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Talking Heads: Prime resi industry reactions to the Conservative's General Election win

The biggest Tory majority since 1987 is "a hugely comforting outcome for the wealthy", says a top buying agent, while a super-prime estate agent thinks that Boris Johnson's new government "will inevitably provide an enormous boost for the London residential property market"

Written by
Prime Resi Pundits

Including: Aston Chase, Aykroyd & Co, Black Brick, Haringtons, Heronslea, Jackson-Stops, JLL, Johns&Co, Knight Frank, Ludgrove, MCIFA, Nicolas Van Patrick, Quintessentially Estates, Rokstone, Savills, The Collection, The Federation of Master Builders, Urban Exposure, Winkworth, Zoopla & more

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The biggest Tory majority since 1987 is "a hugely comforting outcome for the wealthy", says a top buying agent, while a super-prime estate agent thinks that Boris Johnson's new government "will inevitably provide an enormous boost for the London residential property market"

The Conservative Party won a fairly decisive victory in yesterday's General Election, securing an overall majority in the House of Commons – the biggest Tory majority since 1987.

Unsurprisingly, most in the UK's luxury property sphere are pretty happy with the result. After three-and-a-half years of political turmoil, any morsel of certainty is to be welcomed, while many of Labour's policy proposals would have hit property owners and the wealthy pretty hard.

Further Reading

- **Tory majority gives Johnson a 'powerful mandate'**
  PrimeResi summarises the key property and tax pledges made by Boris Johnson's new government ahead of this General Election.

Here's what the prime residential property industry makes of the new Tory majority, in their own words:

This article will be updated throughout the day. Have your say: email commentary to Editor@PrimeResi.com

A Conservative majority will bring a renewed sense of optimism and a long-awaited bounce to the property market

- **Hannah Aykroyd, Aykroyd & Co**

"A Conservative victory is good news for London and its property market. While there are still many hurdles ahead for the UK and its capital, we believe a Conservative majority will bring a renewed sense of optimism and a long-awaited bounce to the property market. Markets are keen on certainty – and while this election result doesn't quite deliver that, it does at least bring hope that the Brexit langour will eventually end.

"What else does the election result mean for the London property market? In the run up to the election, the Conservative Party unveiled plans for a 3% stamp duty land tax surcharge for non-UK tax residents – both companies and individuals. The extra 3% surcharge would be on top of the 3% surcharge that all buy-to-let and second home buyers already pay. In some cases, this would mean a surcharge of hundreds of thousands of pounds on top of the daunting current levels of SDLT.

“This may have been a successful vote-winning tactic; however, if put into practice, it will further put the brakes on the London property market. The evidence is clear that a high rate of SDLT stagnates the market, with a severe decline in transactions. Since 2014, when the current rates were introduced, the market in Prime Central London has fallen about 20%. Much of this reduction occurred before the fateful 2016 referendum.

“As buying agents, we represent PCL buyers from both the UK and around the world. Since this plan was released, some of our internationally based clients have mentioned the potential tax increase with real concern and interestingly not just for themselves but for the impact this will have on their eventual buyer. We don’t necessarily disagree with this extra 3% surcharge; however, the timing couldn’t be worse.

“Earlier in the year the Conservatives floated proposals for reducing SDLT, which would help stimulate the property market leading to increased transaction levels. In the current climate, this would be most welcome. In the meantime, we recommend our clients buy with the intention to hold for a minimum of 5-10 years in order to help justify their SDLT outlay. Beyond that, we recommend buyers look at a number of strategies available to minimise SDLT on a given transaction. Finally, it is important to remember that even with the increase, London’s tax rate would be ranked in the middle among property taxes in international cities around the globe.

“While our wish list is for SDLT tax reductions on top of the Conservative victory, that may be too much to hope for. In any case, we’re feeling optimistic and we’re seeing opportunity. We expect the post-election long-awaited bounce to produce an increase in values to balance out the proposed increased SDLT cost.”

The landslide Conservative win has ended half a decade of deadlock in the Prime Central London property market

- **Becky Fatemi, Rokstone**

“The landslide Conservative win has ended half a decade of deadlock in the prime central London property market. Osborne’s stamp duty hike and Brexit anxiety has caused price falls of up to 30 per cent since the peak of the market in 2014. But this Christmas election has given the gift of certainty. The country now has a direction and I expect to see a further surge in sales in PCL from January, following an uptick this December.

“The combination of price falls and the weak pound means those buying with the dollar are enjoying a hefty discount on high-end homes and London’s luxury quarter looks good value compared to other leading global cities – until the pound strengthens.

“Electioneering noise around a three per cent stamp duty surcharge for overseas buyers will present a problem but we’re yet to see firm detail on this from the Tories.

“Lower prices will continue to tempt back the British buyer although some will feel Brexit is still a threat to job security. They will remain cautious over the next 12 months as the process of negotiating trade deals begins.

“Next year the City of Westminster urban plan – if implemented – rules out the knock-through of several lateral apartments to form one mega mansion. In the PCL conservation quarter this will make trophy homes even more sought-after and push prices up.

