



Housing market overview

Produced 8 June 2020

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

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- > Similarly to last month's report, all of our available sources are now reporting month-on-month decreases in house prices in the range 0.1% to 1.7% (excluding the latest LSL & Rightmove data, which was not available at time of compilation). Nationwide, which was the only source to report an increase last month (0.7%), is now showing the biggest decrease of 1.7%. All sources continue to record annual increases ranging from 0.4% to 2.6%.
- > The Telegraph reports stamp duty should be cut for over-65s who want to move house for the last time to stop them clogging up the property market, a major study has said. They say older homeowners are contributing to the housing crisis by staying put in large properties, according to a report by Cass Business School and the Centre for the Study of Financial Innovations – with 15 million "surplus" bedrooms in under-occupied homes.
- > Rightmove tells us that the pandemic and the universal experience of lockdown mean that your home has never been more important, and this is causing many people to re-appraise their housing needs. They say this is likely to be one of the factors behind the immediate release of pent-up demand on the first day of reopening, with home-mover visits to Rightmove hitting pre-lockdown daily levels, and up 4% on the same Wednesday in 2019.
- > Looking ahead, Halifax expect market activity to increase progressively as restrictions are eased further across the whole of the UK and they continue to have confidence in the underlying health of the housing market over the long term.
- > Nationwide tells us that behavioural changes and social distancing are likely to impact the flow of housing transactions for some time. Their recent market research survey suggested that c12% of the population had put off moving as a result of the lockdown. Most viewed the current situation as a temporary pause in the market, with would-be buyers now planning to wait six months on average before looking to enter the market.

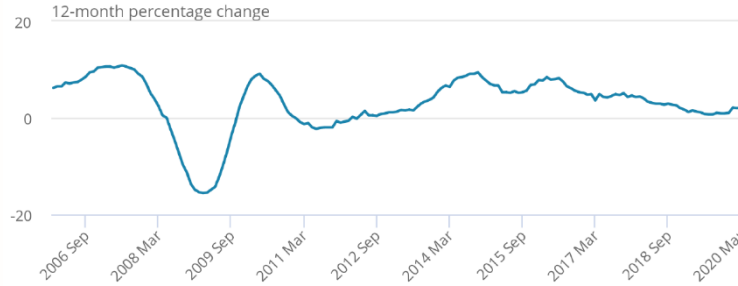
Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	March '20	▼ 0.2	▲ 2.1	£231,855	20.05.2020
LSL Property Services*	February '20	▲ 0.5	▲ 1.0	£303,189	16.03.2020
Halifax	May '20	▼ 0.2	▲ 2.6	£237,808	05.06.2020
home.co.uk	May '20	▼ 0.1	▲ 0.4	£308,724	13.05.2020
Hometrack	April '20	N/A	▲ 1.9	£253,900	27.05.2020
Nationwide	May '20	▼ 1.7	▲ 1.8	£218,902	05.2020
Rightmove**	April '20	▼ 0.2	▲ 2.1	£311,950	20.04.2020

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

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

UK annual house prices – rate of change

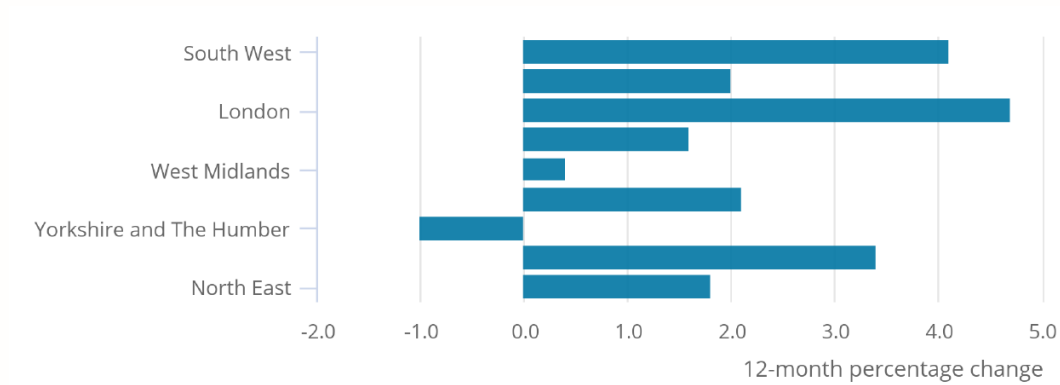


Source: [gov.uk price index](https://www.gov.uk/price-index)

While supply and demand are both on hold, home prices slipped just 0.1% month-on-month.

