



Housing market overview

Produced 6 April 2020

This document provides the latest information available from various sources, with dates varying from January – March 2020

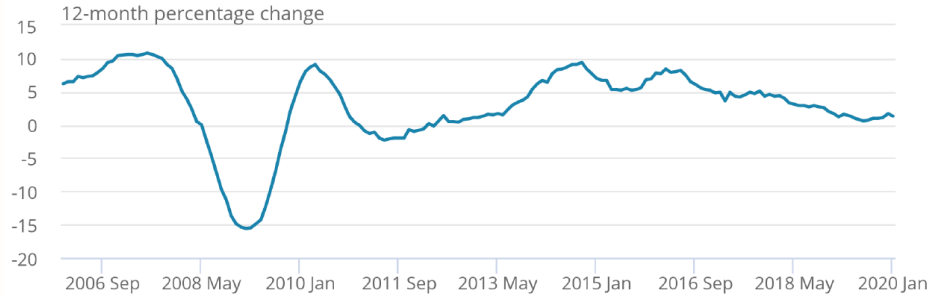
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- > Similar to last month's report, nearly all of our available sources are reporting month-on-month increases in house prices in the range 0.5% to 1.1%. Halifax reports no change from the previous month & only gov.uk reports a decrease (-1.1%). All sources continue to record annual increases ranging from 1.0% to 3.5%.
- > ABC14NEWS comments that houses within walking distance of a Wetherspoons pub can be up to £70,000 cheaper than the average cost in the same town or city. They say when a house is within a quarter of a mile radius of the popular pub chain the cost of buying a home can be up to 70 per cent less. The biggest differential was in Halifax, Yorkshire, where homes were on average £100,000 cheaper near the chain's pubs.
- > Rightmove reports the average asking price of property coming to market has hit a new all-time high, beating the previous record set in June 2018 by some £3,186. They say this month's 1.0% (+£3,226) monthly rise has pushed the average up to £312,625, up by 3.5% compared to a year ago, and that this is the highest annual rate of price growth since December 2016. They go on to say the key metrics so far all point to a much more active market than last year, fuelling upwards price pressure.
- > It has been reported that McCarthy & Stone has offered more than 300 newly completed apartments in unoccupied developments to help government and local authority care providers address the acute shortage of beds for older people during the coronavirus crisis. The firm says these apartments can be used to house older people as they recover from COVID-19, or to house NHS keyworkers.
- > Halifax tells us that the UK housing market began in March with similar trends to previous months, as key market indicators showed a sustained level of buyer and seller activity. They say overall average house prices in the month were little changed from February's record high, while annual growth nudged up to 3%.
- > According to Nationwide the raft of policies adopted to support the economy during the COVID-19 pandemic, including to protect businesses and jobs, to support peoples' incomes and keep borrowing costs down, should set the stage for a strong rebound once the shock passes, and help limit long-term damage to the economy.

Summary of published price indices

| Source website | Period covered | Monthly change (%) | Annual change (%) | Average house price | Official releases |
|-----------------------------|----------------|--------------------|-------------------|---------------------|-------------------|
| gov.uk UK house price index | January '20 | ▼ 1.1 | ▲ 1.1 | £231,185 | 25.03.2020 |
| LSL Property Services | February '20 | ▲ 0.5 | ▲ 1.0 | £303,189 | 16.03.2020 |
| Halifax | March '20 | > 0.0 | ▲ 3.0 | £240,384 | 07.04.2020 |
| home.co.uk | March '20 | ▲ 1.1 | ▲ 1.8 | £310,802 | 12.03.2020 |
| Hometrack | February '20 | N/A | ▲ 1.6 | £255,400 | 25.03.2020 |
| Nationwide | March '20 | ▲ 0.8 | ▲ 3.0 | £219,583 | 03.2020 |
| Rightmove | March '20 | ▲ 1.0 | ▲ 3.5 | £312,625 | 16.03.2020 |