“Sellers will now be more reluctant to accept low offers from already reduced prices. There is a small window to buy what has been on the market at a discounted price. Optimism will strengthen the PCL market.”

We anticipate a significant surge of sales and rental activity across prime central London

- **Mark Pollack, Director and Co-founder of Aston Chase**

“The outcome of the 2019 General Election and a Conservative led Government will inevitably provide an enormous boost for the London residential property market.

“With Boris Johnson’s victory we now have a greater level of certainty surrounding the outcome of Brexit affording a great sense of relief and renewed confidence in the knowledge of a hopefully more stable political future.

“We anticipate a significant surge of sales and rental activity across prime central London arising from pent-up demand from both domestic and international buyers as things finally return to ‘business as usual’ and in the knowledge that London will remain a highly desirable destination and a stronghold for investment, business and education.

“With the outcome of the election now determined and a working majority the Government can now progress with the Brexit negotiations and we expect that this will be the catalyst for renewed confidence in the London property market from both UK end-users and from international investors from across the globe.”

A hugely comforting outcome for the wealthy

- **Saul Empson of Haringtons Buying Agency**

“For the wealthy, this is a hugely comforting outcome – they have the party of their choice in power with a majority and buyers and sellers can all get on with our lives and push forward with the moving plans that they’ve been sitting on for quite some time.”

I would expect prices to increase

- **Nina Harrison, Executive at Haringtons**

"I would expect prices to increase – they won't race up but prices will definitely strengthen in Central London as more people start to buy and sell again."

We will see the property market return to some sort of normality with the uncertainty of Brexit having been mitigated

- **Patrick Alvarado, Director at Nicolas Van Patrick**

"It is good to have certainty and a party with a clear mandate. Although there is still still talk of an extra 3% stamp duty for foreign buyers as detailed in the recent Conservative manifesto, this is not in place yet and in the meantime we will see the property market return to some sort of normality with the uncertainty of Brexit having been mitigated.

"We expect buyers who are currently under offer and who might have been holding off in exchanging contracts prior to the election, now getting on with it and exchanging prior to Christmas.

"Foreign buyers who might have hoped for a further reduction in prices and the currency should we have woken up to a hung parliament or Jeremy Corbyn victory will now realise this is no longer an option and those wishing to buy will also get on with it. We have already seen Sterling strengthen this morning against all major currencies and although most foreign buyers have probably already done their foreign exchange trades in anticipation of a purchase, those who haven't will probably be doing so to avoid a less favourable exchange rate.

"The underlying problem for buyers is the lack of supply, which is down 30 per cent year-on-year. However, we expect the supply shortage to be addressed in the new year as many vendors who had been holding off in coming to market begin to slowly list their properties thus beginning to address the supply shortage and pent up demand. Although this will be a slow process, supply should slowly balance the pent-up demand as forced landlords who could not sell or chose not to sell in the past few years look at serving notice on tenants and coming to the sales market. In the short term at least there should be some upwards pressure on prices, while levelling off over the year ahead as demand is satisfied.

"Fundamentally though, stamp duty remains in place with potential further increases at the top end likely making property a long-term investment which is probably no bad thing."

This will, for the time being, end the uncertainty of a no-deal Brexit and pave the way for the release of some of the pent-up demand that has built in property markets in recent years

- **Liam Bailey, Global Head of Research at Knight Frank**

"The Conservative Party has won a majority of just under 80 seats in the UK general election. As a result, the UK is likely to leave the European Union on 31 January, with a vote in Parliament and a Queen's Speech expected before Christmas.

"This will, for the time being, end the uncertainty of a no-deal Brexit and pave the way for the release of some of the pent-up demand that has built in property markets in recent years. The extent to which this translates into transaction activity in the short-term will depend on the size of the pricing expectation gap between buyers and sellers.

"Supply is likely to rise as political uncertainty recedes and private and public spending stimulate the UK economy. This will put downwards pressure on prices, however some vendors may expect a bounce in prices, which may create a stand-off between buyers and sellers as the market re-prices.

"A shortage of supply in the lettings market may be further exacerbated as owners attempt to capitalise on any perceived 'bounce' and list their property on the sales market, which would put upwards pressure on rental values.

"Uncertainty over future tax changes in the Budget, which is scheduled to take place in February, may prompt some to accelerate plans in coming weeks.

"The Party has said it will refocus its efforts on home ownership, particularly for first-time buyers. Though the manifesto reiterated the Help to Buy Equity Loan Scheme would be scaled back in 2021, subsequently ending in 2023, it pledged a review of methods to support home ownership follow its completion.

"Meanwhile, interest rates are likely to begin a gradual process of normalisation in 2020 as Brexit risks fade, which could mark the end of a period of ultra-low mortgage rates, which is something borrowers may factor into their decision-making.

"The pound rose against the dollar on news of the election result – from the $1.30 it was trading at before the result to around $1.34 – this upwards trajectory could begin to encourage overseas buyers into the market before any further erosion of their buying power."