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

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



“ Despite the pandemic, the best performing regions – the North West, North East, Yorkshire and Wales - still show year-on-year price growth broadly in line with monetary inflation. ”

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 March 2020	Monthly change	Annual change
First time buyer	£194,718	-0.3%	1.8%
Former owner occupier	£269,186	-0.1%	2.3%

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

“ The mid-month relaxation of restrictions in England, allowing estate agents and conveyancers to restart operations, brought much-needed positive news with some advance indicators of buyer and seller interest quickly showing signs of improvement. This is likely to provide a short-term boost as buyers and homeowners attempt to kick-start transactions that had previously been put on hold. ”

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

UK house-price rates of change: types of dwelling

Property status	Average price January 2020	Monthly change	Annual change
New build	£302,749	8.0%	7.3%
Existing resold property	£228,021	-0.4%	1.5%

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

“ With the full impact of lockdown measures taking a firm grip on the UK property market by May, the average house price fell by 0.2% to £237,808. This is the third successive monthly fall, though more modest than in April, and reflects a continued loss of momentum following what was a strong start to the year. ”

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

Number of housing transactions per month

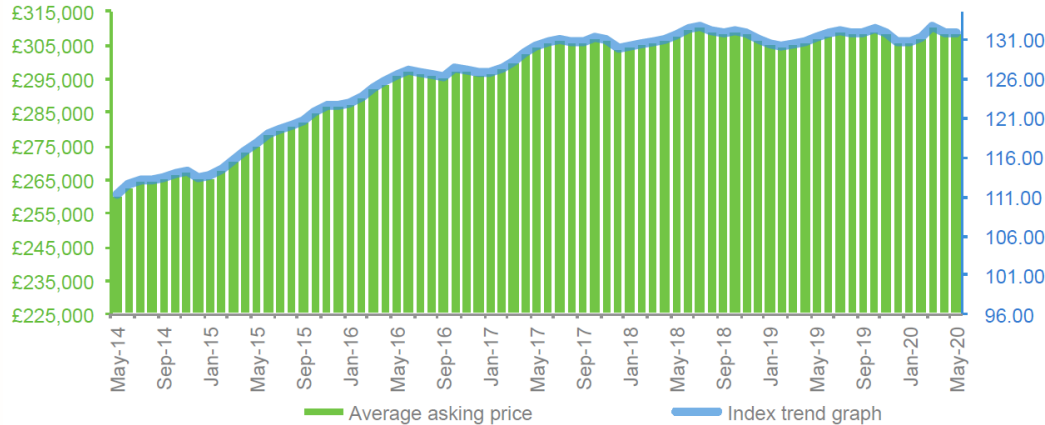
Country	January 2020	January 2019
England	50,456	54,134
Northern Ireland (Quarter 1 - 2020)	4,746	5,177
Scotland	6,860	6,654
Wales	2,917	3,070

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

“ Collapse in supply of new sales instructions across the UK (down an extraordinary 85% year-on-year) as the pandemic halts activity. ”

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

Home asking-price trend for England & Wales



“ The total sales stock on the market across England and Wales continues to melt away; down by 15.3% year-on-year, part of a longer-term trend. ”

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

UK sales volumes by funding status

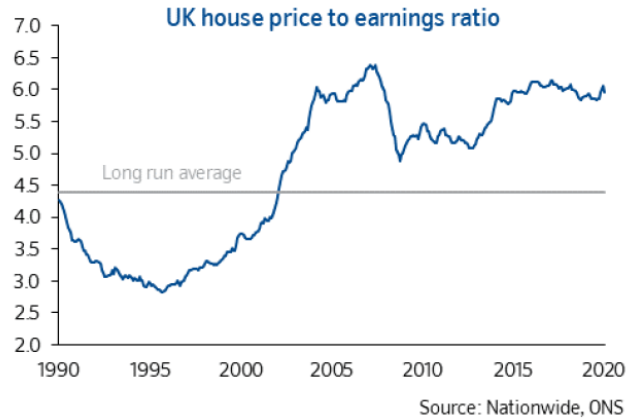
Funding status	Average price March 2020	Monthly change	Annual change
Cash	£220,494	0.0%	2.1%
Mortgage	£241,506	-0.3%	2.0%

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

“ Mortgage activity has also declined sharply. Nevertheless, our ability to generate the house price index has not been impacted to date, as sample sizes have remained sufficiently large (and representative) to generate robust results. ”

Source: [Nationwide price index](#)

UK house-price-to-earnings ratio



However, the extent of downward pressure on market confidence and prices over the coming months will depend on how quickly the economy is able to recover from the effects of the pandemic and the available government policy support for jobs and households.

Source: [Halifax price index](#)

Source: [Nationwide price index](#)

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