



# Housing market overview

Produced 06 November 2020

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

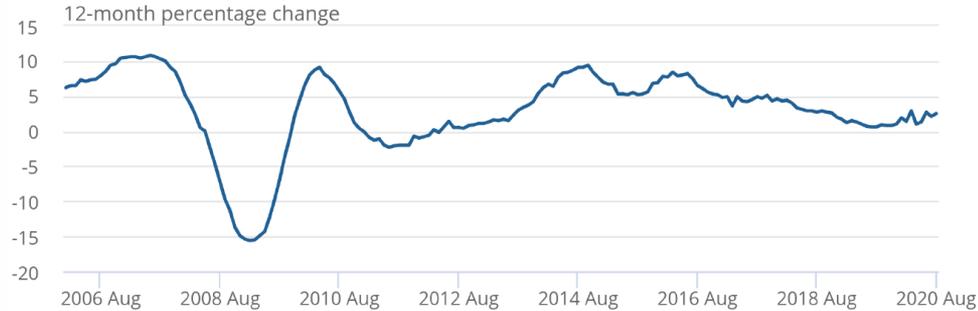
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- > Like last month, all of our available sources are reporting month-on-month increases in house prices in the range 0.1% to 1.1%. And, similarly, all of our available sources are recording annual increases ranging from 1.5% to 7.5%.
- > Savills report that the pace of the UK housing market has taken us all by surprise. They say despite the weak economic backdrop, and unlike the pattern seen in previous recessions, they expect house prices to rise this year as demand outweighs supply.
- > Rightmove reports a 49% increase in traffic in September compared to the same period last year, which is the biggest year-on-year jump since 2006. They say so far in October the number of sales agreed is still 58% up on the same period last year. And the number of active buyers contacting estate agents also continues to run at a high level, up by 66% in September compared to 12 months ago, and only marginally down on the peak of +67% seen in July.
- > Halifax says the average UK house price now tops a quarter of a million pounds (£250,547) for the first time in history, as annual house price inflation rose to 7.5% in October, its highest rate since mid-2016. They say underlying the pace of recent price growth in the market is the 5.3% gain over the past four months, the strongest since 2006.
- > Nationwide tell us that labour market conditions weakened, with the unemployment rate rising to 4.5% in the three months to August – still low by historic standards, but up from an average of 3.8% in 2019. Nevertheless, housing market activity has remained robust. Mortgage approvals for house purchase climbed to 91,500 in September – the highest level since 2007.

## Summary of published price indices

| Source website              | Period covered | Monthly change (%) | Annual change (%) | Average house price | Official releases |
|-----------------------------|----------------|--------------------|-------------------|---------------------|-------------------|
| gov.uk UK house price index | August '20     | ^ 0.7              | ^ 2.5             | £239,196            | 21.10.2020        |
| LSL Property Services       | August '20     | ^ 0.5              | ^ 1.5             | £304,521            | 08.2020           |
| Halifax                     | October '20    | ^ 0.3%             | ^ 7.5%            | £250,457            | 06.11.2020        |
| home.co.uk                  | October '20    | ^ 0.1              | ^ 3.5             | £320,526            | 13.10.2020        |
| Hometrack                   | September '20  | N/A                | ^ 3.0             | £219,800            | 28.10.2020        |
| Nationwide                  | October '20    | ^ 0.8              | ^ 5.8             | £227,826            | 10.2020           |
| Rightmove                   | October '20    | ^ 1.1              | ^ 5.5             | £323,530            | 19.10.2020        |