Today's election result should bring a greater sense of urgency to the market

- **Lucian Cook, head of residential research at Savills**

What has been the effect of political uncertainty?

"We know that across the mainstream market, political and economic uncertainty have held back market demand and supply being brought to the market. Within the prime markets in which Savills operates, there has been a strong build-up of applicant demand among those waiting for the fog of political uncertainty to clear. In addition there are a number of agreed deals that have been put on hold pending the outcome of the general election.

What does the General Election result mean for Buyers and Sellers?

"Today's election result should unlock some of these deals and mean prospective buyers are more committed, bringing a greater sense of urgency to the market. However there is a possibility that it will also harden some sellers' price expectations.

Does that mean a bounce in prices?

"The election of a Conservative majority government is in line the assumptions which we made when we prepared our house price forecasts back in November.

"These suggest only modest price growth in 2020 on the basis that, despite domestic political uncertainty receding, some economic uncertainty will remain until a trade deal is agreed with the EU; even if, as is widely expected, the UK leaves the EU by the end of January without a further extension of article 50.

"This could mean a bounce in demand in the first part of 2020 proves difficult to sustain through the summer months and into autumn market.

Can we expect any changes in stamp duty under the new government?

"There is a possibility that some buyers and sellers hold out for a stamp duty cut that was floated by Boris Johnson in during the Conservative party leadership election over the summer. However this was noticeable by its absence in the Conservative Party manifesto. Instead, we saw proposals for a further 3% stamp duty surcharge on buyers who are not resident in the UK.

"If anything, we think this is likely to support demand from overseas buyers in the short term as they seek to buy before it is imposed.

And what of sterling?

"Those overseas buyers are also likely to want to lock into the weakness of sterling. We've already seen sterling appreciate and this reduces the currency play, but we expect this will be outweighed by much greater political certainty.

"Sterling is expected to strengthen progressively as political and economic uncertainty clears, with the biggest impact coming after trade deals are agreed with both the EU and other trading partners. That is likely to provide a limited window in which buyers can take the maximum benefit from the weakness of the pound, though it is likely to be the catalyst for a recovery in prices in central London over the next five years."

Two of the key factors that have depressed prime London property prices and transactions over the last few years have been removed

- **Fraser Slater of Ludgrove Property**

"Now that a Conservative majority has been confirmed two of the key factors that have depressed prime London property prices and transactions over the last few years; namely Britain's withdrawal from the EU and political uncertainty have been removed. The third negative factor – Stamp Duty remains a millstone but one that is not without hope. Although an increase in Stamp Duty for overseas buyers was muted in the Conservative manifesto, we are somewhat sanguine that Stamp Duty may be reduced for domestic buyers in the February Budget. After all the PM, Deputy PM and Chancellor have all been vocal about the need to slash Stamp Duty with Boris Johnson himself referring to the current level of Stamp Duty rates as 'absurd'. In a post-Brexit environment, the Government would also be well advised to do so. Ludgrove research has shown that a -36% reduction in Stamp Duty rates across the board is likely to lead to +40% additional transactions in England per annum, in turn generating an extra £1.44 bn in direct and indirect tax revenue and £8.36bn in additional business revenue. Taken together this represents a £9.8bn tax and growth opportunity for the Government."

Confidence will surge back into the property market and a stronger pound sterling will result in more UK buyers looking to purchase real estate overseas

- **Penny Mosgrove, CEO of Quintessentially Estates**

"Boris is pro-business and wants to create more international trade opportunities which is good news for the UK economy. I predict confidence will surge back into the property market and a stronger pound sterling will result in more UK buyers looking to purchase real estate overseas. From a global perspective, now that the political landscape is more settled and the government are committed to getting Brexit done, stability will breed new opportunities for start-ups and tech businesses. This could help bring a buzz back to the capital as well as renewed interest from global investors. I believe we will see an influx of US, Asia and Middle East money looking for a piece of the action before the pound potentially rises further after the Brexit uncertainty is finally resolved."

One concern is the additional 3% SDLT charge for overseas investors in the UK

- **Simon Garcia, partner at Quintessentially Estates**

"As predicted in the polls we now have a Conservative majority government, which I believe is the best outcome for the UK property industry. We should begin to see some movement at the top end of the market, especially from local buyers now that our political future is more certain, and this could lead to price increases in spring 2020. However, one concern is the additional 3% SDLT charge for overseas investors in the UK. This rate represents a toughening of the original proposal for a 1% levy and would be charged on top of all other stamp duty already payable, including the 3% surcharge on second homes which took effect in 2016. This seems excessive and will only encourage overseas investment into other wealth centres around the globe. If the Conservatives are committed to making Britain open for business they should be encouraging investment into the London and other cities, rather than adding more punitive measures."

