



# Housing market overview

Produced 7 May 2020

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

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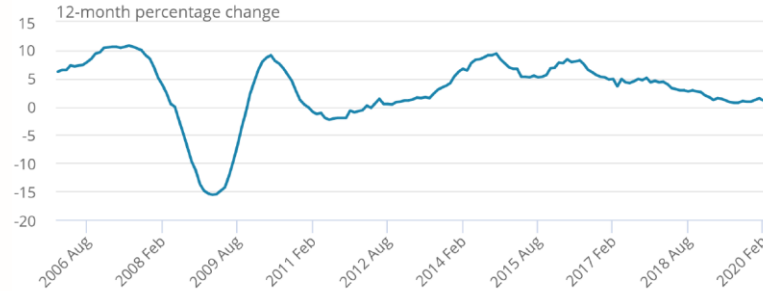
- > In contrast to last month's report, all but one of our available sources are reporting month-on-month decreases in house prices in the range 0.2% to 0.6% (excluding the latest LSL data, which was not available at time of compilation). Nationwide was the only source to report an increase (0.7%). All sources continue to record annual increases ranging from 1.1% to 3.7%.
- > Knight Frank has called for "urgent" government intervention to bolster the housing market as it forecasts 526,000 fewer UK home sales in 2020 due to the coronavirus crisis. The property consultancy stated that, according to its research which assumes the current lockdown will continue throughout April and May with a "gradual lifting" in June, transactions would fall 38% against 2019, posing "significant economic implications".
- > Rightmove reports visits fell by around 40% at the time of the lockdown announcement, when property was understandably not at the front of people's minds, but has now started to recover slowly across the last week. They say while demand has naturally been much lower than earlier in the year, current behaviour on site shows many homeowners researching their plans for the future.
- > Savills Research tells us that buyers of new-build homes are willing to move 56% further than those buying a second-hand property. They say a large driver of this is the quality of new homes compared to their local market. Areas which have seen significant regeneration are able to attract buyers of new-build homes up to three-and-a-half times further than buyers of second-hand properties.
- > Halifax reports the impact of measures taken to curtail the spread of coronavirus started to filter through to the housing market in April, with average prices falling by 0.6% compared to March, and the annual growth rate easing to 2.7%.
- > According to Nationwide the medium-term outlook for the housing market is highly uncertain, where much will depend on the performance of the wider economy. They say economic activity is set to contract significantly in the near term as a direct result of the necessary measures adopted to suppress the spread of the virus. But the raft of policies adopted to support the economy, including to protect businesses and jobs, to support peoples' incomes and keep borrowing costs down, should set the stage for a 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	February '20	▼ 0.6	▲ 1.1	£230,332	22.04.2020
LSL Property Services*	February '20	▲ 0.5	▲ 1.0	£303,189	16.03.2020
Halifax	April '20	▼ 0.6	▲ 2.7	£238,511	07.05.2020
home.co.uk	April '20	▼ 0.6	▲ 1.8	£308,897	15.04.2020
Hometrack	March '20	N/A	▲ 1.8	£256,000	28.04.2020
Nationwide	April '20	▲ 0.7	▲ 3.7	£222,915	04.2020
Rightmove	April '20	▼ 0.2	▲ 2.1	£311,950	20.04.2020

\*March data not available at the time of compiling this report.

# UK annual house prices – rate of change

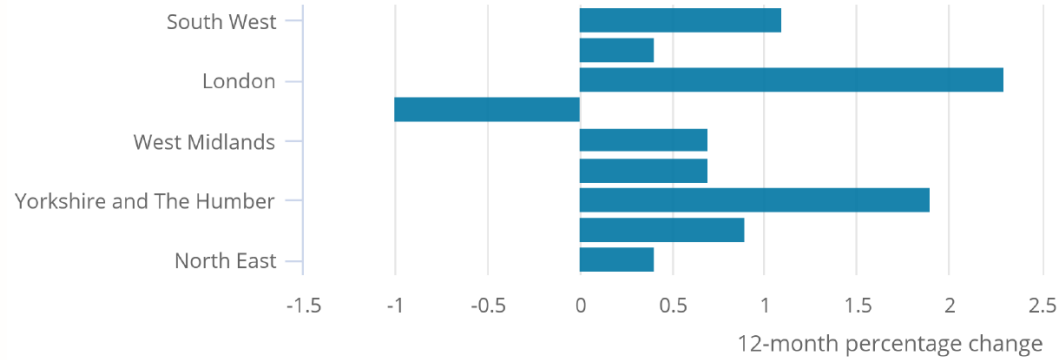


Source: [gov.uk price index](https://www.gov.uk/house-price-index)

“ Home prices slip 0.6% month-on-month as fewer, perhaps more desperate, vendors list their properties. ”

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

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



“ The North West and Wales remain atop the regional growth table, both with year-on-year price hikes of 4.3%.”

