

# Market Briefing

## Newcastle Market Review

Autumn 2021



## Family Demand

"The housing market in Newcastle has been characterised by demand for quality family housing, especially in prime locations. However, supply within the market for this type of housing has been limited.

The supply of properties coming to the market in the first half of 2021 has been around -13% below pre-pandemic levels. With constrained supply, when quality properties come to the market we have seen sales achieving a premium over valuations."



Rob Taylor  
Managing Partner  
0191 338 9999  
rob.taylor@rettie.co.uk

## Key Findings

- The Newcastle City market (NE1-NE7) has seen the average house price in 2021 rise to over £170k as the composition of the market has moved towards family housing.
- The number of sales in the 12 months to Q1 2021, during the pandemic, was down -22% compared to the 12 months to Q1 2020. The largest contraction has been for flat sales which were down -39% year-on-year.
- Supply has been a constraining factor, with the volume of properties listed for sale in the first half of 2021 down -13% on pre-pandemic levels.

# Newcastle City Market (NE1 - NE7)

The events of the past 12 months have had a significant impact on the housing market with the pandemic not only changing patterns of activity, but also buyers' aspirations. In terms of supply, the pandemic has led to the number of new properties coming to the market down around -13% so far in 2021, compared to pre-pandemic levels. This lack of supply has impacted the number of sales being completed in the past year which was down -22% year-on-year. This reduced supply has combined with changing demand in the market.

The pandemic has led to changing patterns, in work and in turn, lifestyle aspirations. Demand for family housing with outdoor space has been one of the clearest trends in the recent market.

Contrasting this trend has been a more inconsistent demand for apartments. This has seen the number of apartment sales fall by -39% in the 12 months to Q1 2021, compared to a year earlier. By contrast, while detached homes have also seen fewer sales, this fall was lower at -18%. This change has impacted the market composition with apartments accounting for less than a quarter of sales, down from over 30% in the pre-pandemic market.

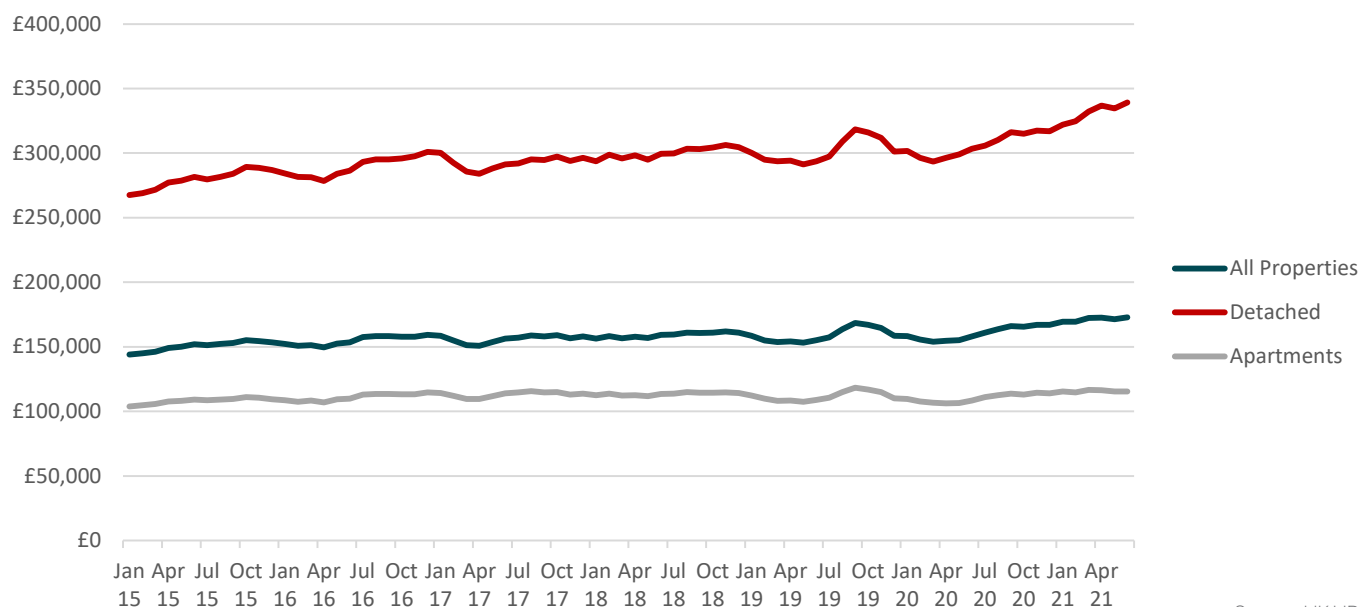
This shift has driven up average house prices in the city to £172,770, a new high for the city 9.2% higher than June last year. The average detached house price has experienced a high increase rising 11.8% year on year to reach just under £340k. Conversely, apartments in

