



# OXFORD MARKET INSIGHT Q4 2016

**Despite further changes to property taxation and the Brexit vote last year, a shortage of quality stock relative to demand meant moderate price growth was seen in the city in 2016**

Price growth in Oxford's city's prime market settled at 1.8% in 2016, with an increase of 0.6% recorded over the fourth quarter. Annual growth is down from 6% in 2014.

A moderation in price growth over the last two years reflects a heightened sensitivity to pricing among buyers. It follows a number of years of strong growth in the market following the financial crisis driven by an imbalance between supply and demand and the city's strong local economy.

While these fundamentals remain unchanged, and continue to support the market in Oxford, political events and policy changes have weighed on growth.

Two stamp duty hikes in the space of 18 months targeting properties worth more than £1.1 million, buy-to-let investors and second home buyers mean asking prices must now reflect higher transaction costs.

Stamp duty changes have been absorbed by the market in the past, but it is a process which takes place gradually.

The EU Referendum also added to a climate of uncertainty last year resulting in some buyers and vendors adopting a 'wait and see' approach until after the vote. Our experience is that the direct impact of the decision to leave the EU on the market in Oxford has been limited at this stage.

Indeed, confidence among buyers remained high in 2016, reflected by a 16% increase in the number of property viewings conducted between October and December last year compared with the same period of 2015.

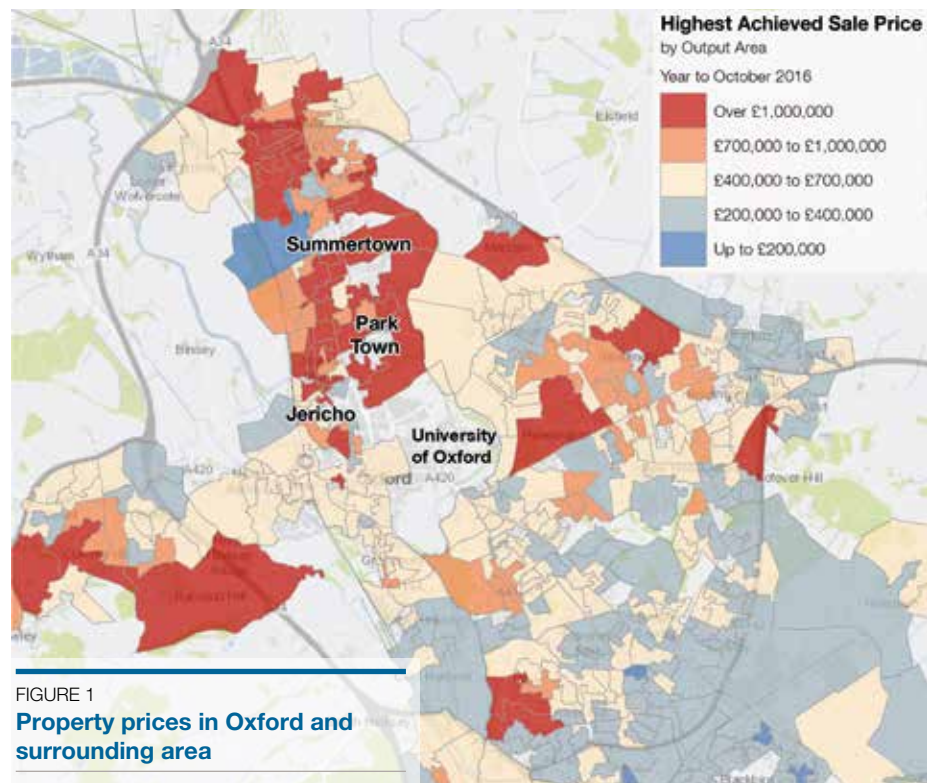
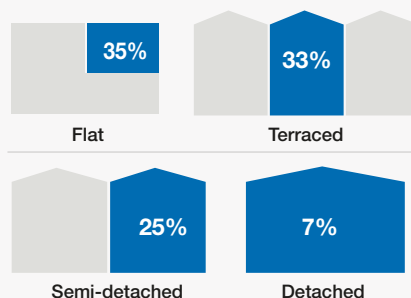


FIGURE 1  
**Property prices in Oxford and surrounding area**

FIGURE 2 **Oxford fact sheet**

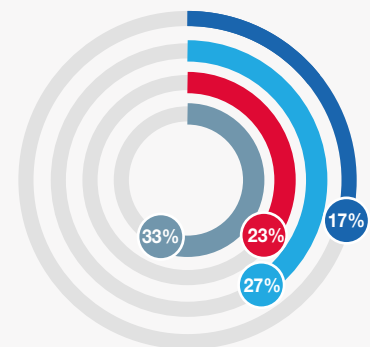
**1.8%** Average price growth in 2016  
**0.6%** Average price growth in Q4 2016

### PROPERTY TYPE



### AGE OF HOUSING STOCK

Pre-1900 (dark blue), 1900-1939 (light blue), 1945-1972 (red), 1973-present (grey)



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The on-going low interest rate, low mortgage rate environment has also served to underpin demand, especially among buyers with access to high levels of equity.