UK annual house prices – rate of change

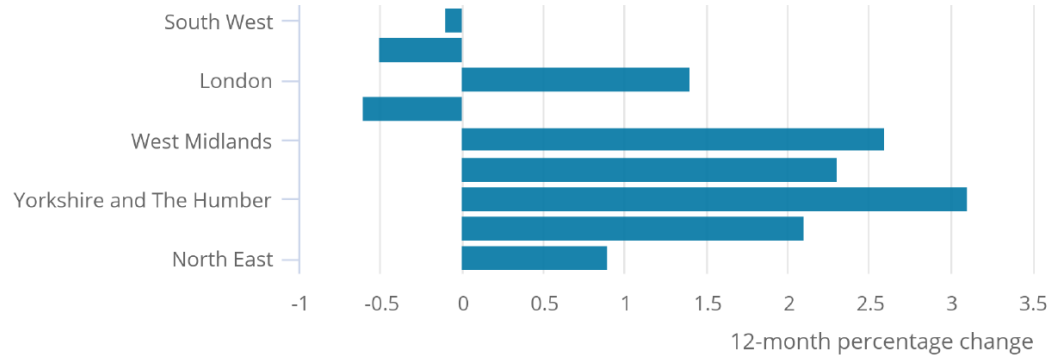


Source: [gov.uk price index](https://www.gov.uk/house-price-index)

Home prices jump 1.1% in just one month as confidence returns; the largest such monthly rise since July 2015.

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

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



“ Scotland and Wales top the regional growth table with month-on-month price hikes of 1.7% and 1.5% respectively, followed by the North West and South West (both showing increases of 1.4%). ”

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

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

UK house-price rates of change: types of buyer

| Type of buyer | Average price January 2020 | Monthly change | Annual change |
|-----------------------|----------------------------|----------------|---------------|
| First time buyer | £194,464 | -1.2% | 1.4% |
| Former owner occupier | £267,973 | -1.0% | 1.0% |

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

“...the first time buyer market has strengthened vis-a-vis second time buyers, reflecting not least interventions around Stamp Duty – the former by First Time Buyer Relief and the latter by the imposition of both a graduated rate and higher tariffs. As this might suggest, the Budget could be an opportunity to help rebalance the market, at least at the margins.”

Source: [LSL Property Services price index](https://www.lsl.co.uk/property-services/price-index)

UK house-price rates of change: types of dwelling

| Property status | Average price November 2019 | Monthly change | Annual change |
|--------------------------|-----------------------------|----------------|---------------|
| New build | £278,473 | -4.8% | 0.6% |
| Existing resold property | £229,875 | 0.2% | 1.1% |

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

“ The UK housing market began March with similar trends to previous months, as key market indicators showed a sustained level of buyer and seller activity. Overall average house prices in the month were little changed from February’s record high, while annual growth nudged up to 3%. ”

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

Number of housing transactions per month

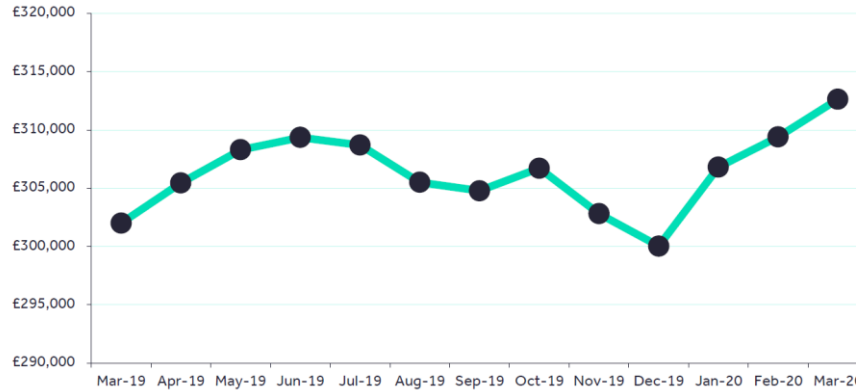
| Country | November 2019 | November 2018 |
|-------------------------------------|---------------|---------------|
| England | 67,814 | 81,610 |
| Northern Ireland (Quarter 4 - 2019) | 6,021 | 6,765 |
| Scotland | 9,846 | 10,102 |
| Wales | 4,046 | 5,057 |

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

“ Supply of new sales instructions remains very low across the UK (down 2% year-on-year) and this, combined with already low stock levels in much of the UK, is pushing up prices. ”

Source: [home.co.uk price index](#)

