

# Knight Frank

## UK and regional housing market forecast, 2008 Q4 edition

Table 1 contains the current Knight Frank residential price forecast for the period 2008 to 2019. We are forecasting the future performance of the Nationwide's Seasonally Adjusted Index. Prices in the UK peaked in Q3 / Q4 2007, and have fallen sharply since that point. Our index suggests that we are at least half way through the process of price falls at the current time, with c15% of a c30% peak to trough decline having occurred (assuming a 5% decline in the final three months of 2007).

Some markets are experiencing conditions very different from the national or regional average. For example if you are in the northern and midlands new build sector you will already have seen a 25% price drop on some schemes, and the process of price decline seems to be coming to a close – with investors sensing that “fair pricing” is almost at hand. The average figures provided here cover large regions, and all schemes and individual properties will experience their own pricing patterns.

**Table 1 – Knight Frank House Price Forecast, annual change**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
UK	-14.0%	-11.0%	1.1%	7.0%	5.1%	3.6%	6.1%	6.2%	6.2%	6.2%	6.2%	6.2%
Greater London	-14.7%	-12.2%	1.9%	8.7%	6.7%	4.8%	7.0%	6.6%	6.6%	6.6%	6.6%	6.6%
Central London	-9.8%	-5.9%	2.1%	9.3%	8.6%	5.7%	6.8%	6.6%	6.6%	6.6%	6.6%	6.6%
South East	-12.9%	-9.6%	1.8%	7.1%	5.3%	4.1%	6.7%	6.1%	6.1%	6.1%	6.1%	6.1%
South West	-12.4%	-8.4%	1.2%	6.1%	4.4%	3.5%	6.2%	6.4%	6.4%	6.4%	6.4%	6.4%
Yorkshire	-13.2%	-10.5%	0.5%	5.2%	3.3%	2.3%	4.9%	5.4%	5.4%	5.4%	5.4%	5.4%
East	-14.7%	-11.6%	0.3%	5.8%	3.8%	2.4%	4.9%	5.6%	5.6%	5.6%	5.6%	5.6%
West Midlands	-13.1%	-9.6%	1.1%	5.9%	3.9%	2.8%	5.5%	6.5%	6.5%	6.5%	6.5%	6.5%
East Midlands	-12.2%	-9.4%	1.4%	5.8%	3.8%	2.8%	5.5%	6.2%	6.2%	6.2%	6.2%	6.2%
North West	-13.2%	-10.1%	1.0%	6.0%	4.1%	2.9%	5.5%	6.7%	6.7%	6.7%	6.7%	6.7%
North	-10.5%	-5.9%	0.9%	4.9%	3.5%	2.9%	5.6%	5.9%	5.9%	5.9%	5.9%	5.9%
Scotland	-11.2%	-4.6%	-0.8%	4.0%	3.6%	3.2%	5.7%	5.2%	5.2%	5.2%	5.2%	5.2%
Wales	-14.7%	-13.8%	1.8%	7.7%	5.1%	3.4%	5.9%	6.0%	6.0%	6.0%	6.0%	6.0%
Northern Ireland	-27.3%	-31.6%	2.1%	15.9%	11.2%	5.7%	7.1%	7.7%	7.7%	7.7%	7.7%	7.7%

Table 2 provides our price forecast in cumulative terms, so we can see how prices will stand in the future relative to their position to the beginning of 2008. The grey cells point to the period when prices return to the 2007 peak.

**Table 2 – Knight Frank House Price Forecast, cumulative house price growth (from Q4 2007)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
UK	-14.0%	-23.3%	-22.5%	-17.2%	-13.1%	-10.0%	-4.5%	1.4%	7.6%	14.3%	21.3%	28.8%
Greater London	-14.7%	-25.2%	-23.8%	-17.1%	-11.6%	-7.4%	-0.9%	5.6%	12.5%	19.9%	27.8%	36.2%
Central London	-9.8%	-15.1%	-13.3%	-5.3%	2.9%	8.7%	16.1%	23.8%	32.0%	40.7%	50.0%	59.8%
South East	-12.9%	-21.3%	-19.8%	-14.1%	-9.6%	-5.9%	0.4%	6.5%	13.0%	19.9%	27.2%	34.9%
South West	-12.4%	-19.8%	-18.8%	-13.9%	-10.1%	-6.9%	-1.2%	5.1%	11.8%	18.9%	26.5%	34.5%
Yorkshire	-13.2%	-22.3%	-21.9%	-17.8%	-15.1%	-13.2%	-8.9%	-4.0%	1.1%	6.5%	12.3%	18.3%
East	-14.7%	-24.6%	-24.3%	-20.0%	-17.0%	-15.0%	-10.8%	-5.8%	-0.5%	5.0%	10.9%	17.1%
West Midlands	-13.1%	-21.4%	-20.6%	-15.9%	-12.6%	-10.1%	-5.2%	1.0%	7.6%	14.6%	22.1%	30.1%
East Midlands	-12.2%	-20.4%	-19.3%	-14.5%	-11.3%	-8.8%	-3.7%	2.2%	8.5%	15.3%	22.4%	30.0%
North West	-13.2%	-22.0%	-21.2%	-16.5%	-13.2%	-10.7%	-5.7%	0.6%	7.3%	14.5%	22.1%	30.3%
North	-10.5%	-15.8%	-15.1%	-10.9%	-7.8%	-5.1%	0.1%	6.1%	12.3%	19.0%	26.0%	33.5%
Scotland	-11.2%	-15.2%	-15.9%	-12.5%	-9.4%	-6.5%	-1.2%	4.0%	9.4%	15.1%	21.0%	27.3%
Wales	-14.7%	-26.5%	-25.1%	-19.4%	-15.3%	-12.4%	-7.2%	-1.7%	4.1%	10.4%	16.9%	23.9%
Northern Ireland	-27.3%	-50.2%	-49.2%	-41.1%	-34.6%	-30.8%	-25.9%	-20.2%	-14.0%	-7.3%	-0.2%	7.5%

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