Five reasons to be cheerful

- **Paul Munford, MCIFA Property Finance**

"The compelling Tory victory can only be a boon for the real estate market, and I would like to highlight five areas where I see positive outcomes:

1. **Stamp Duty –** our prediction is that we will see stamp duty fall from 12% to 7% or 8% for domestic buyers on purchases over £1.5m, our core market. We anticipate that there will be reduced thresholds under this level and the potential of a surcharge for Global investors.
2. **Surely Brexit must now be sorted –** we will see Boris Johnson passing his bill at the earliest opportunity and the real work of unravelling 40 years of partnership now beginning. The passing of the bill takes away huge uncertainty and businesses can now see the direction in which we are heading.
3. **Credit supply –** Onwards and upwards! We are seeing lots of Banks and Institutions holding back and now the squeeze will ease, with new funds being committed to the property sector.
4. **Governing for Growth –** We will see fiscal policy loosening with strong emphasis being put on growing the economy and reducing taxation
5. **Neutral outlook on Interest Rates –** Whilst there may be a small upturn in UK rates, we see this as having very limited scope and ultimately being a sign of a perceptively strong economy.

"We now approach 2020 with considerable optimism. We have recently witnessed predictions of property value growth of between 2-28% over the next three years. Our view is that we now continue to look forward to bigger number transactions and a period of stability, growth and confidence."

The Conservative win will result in sellers hardening their positions, causing prices to rise next year

- **Camilla Dell, Managing Partner of Black Brick**

"Yesterday's Conservative majority will resolve much of the immediate Brexit uncertainty and restore confidence, especially regarding property taxation. Sterling has rallied reducing the attractiveness of London to dollar buyers – but only to an extent, and may be short lived as the next round of negotiations start to try and get a trade deal with the EU before the end of next year.

"We predict the Conservative win will result in sellers hardening their positions, causing prices to rise next year. There is significant pent up demand. In the final quarter of 2019, we registered twice as many applicants compared with the same period last year. The average budget per applicant has also risen, from £4 million to £6.35 million. And whilst the Conservatives have pledged to bring in a 3% stamp duty increase for overseas buyers, we predict that this will be absorbed by the market, as previous stamp duty rises have done. Most overseas buyers are far more concerned about an annual property tax, which isn't part of the Conservative manifesto. We are also likely see a rush of deals exchanging ahead of any stamp duty change – we exchanged on two deals yesterday both by overseas buyers, before the election result was known in anticipation the Conservatives would win."

The election result changes little when it comes to the fundamentals of the housing market

- **Richard Donnell, Research Director at Zoopla**

"While voters ranked housing as the seventh most important issue for them as they went to the polls (YouGov), the incoming Government faces an in-tray full of housing-related policy decisions.

Maintaining supply of private rented homes

"Firstly, the role and importance of the private rental market is high on the agenda, with more moves a year in the private rental market (1.2m) than in the sales market (1m). The rental market has faced a raft of policy changes since 2016 and these have stalled new investment, resulting in static rental supply, which is a primary factor behind rental growth reaching an three year high at 2%. Further reforms appear likely and it is important the impact on rental supply is managed in order to avoid an acceleration in rental growth – also known as runaway rents.

Help to Buy replacement

"Secondly, the growth in new housing supply over the last five years has been boosted by the Help to Buy equity loan scheme which supports almost two in every five sales in England. The scheme has new price caps from Spring 2021, and is due to end entirely in Spring 2023. This may seem a long way into the future, but our analysis suggests almost a quarter of schemes being developed today will still be under construction in 2023. There is the prospect of a cliff edge at this time, which could disrupt new housing supply. It is important the new Government focuses on transitioning from Help to Buy to a new scheme, modelled around the old Starter Homes scheme as outlined in the manifesto.

Housing fundamentals unchanged

"The election result changes little when it comes to the fundamentals of the housing market. The challenges for housing vary across the country and there are no simple, national solutions. Record low mortgage rates have boosted house prices, while affordability challenges remain across southern England. At the same time housing has become less liquid with the average homeowner moving once every 19 years. This is a result of long run economic factors and demographic changes compounded by stamp duty which is a major barrier to movement, especially in southern England. Housing policy needs to cater to the different challenges across the country and focus on barriers to movement and increasing choice across all tenures."

If we are to give the economy the much-needed boost it needs, what we actually need is to reduce the burden of stamp duty

- **Nick Leeming, Chairman at Jackson-Stops**

"Over the last few years, both buyers and sellers have done well to adjust to the ongoing uncertainty facing our country, yet we hope that today's result will finally provide some reassurance to the property market. Throughout the Conservative party's campaign they pledged their support for greater home ownership and so now is the time for them to form a Government that will deliver on this.

"In the lead up to Boris being elected Prime Minister, he spoke widely about stamp duty cuts for UK residents, yet this quickly fell by the wayside as he settled in to No.10. Our latest research found that 41% of consumers think there should be a wholesale reduction in stamp duty across all price brackets, while more than a quarter think Government should abolish stamp duty on all homes under £500,000. Just 3% felt no change was required, which highlights the need for change.

"It was therefore disappointing to see the party's manifesto only focussed on increasing the amount of stamp duty payable for non-UK residents – done in an attempt to take the heat out of the property market. If we are to give the economy the much-needed boost it needs, what we actually need is to reduce the burden of stamp duty across the wider UK housing market.