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

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

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

Type of buyer	Average price February 2020	Monthly change	Annual change
First time buyer	£193,479	-0.6%	0.9%
Former owner occupier	£267,314	-0.7%	1.3%

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

“ Lamentably, [prior to coronavirus] the market looked in great shape and showed considerable potential for growth this year. Confidence was returning, prices were rising over and above seasonal expectations in all regions and momentum was increasing. ”

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

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

Property status	Average price December 2019	Monthly change	Annual change
New build	£284,936	2.9%	1.3%
Existing resold property	£229,132	-0.2%	1.2%

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

“ The impact of measures taken to curtail the spread of coronavirus started to filter through to the housing market in April, with average prices falling by 0.6% compared to March, and the annual growth rate easing to 2.7%. ”

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

# Number of housing transactions per month

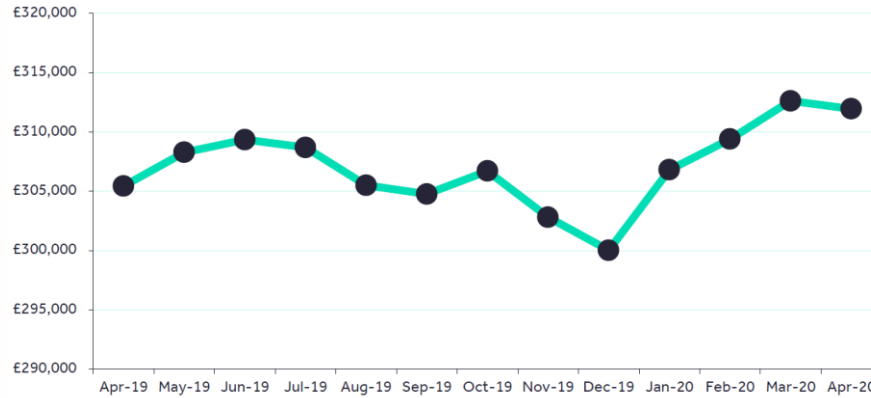
Country	December 2019	December 2018
England	61,189	69,841
Northern Ireland (Quarter 4 - 2019)	6,021	6,765
Scotland	7,984	7,486
Wales	3,610	4,255

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

“ Supply of new sales instructions plummets across the UK (down 23% year-on-year) as the COVID-19 lockdown thwarts activity. ”

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

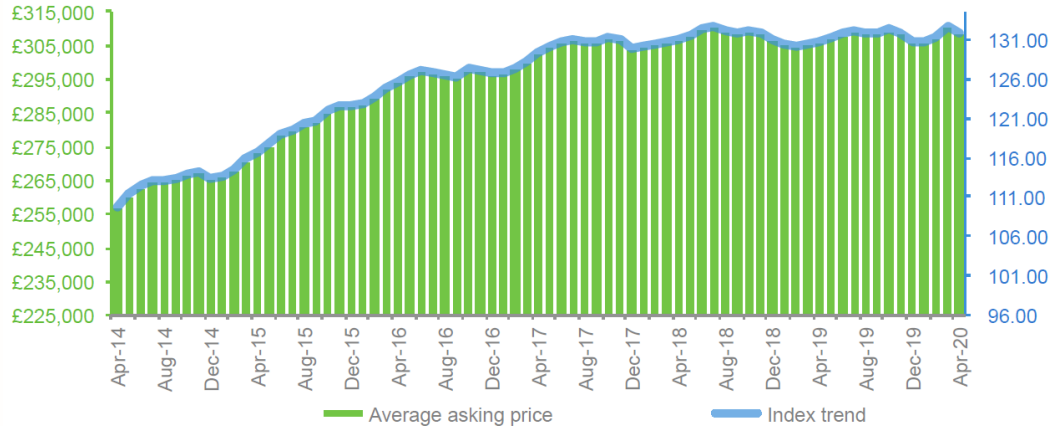
## Monthly asking-price trend



“ For the record, the average asking price of the daily dwindling number of properties coming to market in our reporting period from 8th March to 11th April saw a monthly price fall of 0.2% to £311,950, with the annual rate of increase from last April being 2.1%. ”

Source: [Rightmove price index](#)

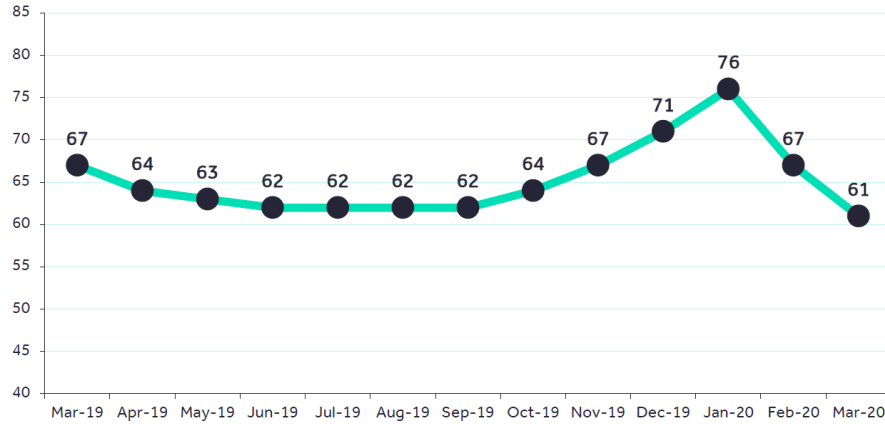
# Home asking-price trend for England & Wales