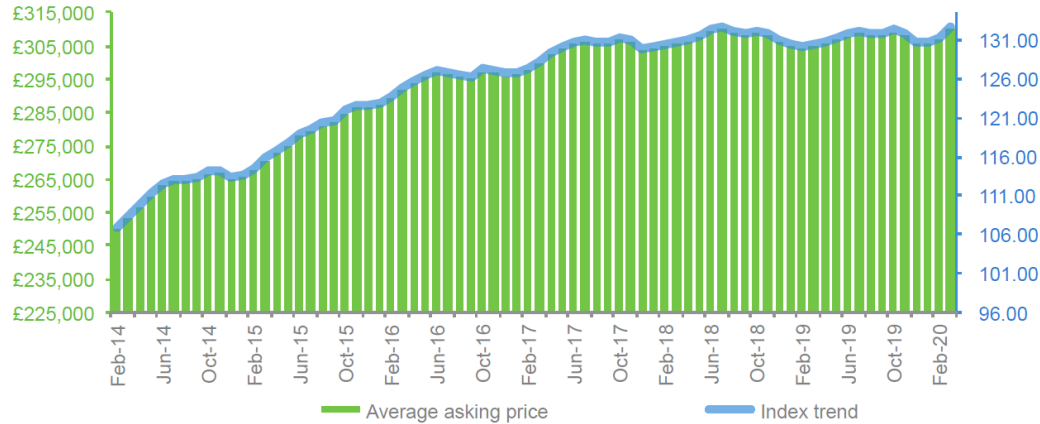
Monthly asking-price trend



“ The average asking price of property coming to market has hit a new all-time high, beating the previous record set in June 2018 by some £3,186. This month's 1.0% (+£3,226) monthly rise has pushed the average up to £312,625, up by 3.5% compared to a year ago. This is the highest annual rate of price growth since December 2016. The key metrics so far all point to a much more active market than last year, fuelling upwards price pressure. ”

Source: [Rightmove price index](#)

Home asking-price trend for England & Wales

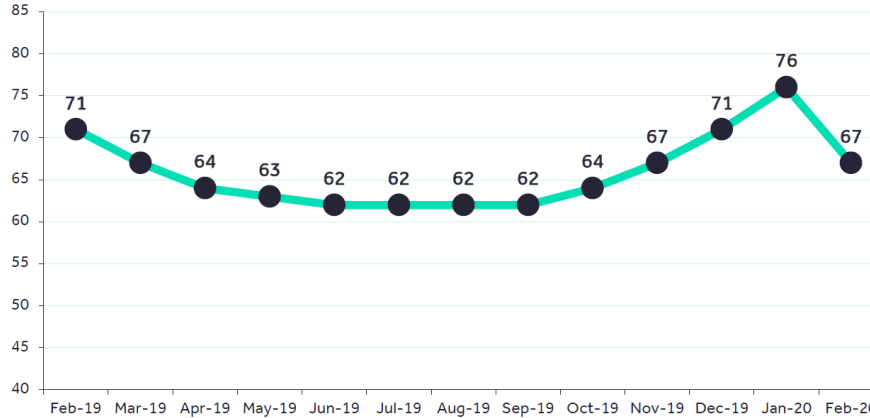


Source: [home.co.uk price index](https://www.home.co.uk/price-index)

“ In line with the rest of the industry many of our branches registered a ‘Boris Bounce’, with our network reporting a 10% increase in the number of new applicants registering on the year to January. This renewed confidence has encouraged sellers to push for slightly higher guide prices than they would have six months ago – in turn marginally increasing local asking prices (*Nick Leeming, chairman, Jackson-Stops*) ”

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

Average-time-on-market indicator – National

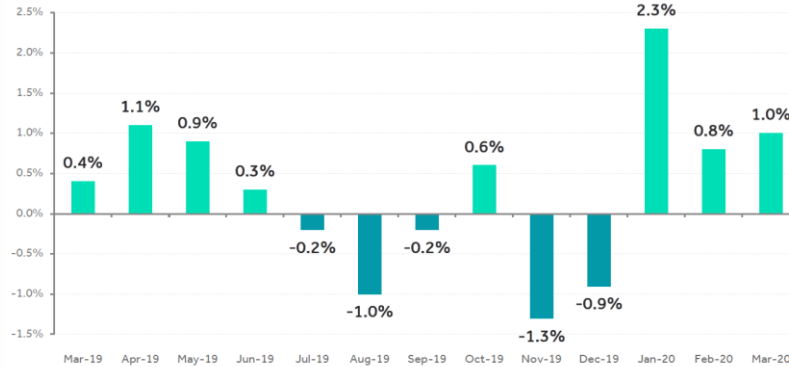


Source: [Rightmove price index](#)

