Prime property prices in Oxford fell 0.7% in the first six months of 2017, taking annual growth in the city to 0.8%.

Annual growth is down from 6% in 2014, with this moderation reflecting a heightened sensitivity to pricing among buyers, as well greater political and economic uncertainty.

Buyers are noticeably more cautious, something that is supported by our analysis of listings data which shows a 28% increase in the average time on market for properties sold within the last three months.

Supply is also rising. Knight Frank stock levels were nearly a third higher at the end of August 2017 compared with the same point the previous year – a notable shift in a market usually characterised by a lack of homes for sale.

Agents note that as a result, adjustments have been made to asking prices to meet with buyer expectations. Where this has happened, deals are being done.

Demand

Despite this backdrop, leading demand indicators strengthened in the first six months of the year.
An analysis of Knight Frank data shows the number of new prospective buyers between January and June increased by 14% compared to the same period in 2016. Meanwhile, the number of viewings was 2% higher over the same period.

North Oxford is increasingly popular among prospective buyers thanks to a new nearby direct rail link from Oxford Parkway to central London. The opening of the station, which includes parking for more than 800 cars, means commuters can be in Marylebone in an hour. Before this, the only direct Oxford to London link was to Paddington.

Outlook
Uncertainty surrounding the general election result and Brexit has weighed on economic growth across the country, while house price growth is easing. However, Oxford's market remains underpinned by factors including the city’s excellent reputation for education, good transport links and amenities.

A weaker pound also makes it an attractive proposition to international purchasers looking to relocate to the UK.