the city saw a weaker annual increase at 6.6% from June 2020 to June 2021. The highest average values in the city are in Jesmond (NE2) and Gosforth (NE3).

Looking ahead, we expect family housing demand to persist, especially in prime locations, as people continue to seek lifestyle living. The initial pent-up demand that returned to the market after the lifting of restrictions is expected to ease over the course of the year, before returning to more normal levels. While demand for apartments has weakened due to factors of economy, lending and lifestyle, as the market moves beyond the pandemic the draw of vibrant urban centres are likely to support a return of demand.

**Fig.1 The family housing market has been driving price rises in the local market since lockdown.**

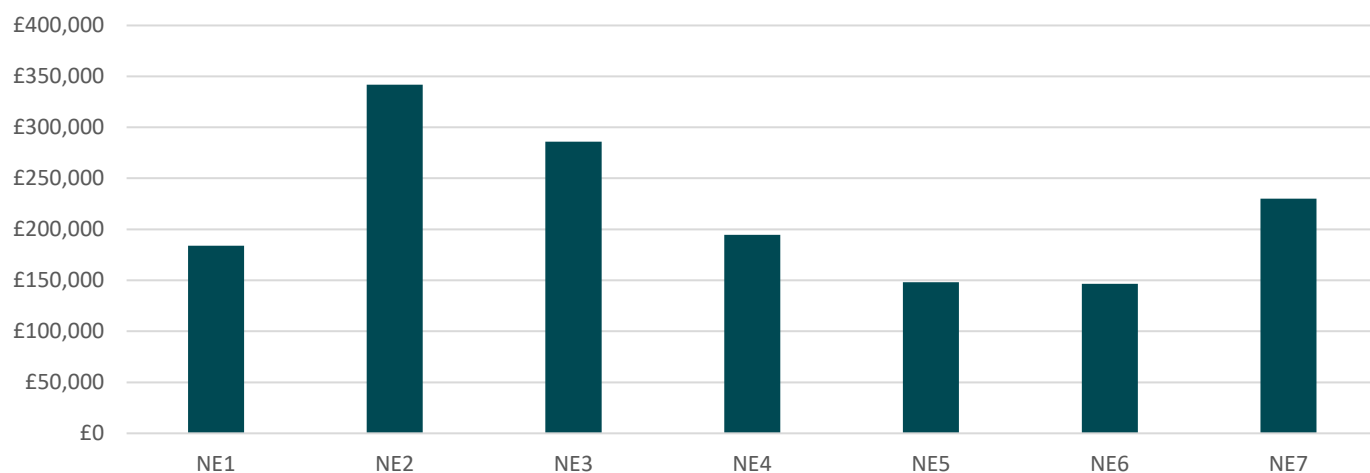
Average House Price in Newcastle Upon Tyne 2015-2021



Source: UK HPI

**Fig.2 NE2 & NE3 command the highest average house price in 2021.**

Average House Price by Postcode in the first half of 2021



Source: Land Registry

Fig.3 Sales activity has slowed in recent years, and this has been exacerbated by the pandemic.

