



# Housing market overview

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This document provides the latest information available from various sources, with dates varying from December 2019 – February 2020

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- > Like last month's report, all of our available sources are reporting month-on-month increases in house prices in the region of 0.1% to 0.8%. All sources continue to record annual increases ranging from 0.8% to 3.9%.
- > According to research by This is MONEY, Britain's biggest housebuilders are set to boost payouts to shareholders by £1billion a year – even after the lucrative Help to Buy scheme ends. In a startling analysis, they say builders are forecast to increase dividends by a huge 40 per cent over the next five years. That would take annual payouts to investors to £3.6 billion, up from £2.6billion from the largest nine builders in 2019.
- > Rightmove reports monthly traffic is up by 7.2% on the prior year, to a new record of over 152 million visits in January, indicating strong pent-up housing demand. They say momentum is still growing, with traffic in the first week of February up by 9.2% on the same week in 2019. Importantly, this increased interest in property is already feeding through into the number of sales agreed, which is up by 12.3% compared to the same period a year ago.
- > Taylor Wimpey comments that they saw a 5% increase in group completions to 16,042 including joint ventures (2018: 15,275) in 2019 as the firm revealed financial results for the year “in line with expectations”. They say revenue increased by 6.4% to £4,341.3 million (2018: £4,082.0 million) with operating profit of £850.5 million (2018: £880.2 million) - volume growth was offset by rising build costs and flat house prices, delivering an operating profit margin of 19.6% (2018: 21.6%). Profit before tax and exceptional items was £821.6 million (2018: £856.8 million).
- > Halifax tells us that looking ahead, there are a number of risks, including the potential impact of coronavirus, which continue to exert pressure on the economy and we wait to see how these will affect housing market sentiment later in the year.
- > According to Nationwide, while the overall economic growth ground to a halt in the final three months of 2019, labour market conditions remained buoyant and borrowing costs low. They say the decisive election outcome may have provided a boost to buyer sentiment.

## Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	December '19	▲ 0.3	▲ 2.2	£234,742	19.02.2020
LSL Property Services	January '20	▲ 0.1	▲ 0.8	£304,280	01.2020
Halifax	February '20	▲ 0.3	▲ 2.8	£240,677	06.03.2020
home.co.uk	February '20	▲ 0.4	▲ 0.9	£307,499	12.02.2020
Hometrack	January '20	N/A	▲ 3.9	£258,100	26.2.2020
Nationwide	February '20	▲ 0.3	▲ 2.3	£216,092	02.2020
Rightmove	February '20	▲ 0.8	▲ 2.9	£309,399	17.02.2020

# UK annual house prices – rate of change

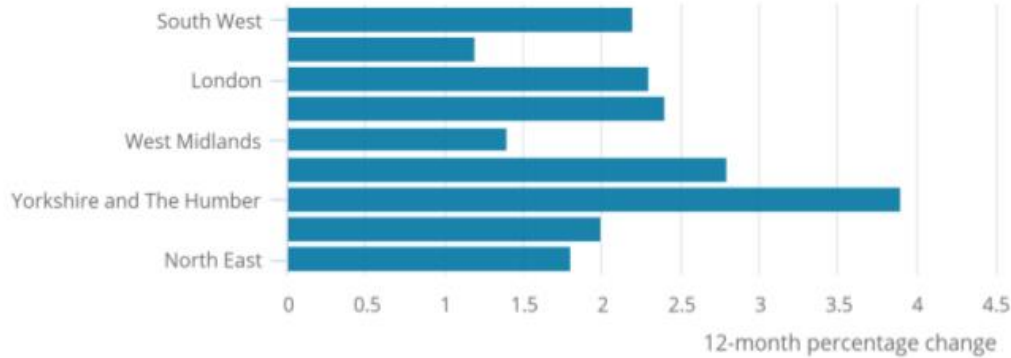


Source: [gov.uk price index](https://www.gov.uk/price-index)

Home prices jump 0.4%, thanks to greater market certainty and optimism, and are up 0.9% year-on-year.

Source: [home.co.uk price index](https://www.home.co.uk/price-index)

## Regional all-dwellings annual house prices – 12-month % change



Source: [gov.uk price index](https://www.gov.uk/price-index)

“ South East and East of England lead the charge with a month-on-month price hike of 0.8% in each region, followed by Wales and Yorkshire (both showing increases of 0.7%). ”

Source: [home.co.uk price index](https://www.home.co.uk/price-index)

## UK house-price rates of change: types of buyer

Type of buyer	Average price December 2019	Monthly change	Annual change
First time buyer	£197,384	0.4%	1.9%
Former owner occupier	£272,412	0.1%	2.5%

Source: [gov.uk price index](https://www.gov.uk/price-index)