"Although we still have Brexit to contend with, housing must continue to be a key priority for the Conservatives. People are of course still moving. Buying and selling property doesn't simply stop because the UK is leaving the EU or there has been an election – there are often overriding reasons for moving, whether to be closer to a good school, better childcare or the need to upsize or downsize. Yet it is quite clear that if our Government wants to see a more fluid property market, which is moving at all levels, then it needs to provide far greater support to key demographics such as first-time buyers, young families and downsizers."

The market will move forward at any chance it gets

- **Dominic Agace, CEO at Winkworth**

"We hope that now, with a solid majority in place, this will bring closure to the waves of uncertainty from the previous few years and the Conservatives can start to move us through the first stage of Brexit to allow for a clearer outlook for those trading in the housing market.

“The market has plateaued over the past 18 months with prices stagnant and activity low, although transactions across most of the country have been slightly higher this year, with some areas faring better than others. London suburbs and areas with good transport links into London, for example, have done particularly well and of course needs-based buyers have kept the sales market moving. In our experience of 2019, the market will move forward at any chance it gets, and so we expect things to pick up more next year as we progress with Brexit.

“Stamp duty and affordability still remains issues for many, but there is also a considerable amount of pent up demand from those who have been awaiting more certainty over the future of the country and which we expect to convert to an increase in activity early next year. This could lead to a price increase in London of around 2-3% for houses, with prices for flats remaining broadly flat as increased regulation in the private rented sector continues to weigh on the industry. Property prices elsewhere in the country, which haven’t seen the same levels of reductions as in London, should also remain stable.

“There is still a way to go for the market to recover, but overall we’re positive following this result and as always, we have confidence in the markets in which we operate.”

Today’s result will be doomsday for a lot of high value deals

- **Caroline Takla, Founder of The Collection**

“Today’s result will be doomsday for a lot of high value deals. I know many buyers who categorically wouldn’t exchange until after the election result, so today, many purchasers and vendors alike will be happy knowing Corbyn’s name is now confined to the history books.

“A Conservative majority is the outcome most likely to deliver stability and much needed certainty to the market and one that many of my clients were hoping for. On a local level, there will be more confidence in the market. It will be perceived as a direction of travel. Whilst the precise details of our future relationship with the EU are still not formed, much of the Brexit effect has been priced into the market already. The market will buoy initially but as these details continue to unfold there will still be buyers who will hesitate before committing.”

A Tory majority gives us some much needed clarity and will result in a quicker bounce-back to a ‘normal’ market

- **Walter Mythen, JOHNS&CO**

"This is the best outcome for the property market although we anticipate growth will continue to be slow for the foreseeable future as people recover from the hangover of the last three years of political instability.

"A Tory majority gives us some much needed clarity and will result in a quicker bounce-back to a 'normal' market. We wouldn't expect any dramatic increases or decreases in the market but buyers and sellers will finally be able to get moving.

"We may well see the return of the casual investor too – who had all but disappeared in the last three years of political instability."

This is the best outcome for the UK property market

- **Heronslea Group**

"We are delighted that The Conservatives have won, this is the best outcome for the UK property market. All the uncertainty surrounding the market and the lack of confidence in buyers will now quickly disappear as the two reasons why we are in a challenging market – Brexit and political uncertainty have gone. We now have a clear picture and direction for our country."

Business will welcome the certainty now that Boris has a clear mandate

- **Brian Berry, Chief Executive of The Federation of Master Builders**

"Business will welcome the certainty now that Boris has a clear mandate. He needs to act decisively and get the [Brexit] deal done as quickly as possible. The real challenge will be to sort out the trade deals.

"A Brexit Britain offers the new government an opportunity to tackle the housing crisis. We want to see a reduction in VAT on maintenance and repairs and a comprehensive national retrofit strategy to upgrade our existing housing stock."

Of all the possible outcomes, a Conservative majority provides the most clarity

- **Jamie Johnson, CEO of FJP Investment**

"Many will be somewhat relieved with this result – a Conservative majority means we are a step closer to ensuring Brexit will be finalised in some shape or form come the end of January 2020. As expected, there have been some significant movements on the financial markets which is to be expected. Once an election result is announced, the markets will naturally take time to adjust to the news, before once again becoming stable.

"Of all the possible outcomes to come from the yesterday's election, a Conservative majority provides the most clarity. Their position on Brexit is clear and now we wait for Boris Johnson's EU Withdrawal Agreement to once again be voted on in parliament.

Importantly, I hope the government uses this victory to start making progress on national issues that have been ignored, such as the property market."

Prime Central London should now lead the way with some very healthy levels of activity and price growth

- **Marc von Grundherr, Director of Benham and Reeves**

"Forget political alignments for the minute, as we finally have a sense of certainty on which we can move forward as a nation, and while the curtain is far from falling on the rollercoaster that has been our European departure, we should see a fair degree of positive property market stimulation as we enter into next year.

"The sluggish one percent annual rates of house price growth that have plagued the market for the last few years should now give way to a far healthier three to four percent.