12 Month Rolling Total of Sales by Quarter to Q1 2021

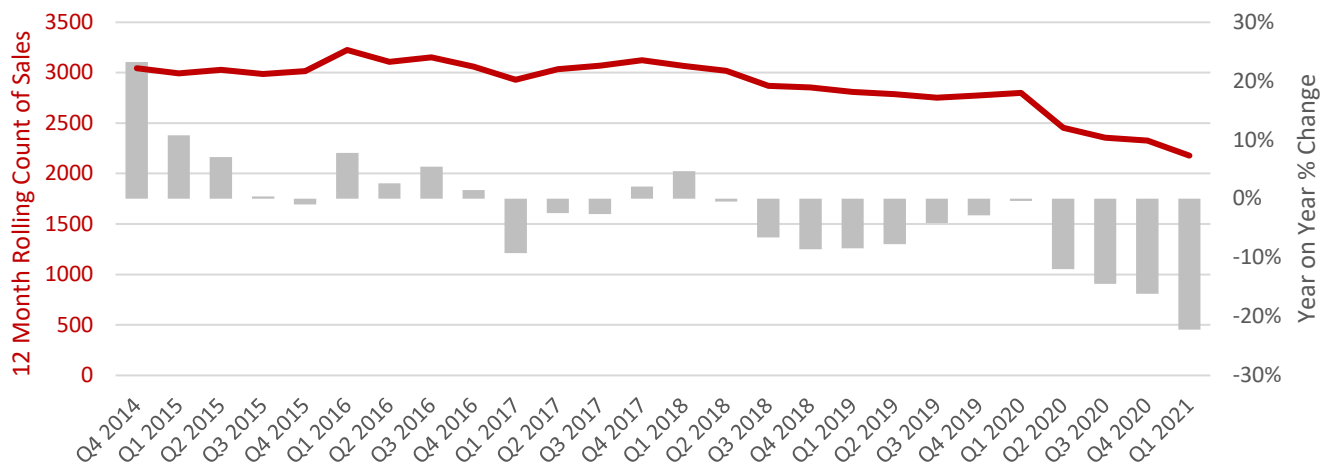


Fig.4 Flats have seen the biggest contraction in activity over the past year.