“ Much like we saw in January, the increases seen in February reflect the continued improvement of key market indicators. The sustained level of buyer and seller activity is strong compared to recent years, with positive employment conditions and a competitive mortgage market continuing to support demand. ”

Source: [Halifax price index](https://www.halifax.co.uk/price-index)

# UK house-price rates of change: types of dwelling

Property status	Average price October 2019	Monthly change	Annual change
New build	£290,328	-0.2%	0.8%
Existing resold property	£229,842	-0.1%	1.1%

Source: [gov.uk price index](#)

“ The UK housing market has remained steady heading into early spring, with house prices increasing by 0.3% in February and up 2.8% on the previous year. ”

Source: [Halifax price index](#)



# Number of housing transactions per month

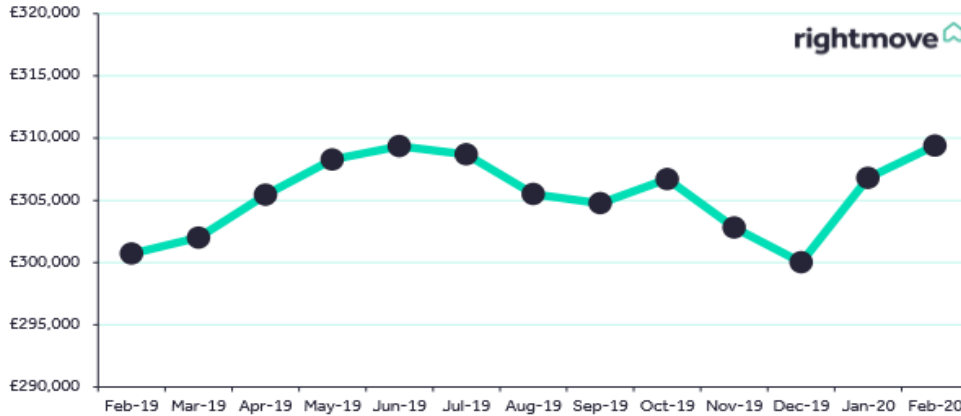
Country	October 2019	October 2018
England	66,051	76,864
Northern Ireland (Quarter 4 - 2019)	6,021	6,765
Scotland	9,250	9,127
Wales	3,880	4,387

Source: [gov.uk price index](https://www.gov.uk/price-index)

“ Supply of new sales instructions remains very low across the UK and this, combined with already low stock levels in many regions, will serve to further inflate prices. ”

Source: [home.co.uk price index](https://www.home.co.uk/price-index)

## Monthly asking-price trend



“ The average price of property coming to market rises by 0.8% (+£2,589) this month, just £40 short of a new all-time high. Upwards price pressure is being driven by a post-election release of pent-up housing demand, and while there is a long-awaited and welcome recovery in the number of new sellers coming to market, this is being out-stripped by a surge in demand from buyers. ”

Source: [Rightmove price index](#)

# Home asking-price trend for England & Wales

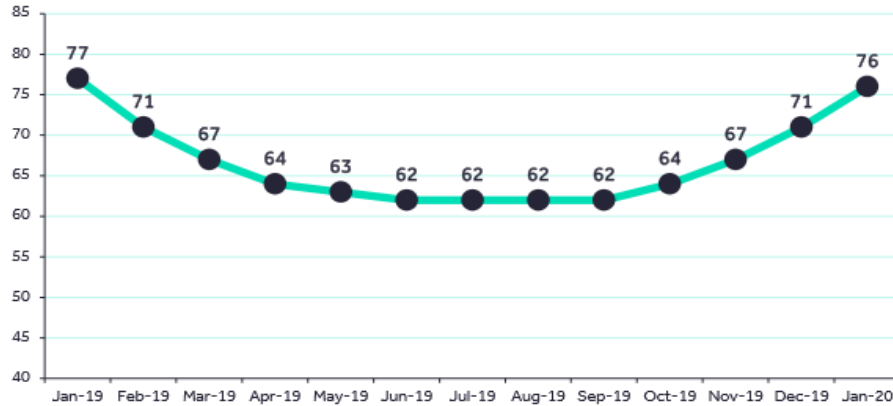


Source: [home.co.uk price index](https://www.home.co.uk/price-index/)

“ Owners coming to market this spring face the best selling prospects for several years, with good demand for the right properties at the right prices. However, sellers should be careful not to get carried away with their pricing, as this is still a price-sensitive market with stretched buyer affordability. ”

Source: [Rightmove price index](https://www.rightmove.co.uk/price-index/)

