



Housing market overview

Produced 07 December 2020

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

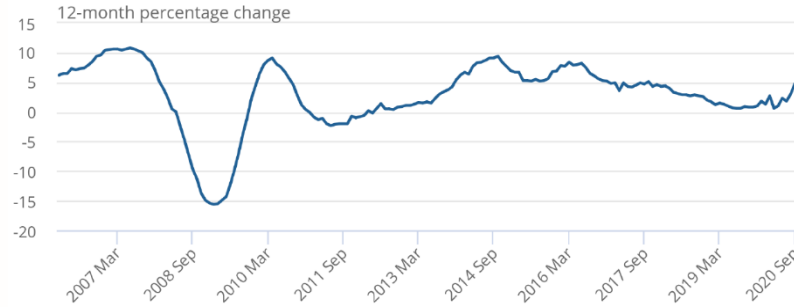
Market overview	3
Summary of published price indices	4
UK annual house prices – rate of change	5
Regional all-dwellings annual house price – 12-month % change	6
UK house-price rates of change: types of buyer	7
UK house-price rates of change: types of dwelling	8
Number of housing transactions per month	9
Monthly asking-price trend	10
Home asking-price trend (England & Wales)	11
Average-time-on-market indicator (National)	12
Asking-price fluctuation percentage	13
UK sales volumes by funding status	14
UK house-price-to-earnings ratio	15
Average properties for sale per estate agent	16

- > House prices continue on their upward trajectory, with all but one of our sources reporting month-on-month rises ranging from 0.6% to 1.7%. Rightmove is the only source reporting a monthly price fall, of just 0.5%. All sources continue to report year-on-year increases in the range 3.5% to 7.6%.
- > The BBC tell us that the south-west of England has seen the biggest rise in house prices over the past year, as the pandemic and work-from-home policies have encouraged more people to look at rural locations. They say house prices in the region rose by 6.4% in the year to the end of September, compared with a UK average rise of 4.7%, the Office for National Statistics said.
- > The Home Builders Federation and Knight Frank have published a report demonstrating the broader economic benefits of housing market activity, claiming that every 100,000 additional housing market transactions generates around £1 billion in GDP (gross domestic product).
- > Rightmove reports buyers who were temporarily uncertain in the run up to the new lockdown in England have jumped back into action, with the first six days of the second lockdown seeing demand up by 49% on this time last year, as the housing market remains open.
- > Halifax reports that mortgage approvals are at a 13-year high, and while industry data shows agreed sales and new instructions to sell fell to their lowest in the past five months, both remain at historically high levels and well above seasonal norms.
- > As we approach the end of the Stamp Duty holiday, Halifax states that the stamp duty saving of £2,500 on a home costing £250,000 is now far outweighed by the average increase in property prices since July.
- > Nationwide tells us that despite some headwinds, housing market activity has remained robust. October saw property transactions rise to 105,600, the highest level since 2016, while mortgage approvals for house purchase in the same month were at their highest level since 2007 at c97,500.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	September '20	▲ 1.7	▲ 4.7	£244,513	18.11.2020
LSL Property Services	October '20	▲ 0.9	▲ 4.4	£314,643	10.2020
Halifax	November '20	▲ 1.2	▲ 7.6	£253,243	07.12.2020
home.co.uk	November '20	▲ 0.6	▲ 4.5	£322,532	12.11.2020
Hometrack	October '20	N/A	▲ 3.5	£223,500	25.11.2020
Nationwide	November '20	▲ 0.9	▲ 6.5	£229,721	11.2020
Rightmove	November '20	▼ 0.5	▲ 6.3	£322,025	16.11.2020

UK annual house prices – rate of change

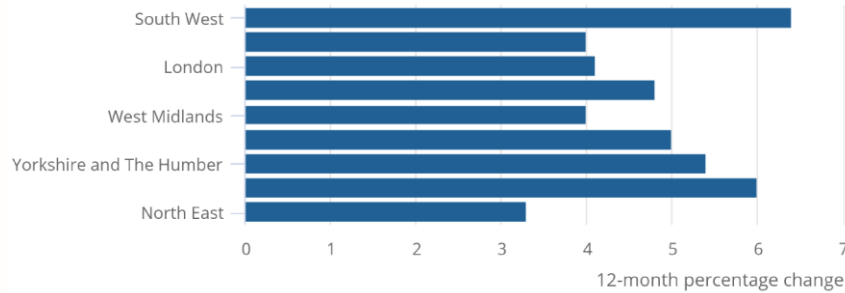


Source: [gov.uk price index](https://www.gov.uk/price-index)

