

MARCH 2023



RESIDENTIAL
Market Review

KEY Statistics

- Average UK property price £289,819
- Annual UK property prices increased 6.3%
- Annual property prices in Wales increased 5.8%
- 90,000 residential transactions in Feb 2023



RESIDENTIAL Market Overview

Spring is welcoming stability and confidence back into the market as it recovers from the turbulence at the end of 2022, according to Rightmove's Director of Property Science, Tim Bannister. February saw property market activity sustain despite the anticipated slowdown, with over 90,000 residential transactions. This is a decrease from last year's 110,000 thousand, but shows promise for the UK residential market in 2023. We predict a steady increase in buyer and seller confidence over the next quarter as homeowners look to proceed with moves that may have been delayed at the end of the of 2022.

NUMBER OF Transactions

Month and year	Non-seasonally adjusted	Seasonally adjusted*
February 2014	85,940	105,430
February 2015	78,540	95,570
February 2016	91,310	106,460
February 2017	83,670	100,620
February 2018	81,730	97,710
February 2019	81,580	96,950
February 2020	82,830	97,290
February 2021	121,260	142,460
February 2022	94,090	110,500
February 2023 (Provisional estimates)	76,920	90,340

*Measures and removes the influence of predictable seasonal patterns



REGIONAL Overview



1. England
Price: £310,159
Monthly Change: -1.2%
Annual Change: 6.9%

2. Northern Ireland (Quarter 4-2022)
Price: £175,234
Monthly Change: -0.5%
Annual Change: 10.2%

3. Scotland
Price: £185,016
Monthly Change: -0.5%
Annual Change: 1.0%

4. Wales
Price: £216,871
Monthly Change: -2.3%
Annual Change: 5.8%

5. East Midlands
Price: £251,177
Monthly Change: -1.7%
Annual Change: 8.6%

6. East of England
Price: £358,114
Monthly Change: -1.1%
Annual Change: 6.8%

7. London
Price: £533,986
Monthly Change: -1.0%
Annual Change: 3.2%

8. North East
Price: £163,371
Monthly Change: 0.6%
Annual Change: 10.0%

9. North West
Price: £214,431
Monthly Change: -2.4%
Annual Change: 7.2%

10. South East
Price: £398,368
Monthly Change: -1.2%
Annual Change: 6.3%

11. South West
Price: £329,691
Monthly Change: -0.4%
Annual Change: 7.1%

12. West Midlands Region
Price: £256,694
Monthly Change: 0.2%
Annual Change: 9.9%

13. Yorkshire and The Humber
Price: £207,635
Monthly Change: -2.5%
Annual Change: 6.5%



This report is inclusive of the most accurate and up-to-date figures calculated by the Government Land Registry and Office of National Statistics. These reflect December 2022 as this data is based on completed sales at the end of the conveyancing process, rather than advertised approved pricing/transactions.

AVERAGE PRICE BY PROPERTY TYPE

Property type	December 2022	December 2021	Difference
Detached	£458,066	£429,085	6.8%
Semi-detached	£282,643	£263,006	7.5%
Terraced	£237,057	£221,562	7.0%
Flat or maisonette	£227,951	£222,729	2.3%
All	£289,818	£272,739	6.3%

SALES VOLUME OVERVIEW

Country	December 2022	December 2021
England	52896	60,199
Northern Ireland (Q4 2022)	2,047	2,260
Scotland	8,866	9,589
Wales	2,972	4,265





BLOG

Inheriting a property? Your questions answered.

By Neil Thorpe, Group Managing Director

According to new research by the probate lending experts at Tower Street Finance, 58% of UK adults say that they expect to inherit at least one residential property during their lifetime. Inheriting a property happens whilst you are in the midst of a grieving process when emotions are high. Often there are other members of the family that will be part of the decision making and thus it comes with many questions, and it is understandable that you will not know where to start. There are legalities, taxes and other associated costs; therefore, if you will be inheriting a property in the future, as your local estate agent we hope this article answers some of your questions.

Probate

Probate is the process of settling debts and the deceased's affairs by the executors of the will. No assets can be handed over to any beneficiary until this process is completed. Be prepared, as probate can take up to a year and can involve a lot of complicated financial, legal and tax work. According to Co-op Legal Services, it can be broken down into five different phases.

1. Assets

All the assets of the deceased, such as property and possessions, as well as their debts will be identified as this will determine the value of their estate. Verification of anyone who is entitled to inherit the estate is undertaken at the same time.

2. Inheritance Tax

The payment of Inheritance Tax to the HMRC and submission of the Inheritance Tax return. You will also need to confirm who has the legal authority to administer the said estate; this is done by applying to the Probate Registry for the grant of representation.

3. Liquidation

After the Probate Registry has issued the grant of representation, the liquidation (selling) of the deceased's assets can begin. This sounds very clinical, but we know what a difficult task this can be, as it will be wrapped with countless memories and an overwhelming amount of emotion at times. As well as liquidating, you will need to pay the final estate administration expenses to the HMRC as well as Capital Gains Tax, Income Tax and Inheritance Tax due to or from the estate.

4. Accounts

The preparation of the accounts for the estate will need to be completed. This must show the balance which is to be shared between the beneficiaries. These must then be sent to the executor of the will and other personal representatives for approval.

5. Transferring assets

Should there be no challenges to the estate, the transfer of assets to the beneficiaries can be completed.

Inheriting a home with a mortgage

Sadly, life doesn't always happen as planned. Homeowners are no doubt intending to pass down a mortgage-free property, but this is not always the case. You may find that the deceased had adequate life insurance that can be used to clear the mortgage; otherwise, you will need to have a conversation with the lender to find out their expectations.

A good place to start is reading the terms of the mortgage. This will detail what will happen in the event of the death of the mortgage holder. Often payments are frozen whilst the probate application is being processed, but you may find that interest will continue to be applied. Once probate is granted you can either try to get a mortgage for the property under your name, or alternatively pay off the outstanding mortgage by selling.

Taxes

Speaking to an independent financial adviser is very much advised so you have a clear understanding of the costs involved. Below, we have given you a quick overview, but as all wills, assets and personal savings vary, professional advice should always be sought.

- Inheritance Tax is due if the deceased's estate (including assets, the property, shares and savings) exceeds £325,000.
- Capital Gains Tax will need to be paid should you decide to sell the property.
- Income Tax is paid should you start receiving a rent from an inherited property such as a buy-to-let or a holiday let.
- Stamp Duty is not due on an inherited property except if one of the beneficiaries buys out the others, but again situations can vary.

Brief insight

There are many complexities when it comes to inheriting a property, and like all homes and homeowners, every situation is different, which is why speaking to experts in this field is crucial. If you would like some advice on a property you are inheriting, please contact one of our friendly local estate agents over a coffee; we know this is a sensitive time.

NEXA

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