# UK annual house prices – rate of change

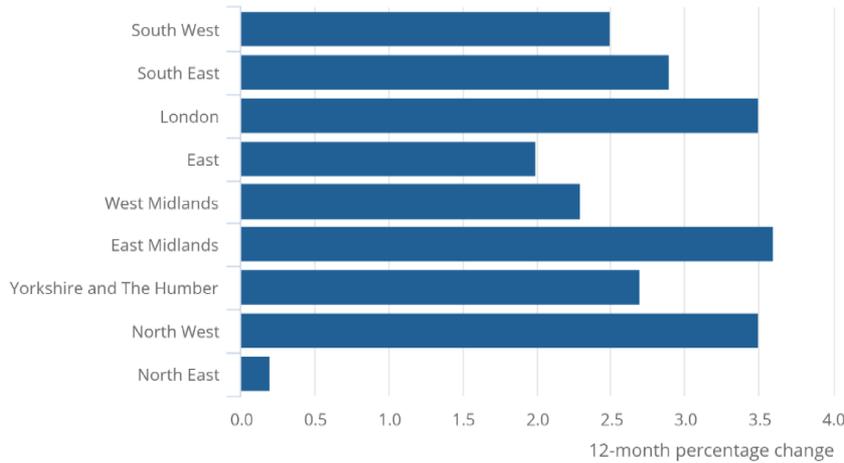


Source: [gov.uk price index](https://www.gov.uk/price-index)

“ Asking prices go sideways as the market strains under the sheer volume of new stock. ”

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 English region is Yorkshire, showing year-on-year price growth amounting to an annualised gain of 8.6%. Another cautious monthly rise of 0.3% takes the East of England (the UK’s worst-performing region) firmly into positive growth year-on-year (+1.3%), while the first monthly falls post-lockdown are seen in the South East (0.5%) and South West (0.4%). ”

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 August 2020 | Monthly change | Annual change |
|-----------------------|---------------------------|----------------|---------------|
| First time buyer      | £200,414                  | 0.6%           | 2.1%          |
| Former owner occupier | £278,725                  | 0.9%           | 3.0%          |

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

“ The market continues to be strong right across the property types, whether it be first time buyer, investor, second time mover or houses in the country which offer more outside space. We're also seeing changes in the habits of the consumer with many saying that there is no need to be on the doorstep of their work place and are looking to move to a more rural or affordable location, broadband speed permitting, to work remotely where they can get more for their money. ”

Source: [Rightmove price index](#)

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

| Property status          | Average price June 2020 | Monthly change | Annual change |
|--------------------------|-------------------------|----------------|---------------|
| New build                | £293,356                | -1.6%          | 5.3%          |
| Existing resold property | £232,746                | 2.3%           | 2.5%          |

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

“ We predict that the annual rate of growth will peak by December at around 7% higher than a year ago. Many buyers seem willing to pay record prices for properties that fit their changed post-lockdown needs, though agents are commenting that some owners' price expectations are now getting too optimistic, and not all properties fit the must-have template that buyers are now seeking. ”

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

# Number of housing transactions per month

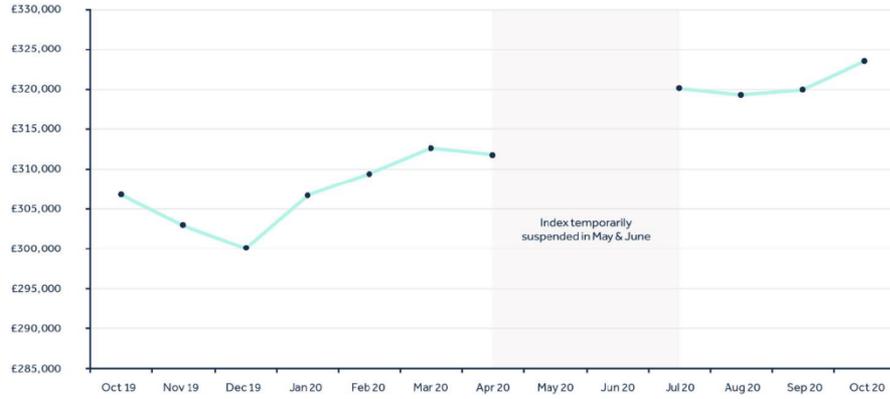
| Country                             | June 2020 | June 2019 |
|-------------------------------------|-----------|-----------|
| England                             | 39,170    | 69,001    |
| Northern Ireland (Quarter 2 - 2020) | 1,652     | 6,195     |
| Scotland                            | 3,789     | 9,224     |
| Wales                               | 1,750     | 3,997     |

