



Housing market overview

Produced 08 September 2020

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

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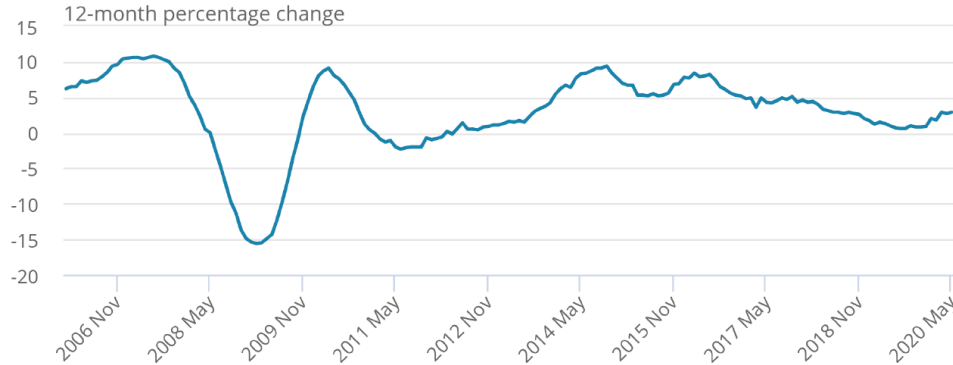
- > Almost all of our available sources are reporting month-on-month increases in house prices in the range 0.3% to 2.0% (excluding the latest LSL data, which was not available at time of compilation). The only source that reported a month-on-month decrease was Rightmove at -0.2%, although they say this is due to London's more normal seasonal fall of -2.0% reversing what would otherwise have been an unseasonal national rise. On a further positive note, all of our available sources are now recording annual increases ranging from 2.5% to 5.2%.
- > Savills reports that when they asked their clients their thoughts on moving in the midst of a global pandemic, what they didn't expect was for them to say they had become more, not less, committed to moving in the next 12 months. They go on to say what they've experienced is a behavioural response to an unexpected event - or a black swan - where people have reassessed their work-life balance, how they want to live, and where they want to live.
- > The Telegraph tell us that that house prices hit an all-time high last month but experts have warned the market's lightning recovery is unsustainable and the bubble will burst when the Stamp Duty holiday comes to an end.
- > Rightmove reports they have seen the highest number of sales agreed in a month since it began tracking this data more than a decade ago, with the latest weekly sales figure up 60% against the same week in August 2019. The property listing website's house-price index for August reflects the market's current bounce back, with the highest number of properties coming to market in a month since March 2008.
- > Halifax says that house prices continued to beat expectations in August, with prices again rising sharply, up by 1.6% on a monthly basis. They say annual growth now stands at 5.2%, its strongest level since late 2016, with the average price of a property tipping over £245,000 for the first time on record.
- > Nationwide tell us that pent up demand is coming through, where decisions taken to move before lockdown are now progressing. They say behavioural shifts may also be boosting activity, as people reassess their housing needs and preferences as a result of life in lockdown. Their own research, conducted in May, indicated that around 15% of people surveyed were considering moving as a result of lockdown.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	May '20	▲ 0.3	▲ 2.9	£235,673	02.09.2020
LSL Property Services*	February '20	▲ 0.5	▲ 1.0	£303,189	16.03.2020
Halifax	August '20	▲ 1.6%	▲ 5.2%	£245,747	07.09.2020
home.co.uk	August '20	▲ 1.2	▲ 3.3	£319,039	12.08.2020
Hometrack	July '20	N/A	▲ 2.5	£253,600	27.08.2020
Nationwide	August '20	▲ 2.0	▲ 3.7	£224,123	08.2020
Rightmove	August '20	▼ 0.2	▲ 4.6	£319,497	17.08.2020

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

UK annual house prices – rate of change

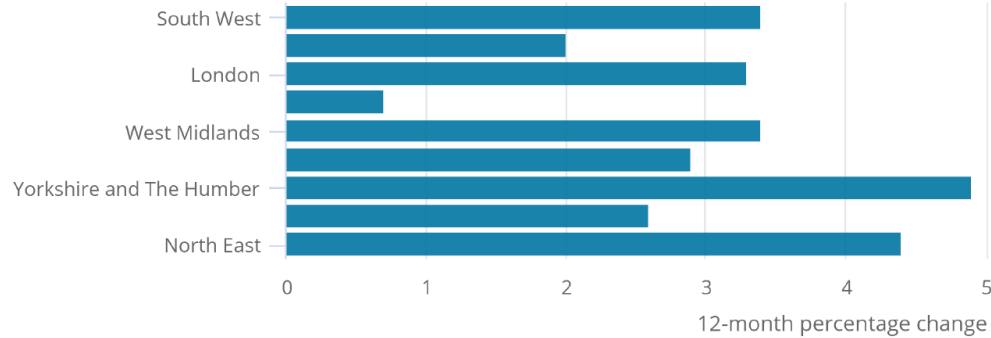


Source: [gov.uk price index](https://www.gov.uk/price-index)

“ The mix-adjusted average asking price for England and Wales leaps a further 1.2% since the July reading, bringing the year-on-year rise to 3.3%. ”

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)