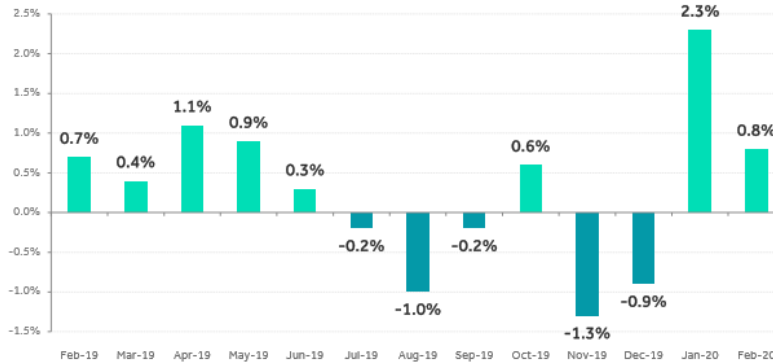
## Average-time-on-market indicator – National



“ It’s the first time for over a year that we have seen any sign of a return of seller confidence, albeit lagging behind the surge in numbers of early-bird buyers. ”

Source: [Rightmove price index](#)

# Asking-price fluctuation percentage



“ There is a boom in buyer activity outstripping the rise in the number of new sellers, which we expect to lead to a series of new price records starting next month. The average price of newly marketed property is just £40 below its all-time high from June 2018, with the typically busy spring market still to come. This means that spring buyers are likely to be faced with the highest average asking prices ever seen in Britain. ”

Source: [Rightmove price index](#)

## UK sales volumes by funding status

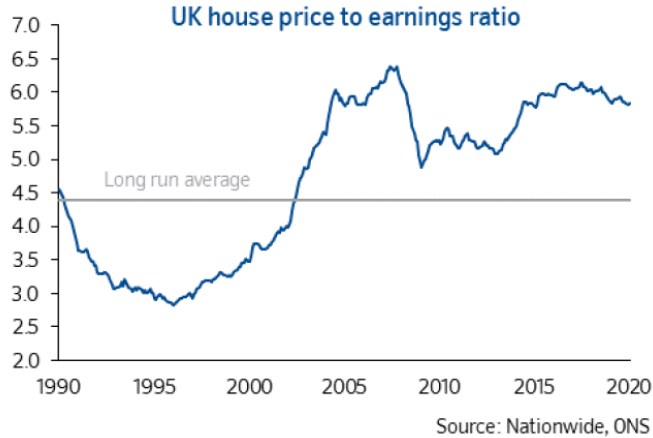
Funding status	Average price December 2019	Monthly change	Annual change
Cash	£223,465	0.4%	2.0%
Mortgage	£244,518	0.2%	2.3%

Source: [gov.uk price index](https://www.gov.uk/price-index)

Recent data releases indicate that the housing market has gathered momentum in recent months and the latest house price figures are in line with that trend. The number of residential property transactions and mortgages approved for house purchase increased around the turn of the year and surveyors have reported an increase in new buyer enquiries.

Source: [Nationwide price index](https://www.nationwide.co.uk/price-index)

# UK house-price-to-earnings ratio

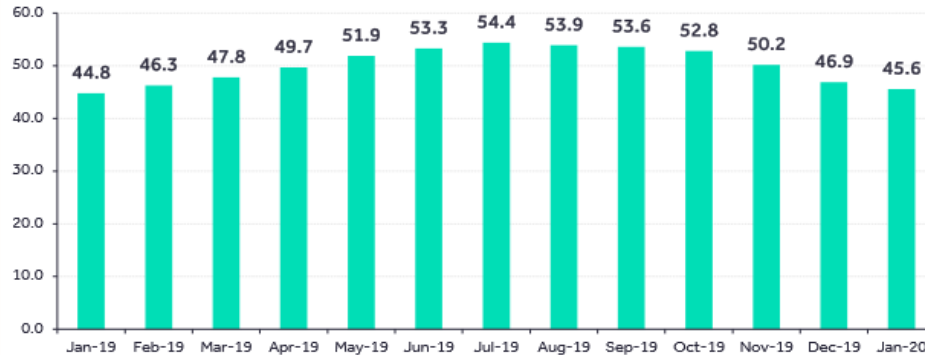


Source: [Nationwide price index](#)

“ The fundamentals are sound, with lenders keen to lend at low fixed rates, real wages rising, and record high employment. The bounce in our statistics seems to show that many buyers and sellers see the election result as giving a window of stability, so if you’ve been holding back on account of Brexit, 2020 could well be your year to move. ”

Source: [Rightmove price index](#)

## Average properties for sale per estate agent



“ Since the election we’ve certainly seen a significant uptick in new buyer demand in the prime market which creates a real opportunity for sellers while stock for sale remains relatively low. Increased confidence is translating into increased activity, both in the prime market and across the wider market as a whole. It is clear that the market remains largely dictated by sentiment. ”

Source: [Rightmove price index](#)



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