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

“ The average price of property coming to market increased by 1.1% (+£3,534) this month, to an all-time national record of £323,530. This is 5.5% (+£16,818) higher than a year ago, the highest annual growth rate for over four years. ”

Source: [Rightmove price index](#)

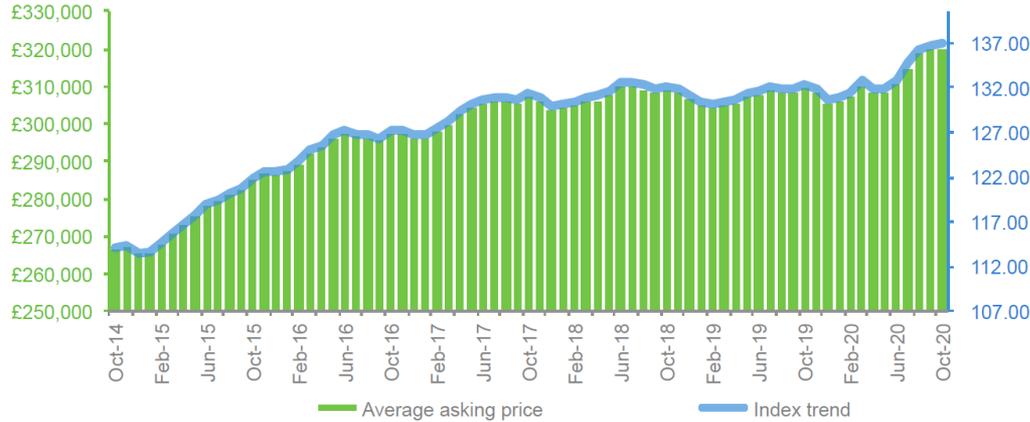
# Monthly asking-price trend



“ The momentum caused by the combination of pent up and new demand has led to new records in several key metrics, and as a result Rightmove forecasts that the annual rate of increase will rise further before the year end and peak at around 7%. The forecasting rulebook has been rewritten in this extraordinary year, with predictions of a post lockdown price plunge in quarter three failing to materialise, and Rightmove’s original forecast in December last year of a 2% annual rise for 2020 being too timid. ”

Source: [Rightmove price index](#)

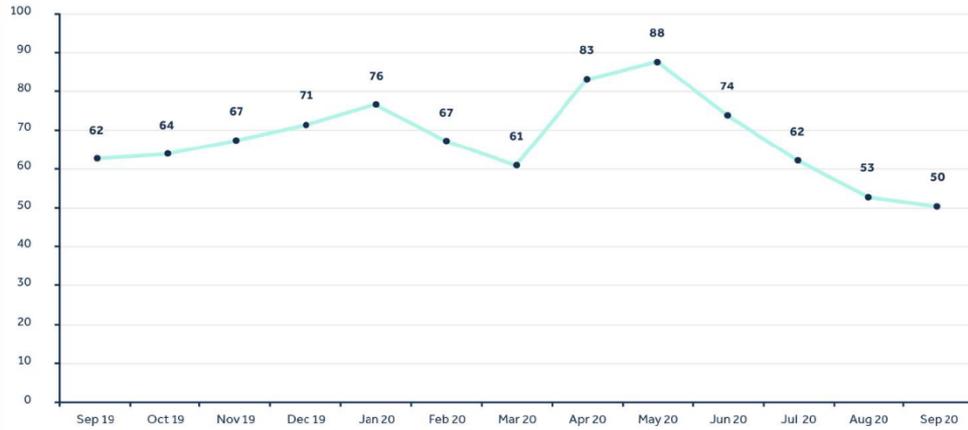
# Home asking-price trend for England & Wales



“ The mix-adjusted average asking price for England and Wales posts a mere 0.1% rise since the September reading, while the year-on-year rise slipped to 3.5% ”