“ The best-performing regions are the North West and Yorkshire, both showing year-on-year price growth uptrends of 6.7% and 8.1% respectively. A further monthly rise of 0.6% takes the East of England (the UK’s worst performing region) back into positive growth year-on-year (+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 May 2020	Monthly change	Annual change
First time buyer	£198,513	0.5%	2.9%
Former owner occupier	£273,020	0.1%	2.9%

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

“ The increase in activity is not just a result of the Stamp Duty holiday, as sales agreed are up across all sectors of the market. They're up 29% in the first time buyer sector, 38% in the second stepper sector and 59% for larger, top of the ladder homes. Momentum is still building, with the latest weekly figure for the number of sales agreed having shot up by 60% compared to the same week a year ago. ”

Source: [Rightmove price index](https://rightmove.com/price-index)

UK house-price rates of change: types of dwelling

Property status	Average price March 2020	Monthly change	Annual change
New build	£297,830	0.9%	5.3%
Existing resold property	£229,307	0.8%	2.7%

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

“ This is leading to monthly price increases in ten out of twelve regions, with a record high in new seller asking prices in seven of those regions. Prices usually fall at this time of year, as sellers try to tempt holiday distracted buyers, with the national average monthly fall for the last ten years being 1.2%. While there is a slight monthly fall of 0.2% (-£768), this is due to London's more normal seasonal fall of 2.0%, reversing what would otherwise have been an unseasonal national rise. ”

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

Number of housing transactions per month

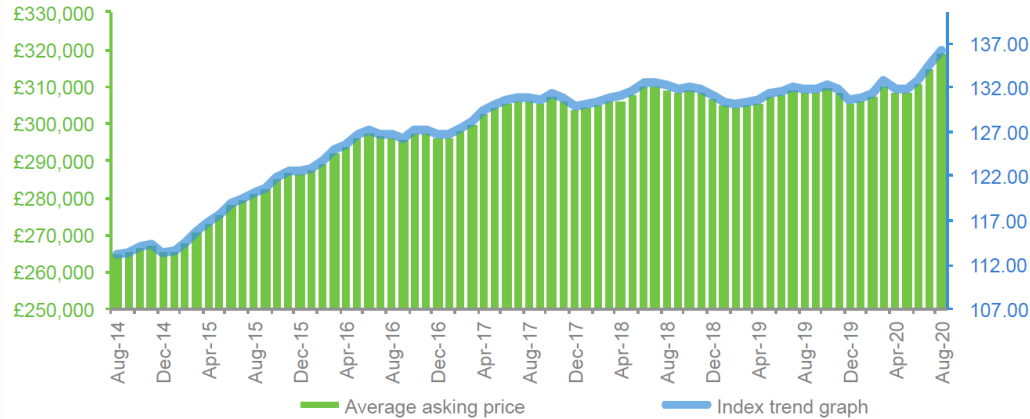
Country	March 2020	March 2019
England	46,908	65,206
Northern Ireland (Quarter 1 - 2020)	4,746	5,177
Scotland	5,999	8,384
Wales	2,829	3,639

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

“ More property is coming to market than a year ago in all regions, and at a national level the new supply and heightened demand seem relatively balanced. However, those expressing most desire to move on are unsurprisingly in London and its commuter belt. London has 69% more properties coming to market, with the South East at 60% and the East at 56%. ”

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

Home asking-price trend for England & Wales



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

“ A surge in market activity has driven up house prices through the post-lockdown summer period, fuelled by the release of pent-up demand, a strong desire amongst some buyers to move to bigger properties, and of course the temporary cut to stamp duty. ”

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

UK sales volumes by funding status

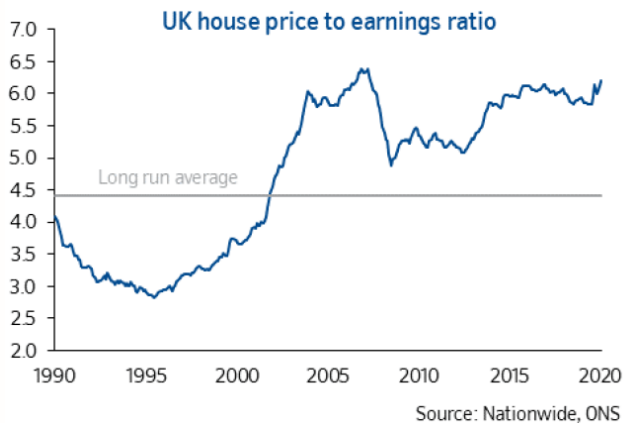
Funding status	Average price May 2020	Monthly change	Annual change
Cash	£223,196	0.3%	2.4%
Mortgage	£246,016	0.3%	3.1%

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

“ The average time between agreeing a sale and moving in was already around three months before lockdown and now there is a ten year high in the number of sales being agreed. Mortgage lenders and conveyancers may struggle to cope with the increased workload, not only now but as pressure rises further in the run up to the 31st March stamp duty holiday deadline. ”

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

UK house-price-to-earnings ratio



Source: [Nationwide price index](#)

This rebound reflects a number of factors. Pent up demand is coming through, where decisions taken to move before lockdown are progressing. Behavioural shifts may also be boosting activity, as people reassess their housing needs and preferences as a result of life in lockdown. Our own research, conducted in May, indicated that around 15% of people surveyed were considering moving as a result of lockdown.

Source: [Nationwide price index](#)

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