12 Month Rolling Total of Sales by Quarter to Q1 2021 by House Type

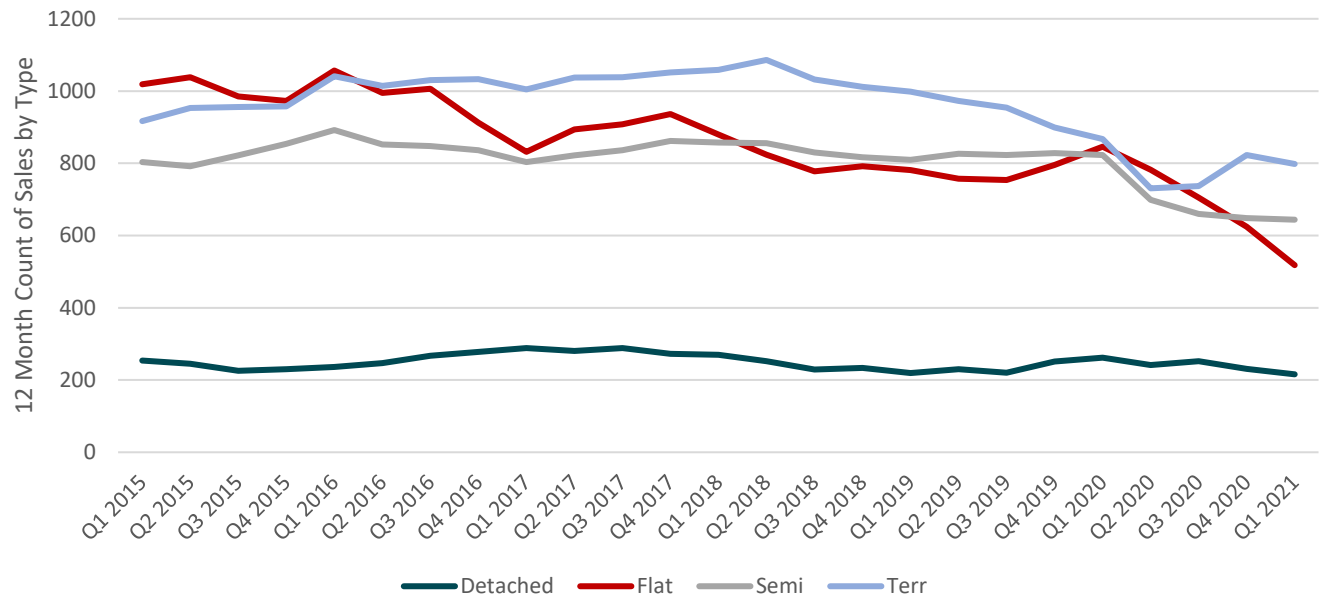


Fig.5 The flatted market makes up fewer transaction in 2021

Percentage of Transaction by House Type in 12 Months to Q1

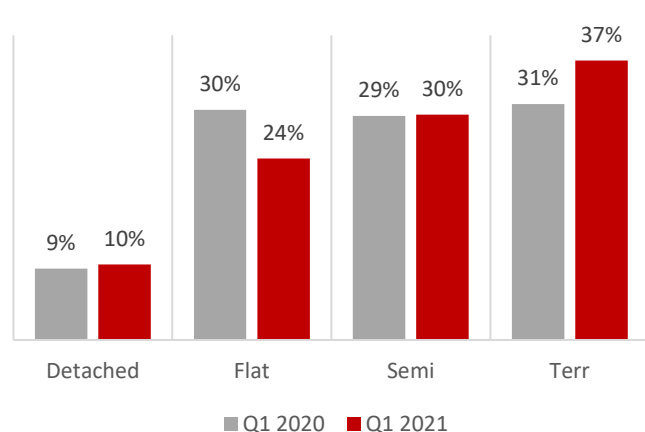
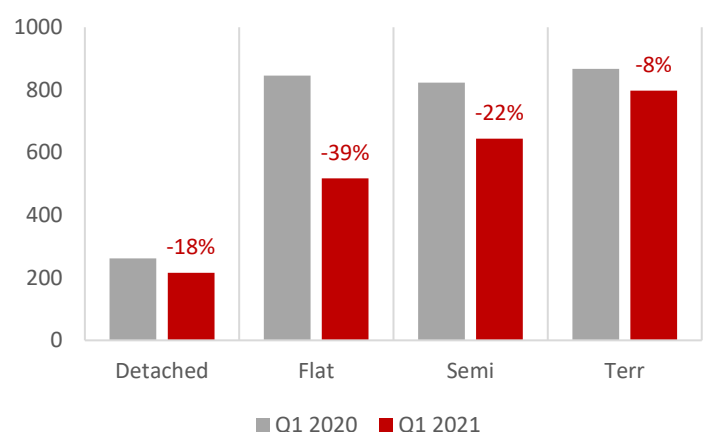


Fig.6 The flatted market has contracted the most

Count of 12 Month Rolling Total of Sales & Percentage Change





# Properties for Sale



Jesmond Park East,  
Newcastle, NE7

£2,700,000  
7 Bed House



Church Road,  
Gosforth, NE3

£500,000  
5 Bed House



Montagu Court,  
Gosforth, NE3

£875,000  
3 Bed Apartment



Grey Street,  
Newcastle, NE1

£375,000  
2 Bed Apartment



Moor Court,  
Gosforth, NE3

£350,000  
3 Bed Apartment



Rothbury Terrace,  
Heaton, NE6

£350,000  
5 Bed House



Stoneyhurst Road,  
South Gosforth, NE3

£335,000  
4 Bed House



Kenton Lodge, Kenton Road,  
Gosforth, NE3

£325,000  
2 Bed Apartment



Montagu Court,  
Gosforth, NE3

£295,000  
2 Bed Apartment



Fenham Hall Drive,  
Fenham, NE4

£250,000  
3 Bed House



Warton Terrace,  
Heaton, NE6

£235,000  
2 Bed House



Keel House, Garth Heads,  
Newcastle, NE1

£220,000  
2 Bed Apartment



Lanesborough Court,  
Gosforth, NE3

£215,000  
2 Bed Apartment



Leazes Terrace,  
Newcastle, NE1

£170,000  
1 Bed Apartment



Sloane Courth,  
Newcastle, NE2

£155,000  
2 Bed Apartment



Russel Court,  
Jesmond, NE2

£145,000  
2 Bed Apartment

## Your Local Team



Rob Taylor  
Managing Partner  
0191 338 9999  
rob.taylor@rettie.co.uk



Mary Walker  
Branch Manager  
0191 338 9999  
mary.walker@rettie.co.uk



Emma Lane  
Sales Negotiator  
0191 338 9999  
emma.lane@rettie.co.uk



Claire Routledge  
Sales Negotiator  
0191 338 9999  
claire.routledge@rettie.co.uk



Tony Jimenez  
Sales Consultant  
0191 338 9999  
tonyjimenez@rettie.co.uk