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

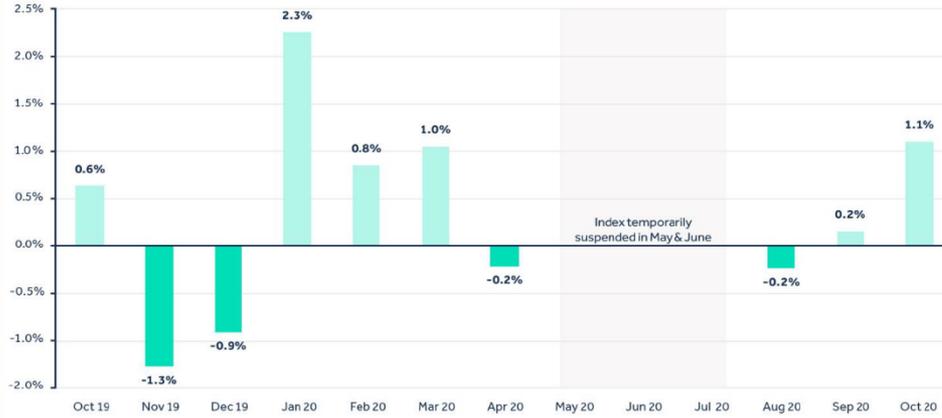
## Average-time-on-market indicator – National



“ The average time to sell is now 50 days, which is 12 days faster than the same period last year. ”

Source: [Rightmove price index](#)

# Asking-price fluctuation percentage



Source: [Rightmove price index](#)

“ 11.6% more properties on the market were reduced in price last month compared to September 2019, suggesting that vendors' confidence is waning and patience ebbing. Moreover, the average price cut is now 19.4% higher than a year ago. ”

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

# UK sales volumes by funding status

| Funding status | Average price August 2020 | Monthly change | Annual change |
|----------------|---------------------------|----------------|---------------|
| Cash           | £226,657                  | 0.7%           | 2.0%          |
| Mortgage       | £249,729                  | 0.8%           | 2.8%          |

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

“ ...housing market activity has remained robust. Mortgage approvals for house purchase climbed to 91,500 in September – the highest level since 2007. ”

Source: [Nationwide price index](#)

# UK house-price-to-earnings ratio

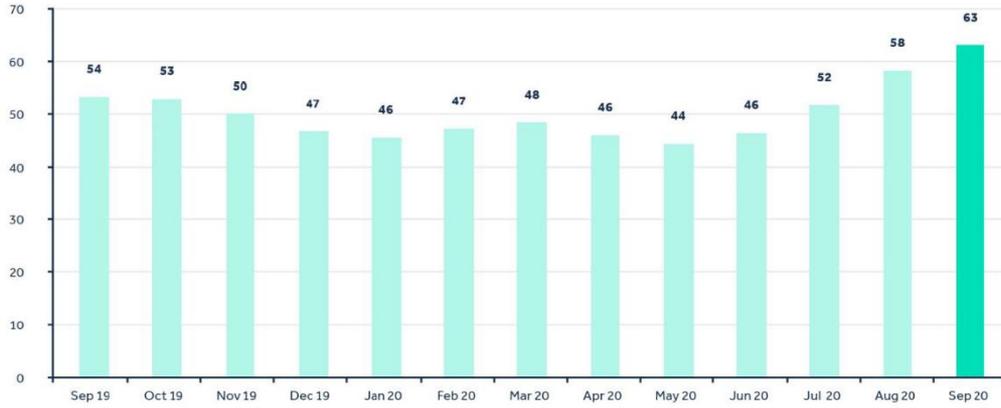


Source: [Nationwide price index](#)

“ The outlook remains highly uncertain and will depend heavily on how the pandemic and the measures to contain it evolve, as well as the efficacy of policy measures implemented to limit the damage to the wider economy. Behavioural shifts as a result of Covid-19 may provide support for housing market activity, while the Stamp Duty holiday will continue to provide a near-term boost by bringing purchases forward. ”

Source: [Nationwide price index](#)

## Average properties for sale per estate agent



“ Prospective buyers are seeing properties selling fast and prices rising as they search for their next home , adding to momentum and spurring them on to act quickly. With the number of buyers contacting agents still up by two thirds on a year ago, there is plenty of fuel left in the tank to drive further activity in the run up to Christmas and into next year. ”

Source: [Rightmove price index](#)

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