“ The mix-adjusted average home price for England and Wales had risen to 1.8% year-on-year; the highest such growth seen for two years, but has now dropped to 1.0% (although that should not be taken as being representative of any real change in home values). ”

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

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

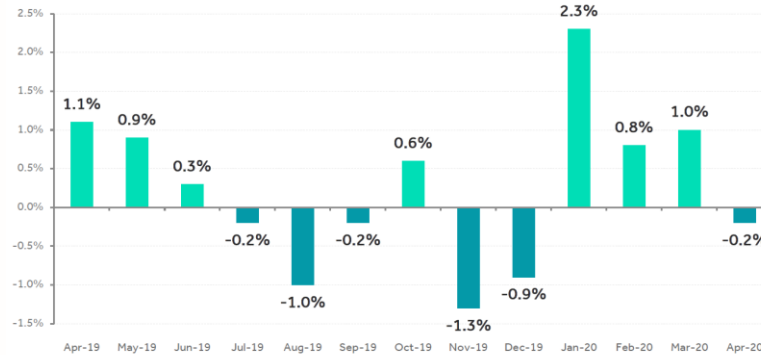


Source: [Rightmove price index](#)

“ Owing to the pandemic, the average Time on Market for sales properties in England and Wales has begun to rise when normally it falls as springtime confidence surges. ”

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

## Asking-price fluctuation percentage



“ Given the lockdown and pausing of key activities in the housing market, statistics on the number of properties coming to market, new seller asking prices, and new sales agreed are not meaningful. You do not have a functioning market when buyers can't buy and sellers can't sell, and so the focus needs to be on what is required to help the market recover once the lockdown can safely be eased. ”

Source: [Rightmove price index](#)

# UK sales volumes by funding status

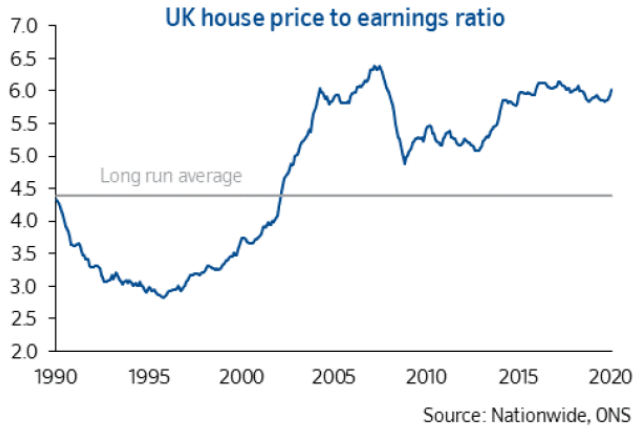
Funding status	Average price February 2020	Monthly change	Annual change
Cash	£219,326	-0.3%	1.2%
Mortgage	£239,757	-0.8%	1.1%

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

“ Mortgage approvals have fallen in March. Bank of England figures show that the number of mortgages approved to finance house purchases were 56,161 in March 2020 – this represents a 24% month on month fall from February, following four consecutive rises. Year on year fall is 10%. (Source: Bank of England, seasonally-adjusted figures) ”

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

# UK house-price-to-earnings ratio

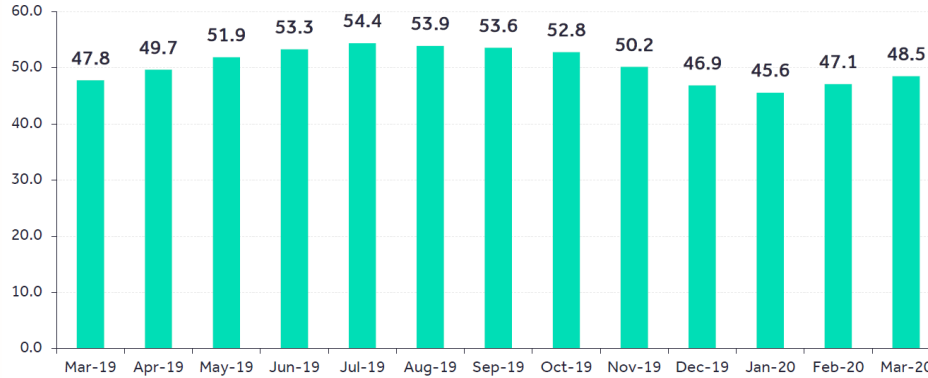


Source: [Nationwide price index](#)

“ The price of property coming to market was at an all-time high as we went into lockdown, fuelled by buyer demand outstripping supply, high levels of employment, and mortgage lenders competing to lend. The unprecedented government support for people and businesses will need to continue once the lockdown is eased, in order to facilitate a quick recovery on many fronts. ”

Source: [Rightmove price index](#)

## Average properties for sale per estate agent



Source: [Rightmove price index](#)

“ The total sales stock across England and Wales is now shrinking even more quickly; down by 13.0% year-on-year. ”

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

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