Economics a 4% fall, Halifax at 6% and the same two top national agents between 7%-10%. The key differences between the 2008 property crash and the 2020 pandemic are bank resilience, and stronger support from the government to help households weather the current crisis. Interest rates are the lowest that they have ever been.



"Any downturn will be followed by an upturn – the question is how long that will take – the Halifax/Nationwide graph of house prices 2008 to 2020 shows that this was 2 years after 2008.

"Mortgage interest rates before the financial crisis in 2007 were at an average of 5.52%, whereas now they are hovering just above the 1% figure. Furthermore, when you compare the average mortgage interest as a percentage of one's income, back in 2007 it was at 16.8% and now in 2020 closer to 5%. These figures demonstrate how significant the mortgage rates pre-2007 played a huge part in the economic crisis and now we are more stable.



“Rightmove confirmed that 27th May 2020 was the busiest day (6 million views) on record in terms of activity in contrast to the worst day on record being 25th December 2019 (500,000). Other platforms including On-the-Market recorded 1.2 million and Zoopla 1.7 million on the same day (27th May). The most searched properties were detached properties, with over 1 acre in a rural location. This shows that people are now seriously considering their next move, potentially to the countryside.

“Looking at commercial property, The Green Street Commercial Property Price Index has decreased by 7.5% from its recent pre-Covid10 peak. The decline in the index, which measures pricing of a broad swath of European commercial property is driven by retail and office values. Industrial values are up slightly over the last quarter, but still 1% lower from the recent peak. Conversely, farmland looks set for a confident run since 2019, the average value of bare agricultural land in England fell by only 0.6% in the first quarter of 2020, standing now at £6,960/acre”.

A recording of the webinar can be found at <https://vimeo.com/433562331>

For more information on BCM hosted webinars, contact iow@bcm.co.uk

END

For more information, contact Thomas Dawson
Call: +44(0)1983 828 800 Email: iow@bcm.co.uk