"It may take time to reverse the more negative trends we've seen across London, however prime central London, in particular, should now lead the way with some very healthy levels of activity and price growth. That is, of course, provided the unnecessary attack on foreign investment in the form of a 3% hike in stamp duty is reneged upon, as this would be a poor way to repay those that have kept the market's head above water by way of a consistent level of investment during some otherwise tough times."

With things only about to get better, the new build sector can expect a busy time over the coming year

- **Michael Stone, Founder and CEO of Stone Real Estate**

"While the Government's track record of late has been fairly admirable with some 241,000 new homes delivered this year, there's always room for improvement, and now the election dust has settled we should hopefully see an unhindered route to delivery and a positive impact on social housing given that it is linked via S106 agreements.

"We've seen many big housebuilders operate on a more hands-off basis of late, largely due to a lower rate of house price growth and a fear of financial underperformance in tough market conditions. However, the new build sector has actually been the silver bullet against Brexit uncertainty with those opting to enter the fray rewarded with consistent levels of buyer demand and buoyant sold prices to match.

"With things only about to get better, the new build sector can expect a busy time over the coming year as pent up market apprehension surrounding our political landscape is relieved to a degree, and more homes are built, more homes are bought, and market sentiment receives a well-needed boost."

The best result for the UK property sector

- **Randeesh Sandhu, CEO of Urban Exposure**

“The Conservative majority delivered at the General Election is the best result for the UK property sector. They are clearly the party that has been and looks set to continue to support home ownership with a series of initiatives in their manifesto focussed on supporting first time buyers, such as the proposed mortgage deposit scheme.

“We expect the housebuilding market to also be boosted by a resurgent UK economy in 2020, particularly as and when Brexit is resolved. The RICS survey yesterday showed the property industry believes getting Brexit done will trigger surge in housing market and we very much subscribe to that view. The prospect of a trade deal will have a positive impact across supply chains, as well on demand, as greater certainty breeds improved confidence throughout the sector. Although the timing of any deal is clearly not confirmed, the UK economy and property sector starts from a position of strength, with the ongoing growth in wages outpacing inflation which, in turn, should keep interest rates at record lows. All this adds up to healthy picture for UK housing demand.

“There are also fundamental structural shifts that are changing the dynamics of the UK real estate market based on societal and technological changes – this looks set to continue to play out ever increasingly in 2020. The demise of traditional retail is the most stark example playing out before us, and the contagion from this will be one to watch closely next year – though not a sector we lend to directly as a standalone asset class, there are elements of commercial and retail units on our mixed use schemes and we have changed the way in which we underwrite these elements of projects. The ageing population, the age at which people choose to marry and start a family, and the rise in single person households, means that the traditional residential housing market will be transformed in the coming years as new forms of housing such as Build to Rent (BTR), co-living and Retirement complexes grow in prominence. According to Savills there is £10 billion of BTR construction underway, another £44 billion in the pipeline nationally with a market potential of £544bn. Indeed, Urban Exposure looks specifically at the opportunities as a lender from these structural changes and how we can develop investment theses for emerging trends, attract capital, and develop compelling lending products.

“Elsewhere, with 5G on the horizon, , homebuyers demands will continue to evolve, with smart appliances expected as standard now in many newbuilds, as well as building methods that adhere to strict environmental criteria. With the new Government setting out a housebuilding target of seeing 300,000 new homes built each year, it’s hard to see how the sector will get anywhere near without embracing modern methods of construction, and fundamentally shifting the categorisation of what a “home” is and ideologies around home ownership – BTR and social rent need to be embraced as being part of the solution to the housing crisis. It is also critical to drive an increase in social housing. Since 2010, homelessness and people living in temporary accommodation has doubled. Of particular resonance to UE Plc given our philanthropic focus on children and education – is the 135,000 children living in temporary accommodation and the impact on their long-term life trajectory this will have. It is essential that the new Government develops a meaningful strategy to address this within their housing strategy."

I'd expect to see an increase in property transactions over the coming months

- **Paresh Raja, CEO of Market Financial Solutions**

"In many ways, today's result shouldn't come as much of a surprise. The Conservative Party's main election pledge has been to 'get Brexit done', and the result suggests people are longing for the issue to be resolved come 31stJanuary 2020. What's more, a majority government means we're less likely to see a legislative deadlock in Westminster as has been the case since the last election.

"For the property market, this is good news. Investors have been yearning for greater certainty and while national house prices have been steadily rising as a result of sustained demand, many have adopted a wait and see approach before committing to a real estate purchase. This result provides some much-needed clarity, and I'd expect to see an increase in property transactions over the coming months.

"There are plenty of question marks hanging over the newly-elected government. When will the long overdue budget be delivered? Will there be changes to taxes like stamp duty? How will the housing crisis be addressed? I hope the Prime Minister addresses these questions and does not let Brexit continue to overshadow pressing national issues.

"For now, at least, all eyes are turned to the end of January when Boris Johnson's commitment to deliver Brexit will be put to the ultimate test."