“ Asking prices strengthen as buyer demand eats into stock levels. Correspondingly, the current unsold property count for England and Wales has fallen by around 15,000 since last month to 427,980. ”

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)

“ Leading the northern English regions is Yorkshire and the Humber, showing the greatest year-on-year price growth of 9.0%, closely followed by the North West with an annualised gain of 8.9%. The North East also shows remarkable growth of 6.7%, especially due to the fact that most of the increase in capital values in the region over the last ten years (10.7%) has occurred in just the last twelve months. ”

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 September 2020	Monthly change	Annual change
First time buyer	£204,964	1.7%	4.2%
Former owner occupier	£284,891	1.8%	5.4%

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

“ The market in the £400,000 - £500,000 bracket is certainly the most busy, mainly made up of second steppers and upsizers. First time buyers are continuing to struggle, as the level of deposit needed has increased and this, combined with a lack of job security for many, has meant that mortgage agreements have been harder to come by as banks change their lending criteria. ”

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

UK house-price rates of change: types of dwelling

Property status	Average price July 2020	Monthly change	Annual change
New build	£286,856	0.1%	-1.9%
Existing resold property	£233,985	0.7%	2.4%

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

“ A study of different asking price bands between £100,000 and £500,000 shows stronger growth in activity in the higher price bands, where buyers stand to make the biggest stamp duty savings. The number of sales being agreed for properties priced at between £100,000 and £200,000 is up by only 16% on this time last year, which contrasts with sales agreed more than doubling (+106%) in the £400,000 to £500,000 price band. ”

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

Number of housing transactions per month

Country	July 2020	July 2019
England	46,039	73,613
Northern Ireland (Quarter 3 - 2020)	4,630	6,769
Scotland	4,982	9,001
Wales	2,081	4,306

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

“ Average price of property coming to market dips by 0.5% (-£1,505) from last month despite continuing strong buyer demand as new sellers join the rush to sell and beat the March stamp duty deadline ”

Source: [Rightmove price index](#)

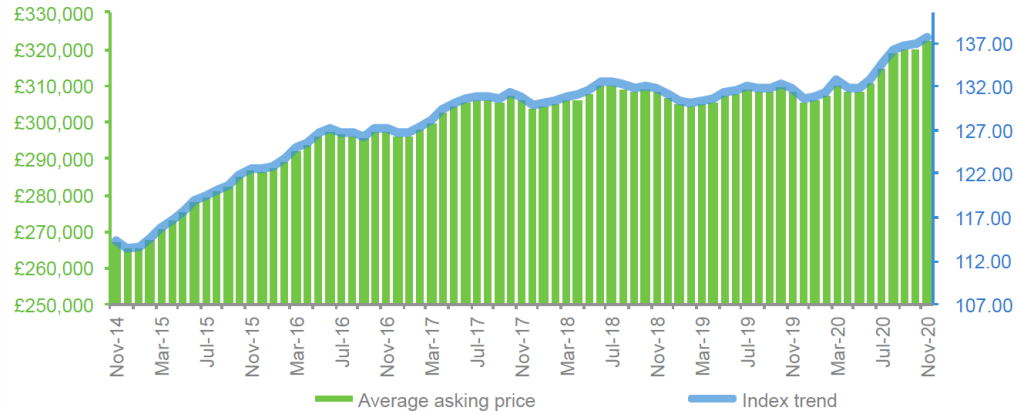
Monthly asking-price trend



Given the ongoing mini boom, prices might have been expected to rise again this month, but instead we have a slight dip which could be a result of some new sellers pricing more realistically to have a better chance of agreeing a sale in time to benefit from the stamp duty savings on their onward purchase.