“ The Typical Time on Market for sales properties in England and Wales is falling rapidly post-Brexit and is now equal to that of March 2019 as confidence surges. ”

Source: [home.co.uk price index](#)

Asking-price fluctuation percentage



“ The average asking prices of over 110,000 properties that have come to market this month are at a record high as we enter the traditionally busy spring moving season. As a result, we are measuring the highest annual rate of increase since December 2016. Many more properties are being bought, and bought more quickly than at this time last year. This is further fuelling the existing shortage of property available for sale, driving up prices to a new record high. ”

Source: [Rightmove price index](#)

UK sales volumes by funding status

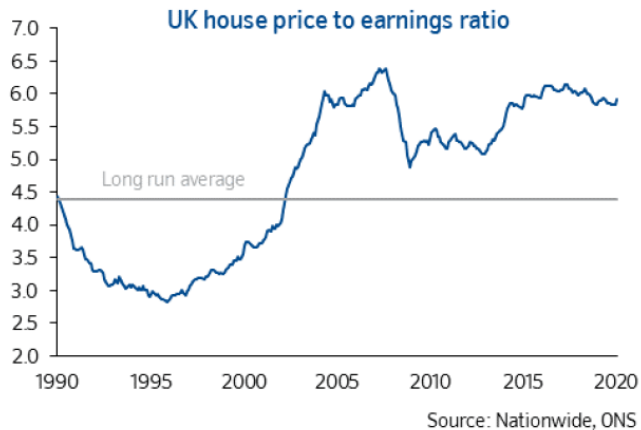
| Funding status | Average price January 2020 | Monthly change | Annual change |
|----------------|----------------------------|----------------|---------------|
| Cash | £218,524 | -1.7% | 0.4% |
| Mortgage | £241,399 | -0.9% | 1.5% |

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

“ Lenders have stepped up to offer their support, giving customers up to an additional three months to complete their home purchase at the agreed mortgage rate, alongside payment holidays for existing customers. We continue to have confidence in the fundamental strength of the housing market and remain ready and willing to lend on new mortgages, as well as product transfers and further advances, wherever and whenever there is demand. ”

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

UK house-price-to-earnings ratio

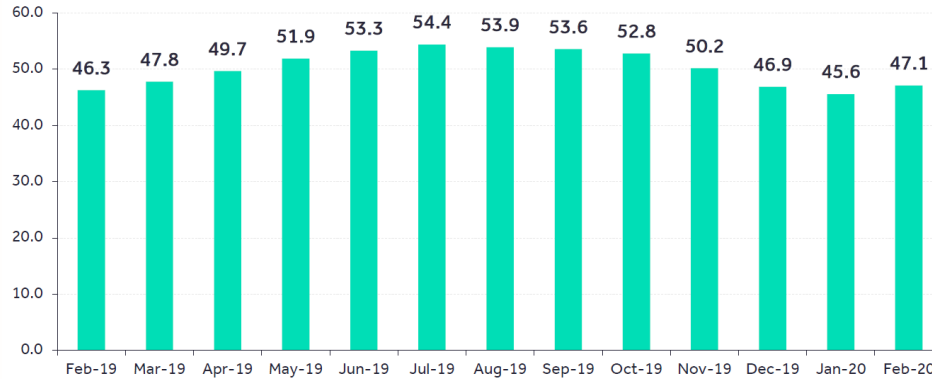


Source: [Nationwide price index](#)

In the opening months of 2020, before the pandemic struck the UK, the housing market had been steadily gathering momentum. Activity levels and price growth were edging up thanks to continued robust labour market conditions, low borrowing costs and a more stable political backdrop following the general election.

Source: [Nationwide price index](#)

Average properties for sale per estate agent



“ New supply to the market has failed to keep anything close to the pace of demand. Purchasers in a position to buy have been snapping up what’s currently on the market, rather than waiting for the usual post-Easter flurry of fresh supply. ”

Source: [Rightmove price index](#)

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