The Conservative party should view this only as a minor victory

- **Jerald Solis, Business Development & Acquisitions Director of Experience Invest**

"Despite winning a majority, the Conservative party should view this only as a minor victory. Whilst this was dubbed a 'Brexit Election', the public has made it clear that other pressing issues must be pushed to the forefront of the newly elected government's agenda, such as the housing crisis.

"Research from Experience Invest has shown that just 11% of consumers had faith in Boris Johnson's previous government to solve the problem. So, the question now is how his new government will ensure the appropriate measures are put in place to ensure more people are able to jump onto the property ladder. From the promise to build 29,000 affordable homes, to simplified shared ownership and help to buy loans, the public will be expecting creative action.

"One of the main public concerns will now be whether the government will meet the Brexit deadline of 31st January or seek another extension. After all, with over half (53%) of consumers Experience Invest surveyed agreeing that prolonging Brexit is counterproductive to solving the housing crisis, we cannot let Brexit overshadow pressing national issues that have been ignored for far too long."

We expect a renewed surge in people committing to homes across London in the New Year

- **Sebastian Kalmar, Residential Director at KALMARs**

"The result of the general election and the strong Conservative position should benefit the property market, as we now look towards greater clarity regarding the UK's departure from the European Union and less uncertainty for buyers in the market. For many buyers, the question of Brexit has put their purchasing plans on hold, but we expect a renewed surge in people committing to homes across London in the New Year. KALMARs currently have large development deals totalling £161m under offer, much of which is held back by this uncertainty. In addition, many London developers will be encouraged by increased market stability and are in favour of the Conservative leadership. This may boost the premium new homes market, as this is a sector that has performed well under Conservative leadership, with land and sites being sold for new high-quality homes across the capital. Our local MP's have all been re-elected and represent the more pro-business side of the labour party this is also considered a positive for the South London area."

We will see a bounce in confidence and activity in the property market

- **Iain McKenzie, CEO of The Guild of Property Professionals**

"Now that there has been a decisive win for the Conservatives and therefore a clear path forward has been established, I believe we will see a bounce in confidence and activity in the property market. Many buyers and sellers have put their lives on hold waiting for an outcome to the political controversy playing out in front of us. This has led to a severe lack of stock coming onto the market as sellers have held back. The result of the general election has finally provided the population with clarity regarding the Brexit hurdle and we will almost certainly leave the EU at the end of January, meaning we can move forward as a country and the market can settle into a new normal, which should be see activity start to improve as buyers and sellers return to the market."

The Conservatives must now deliver on their promise to resolve the political crisis which has been paralysing wider society and the economy

- **Alan Jones, President of the RIBA**

"Many people will remember this as the 'Brexit election'. The Conservatives must now deliver on their promise to resolve the political crisis which has been paralysing wider society and the economy.

"The RIBA has been clear that this involves developing trade deals which allow practices to access talent, goods and services, and will welcome further detail on how this will be achieved.

"The new government must bring the country together by turning promises into action. We need critical investment to solve the housing crisis through high-quality planning and homes, initiatives to tackle climate change and complete reform of our fire and building safety regulations to keep people safe."

The greater certainty in the outlook should in turn lead to notable increases in house prices, housing transactions and housing starts across all regions of the UK

- **Nick Whitten Head of UK Living Research & Strategy at JLL**

"The uncertainty hanging over the UK economy since the 2016 EU Referendum should now gradually subside following the Conservatives' majority win in the General Election.

"With a parliamentary majority, the Prime Minister's deal with the EU is expected to pass and the Article 50 process will end on the 31st January 2020. The nature of the future relationship between the UK and EU will be a key feature of 2020 but there will at least be a greater degree of certainty for business.

"The pound has shown signs of strengthening following the election result, while the economic fundamentals such as employment and real wage growth will help to underpin confidence. The greater certainty in the outlook – for households, businesses and housebuilders – should in turn lead to notable increases in house prices, housing transactions and housing starts across all regions of the UK. There is also expected to be an uptick in investment activity in the student and multifamily sectors.

"Against this political backdrop JLL has identified the fundamental certainties which will shape housing delivery in the coming years. These certainties sit alongside our positive housing market forecasts for the next five years.

The certainties:

- Housing will remain a key item on the political agenda:
  The focus will remain on supporting first time buyers. Help to Buy will remain in place until at least 2023.
  Pressure will continue to deliver more Affordable Housing with 1.1m people on the current social housing waiting list.
- Fundamental population changes will occur:
  Parents are having children later in life which is delaying the desire to purchase family-sized homes and supporting the growth of renting,
  People are living longer creating the need to deliver more elderly-appropriate housing – some 25% of the UK population will be over 65 by 2030.

- Towns and cities will see the highest housing demand:
  There will be an additional 2.5m people living in UK's urban areas by 2024,
  The need to densify housing and provide flexible and shared living spaces is fuelling the rise of alternative sectors such as coliving.
- London will remain at the world's top table:
  London is ranked by JLL's Cities Research team among the seven established world cities,
  The UK Capital is particularly strong for its growth in digital sectors and its ability to nurture talent – there are more high-ranking universities in London than any other city in the world.
- There will be ever more connection between living and technology
  25% of Britons no have multiple smart devices in their home.
  The thirst for technology will continue to grow meaning homes will continue to accommodate ever more automated devices.