There remains a shortage of good quality stock across the city; analysis shows that the total number of homes available for sale at the end of 2016 was 18% lower than the same point the previous year reflecting a trend seen in property markets across the country.

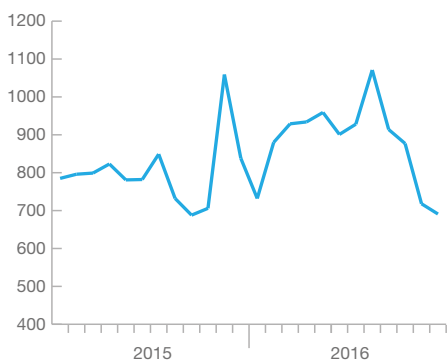
The new rail link at Oxford Parkway, which opened in October 2015, has helped drive further interest in property markets to the north of the city in areas such as Summertown and Wolvercote. The average price per square foot for prime properties in these markets tends to be slightly lower, at £600 to £700, than in the city centre.

Commuters using the line can now be in London Marylebone in under an hour. Consequently, there has been a pick-up in interest from Londoners with some 24% of all prospective buyers registering with Knight Frank's Oxford office in 2016 based in the capital, up from 19% in 2015.

FIGURE 4

### Supply slows

Number of properties advertised for sale in Oxford

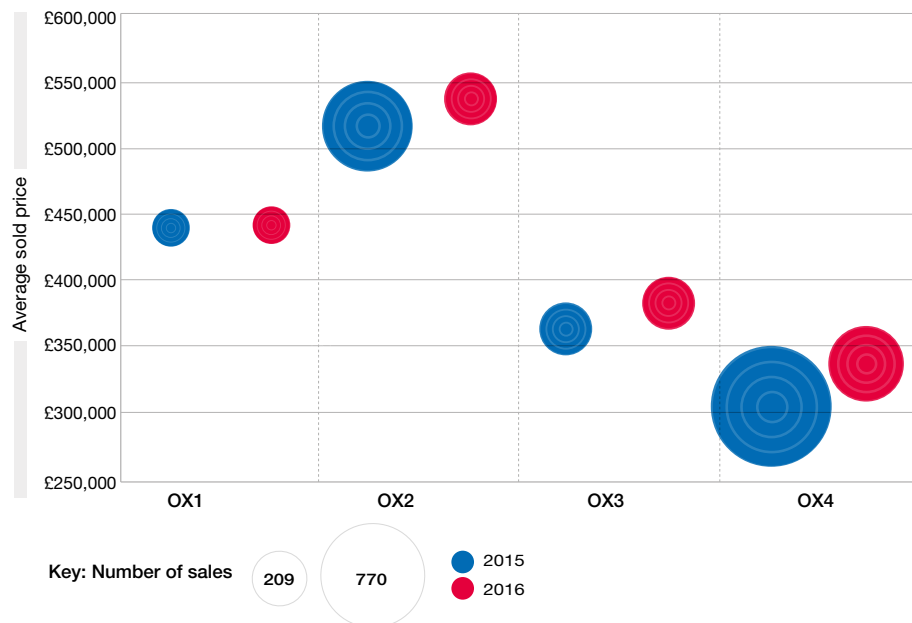


Source: Knight Frank Research

FIGURE 3

### Average sold prices and sales volumes by neighbourhood

Note: Variations in average sold prices between different time periods do not necessarily indicate price growth

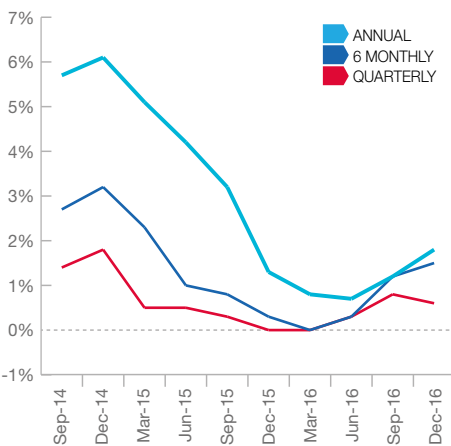


Source: Knight Frank Research

FIGURE 5

### Oxford prime price change

to Q4 2016

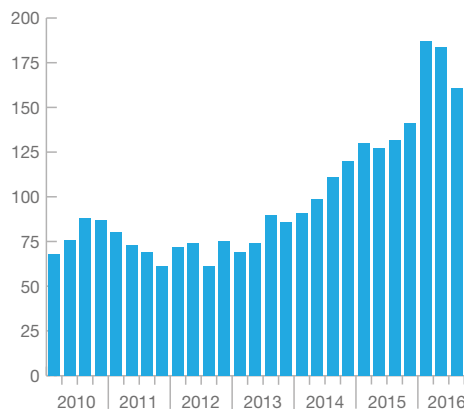


Source: Knight Frank Research

FIGURE 6

### Oxford: Sales volumes above £500k

Quarterly, total



Source: Knight Frank Research

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