Source: [Rightmove price index](#)

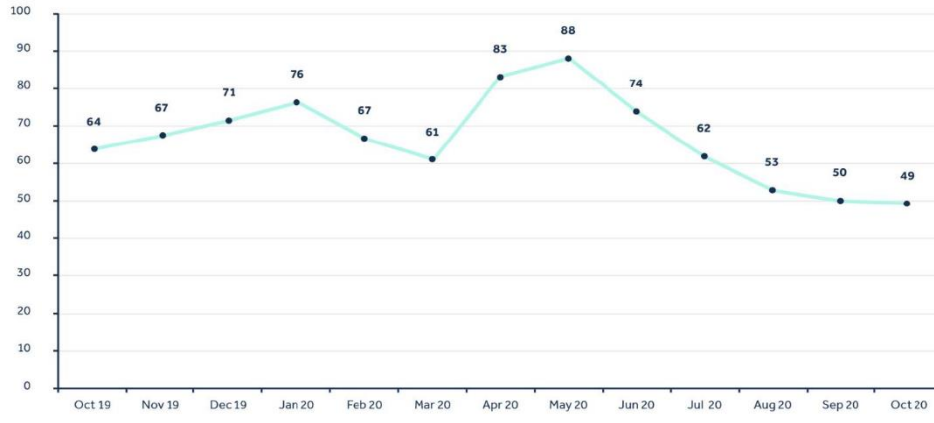
Home asking-price trend for England & Wales



“ The mix-adjusted average asking price for England and Wales posts a 0.6% rise since the October reading while the year-on-year change rises to 4.5% ”

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

Average-time-on-market indicator – National



Source: [Rightmove price index](#)

“ The market continues to show exceptional momentum with the Typical Time on Market at a mere 75 days for unsold property, 26 days less than in November 2019. ”

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

Asking-price fluctuation percentage



“ If your initial asking price is too high then you’re less likely to get an offer even after you’ve cut your price back to a more realistic level. Our revised prediction of a 7% annual increase in prices in 2020 looks to be on track, since the annual rate has jumped to 6.3% with a month to go. ”

Source: [Rightmove price index](#)

UK sales volumes by funding status

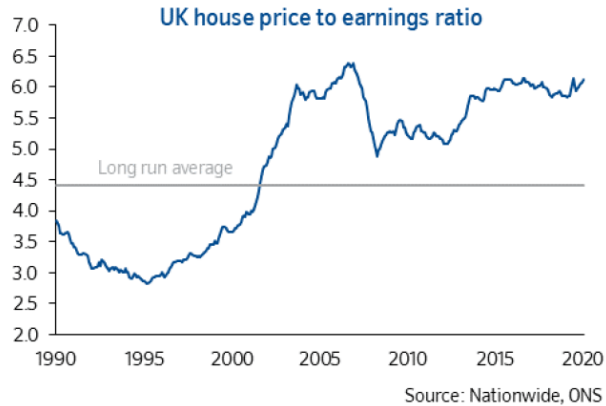
Funding status	Average price September 2020	Monthly change	Annual change
Cash	£232,543	2.0%	4.4%
Mortgage	£254,973	1.6%	4.9%

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

“ The 13-year record level of mortgages approved during September, according to the Bank of England, kept pace with supply in most parts of the UK but not where oversupply is greatest. ”

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

UK house-price-to-earnings ratio



Source: [Nationwide price index](#)

“ Labour market conditions also weakened with the unemployment rate rising to 4.8% in the three months to September – still low by historic standards, but up from an average of 3.8% in 2019. The extension of the furlough scheme to March 2021 will help limit job losses in the short term by enabling firms to retain more staff than they would have done otherwise. ”

Source: [Nationwide price index](#)

Average properties for sale per estate agent



Rightmove now estimates that there are 650,000 sales currently going through the buying and selling process. That is 67% more than at the same time in 2019, and illustrates the scale of the challenges now being faced by mortgage lenders and the legal profession to get these deals to legal completion.

Source: [Rightmove price index](#)

Did you find this useful?

You can receive this report directly into your inbox each month by signing up at mms-marketing.co.uk/contact.

Got feedback?

If there's anything you think we can be doing better with this report we'd love to hear from you. You can email us at hello@mms-marketing.co.uk with any feedback.