Climate and social awareness will continue to accelerate:
All new homes will need to be Net Zero Carbon by 2030,
Developers will adapt housing delivery to meeting growing demands around economic, environmental and social impact."

A Corbyn government would have likely decimated the prime sector overnight

- **Edward Heaton, founder and managing partner of Heaton & Partners**

"The London property market is breathing a sigh of relief this morning as a Corbyn government would have likely decimated the prime sector overnight. Many of our wealthiest clients who had put in place contingency plans for a Labour majority, are now likely to reinvigorate their purchasing plans and start buying. I expect activity to pick up immediately and this is to be reflected in a steady increase in house prices in the coming months. This morning we have already seen the pound hit the highest level against the US dollar since June. After a period of deadlock, this gives buyers and sellers real hope of a buoyant market.

"Now Boris needs to concentrate on Brexit and the UKs international image. I would like to see Britain send a message to the world that we are open for business and looking to welcome people from around the world. We should make it an easy process to move here, encouraging both those who have something to add and the very wealthy access to Britain. Reducing Stamp Duty and making our taxation system attractive will, I believe, ultimately benefit the economy as a whole."

The structural issues in the market remain the same and boom time is unlikely

- **Roarie Scarisbrick, Partner at Property Vision**

"I'm sure all my friends in agency will be quick off the mark to predict a new bull run in our markets and while this is definitely good news (because a different result would have been very damaging), buyers launching themselves into the market today will soon be reminded that stamp duty is still cripplingly expensive and we are about to be hit with yet another 3% surcharge for foreign buyers which will hit central London hard. So while we will be busy with buyers who have been sitting on their hands for a while, and transactions will pick up, the structural issues in the market remain the same and boom time is unlikely.

"Also, vendors will feel strengthened by this so I expect a period of adjustment where buyers and sellers try to work out what this means. Sellers will be rubbing their hands with glee today but I don't think this is a time to get greedy because again the issues remain the same and there are still choppy waters to cross with Brexit and stamp duty. '

The markets will respond positively as stability returns

- **Dean Main, managing director at Rhodium Residence Management**

"This is a spectacular result which will undoubtedly restore much needed confidence in the UK. I predict a significant increase in investment from local and overseas investors which will have a very real impact on the London residential property market. There is a powerful mandate for Brexit and the markets will respond positively as stability returns.

A Corbyn government would have been a disaster for this country and this landslide victory for the Conservative party has completely shifted the political landscape for the better".

Stamp duty remains the elephant in the room

- **James Lund-Lack, GM, Red Square Design & Build**

"Construction needs certainty. Brexit disorder and the threat of the current Labour government have made clients nervous, with numerous projects on hold, scrapped or simply unfeasible. This result will restore confidence in the U.K. and unlock pent up demand. Stamp duty remains the elephant in the room with the proposed 3% SDLT levy only an aggravating factor. However, let's hope the 3% levy is offset by the forecasted bounce in the PCL market following last night's result. Departing the E.U. is unchartered waters for the U.K. with many suppliers and materials originating in the mainland; commercial prudence and close communication with our partners will be critical. For now, we're feeling positive and look forward to a successful 2020.'

This morning, two big uncertainties have been removed

- **Guy Gittins, Managing Director, Chestertons**

“If there’s one thing that slows the property market more than anything, its uncertainty and this morning, two big uncertainties have been removed: we will have a Conservative government for the next five years and we will be leaving the EU, with or without a deal.

We more or less know what is in store with regard to policies affecting the housing market: it is unlikely that tax cuts on property will be high on the agenda for the immediate future given their proposed spending plans in other key areas such as health, education and policing, but the more extreme plans of the other political parties such as rent controls are no longer on the table.

We expect that the considerable pent-up buyer demand which has been waiting for Brexit clarity will now be released. Sellers will in turn be encouraged by the increase in demand and are likely to start putting their properties on the market in greater numbers and the increase in sales could see prices bounce back quite quickly. We have already seen how quickly confidence can rebound with the pound surging to its highest level since June last year and the FTSE 250 hitting record highs, and buyers should consider acting sooner rather than later while prices are still at attractive levels compared the last market peak.”

We are going to see an avalanche of supply hit the market in the first quarter of 2020

- **James Hyman, head of residential at Cluttons**

“On the back of last night’s result, we are going to see an avalanche of supply hit the market in the first quarter of 2020 – four years’ worth of sellers who have been waiting for a bounce in the London market. However, the problem is that this does not resolve the issue of affordability so sellers will still have to be prepared to adjust their price expectations.

Yes, there will be more international interest but this will be limited to either new build or super-prime which represents only a small proportion of the market. The majority of London Zone 1 will not see any notable increase in activity, except for those willing to price their properties sensibly in line with where the market sits.”