



# Housing market overview

Produced 08 January 2021

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

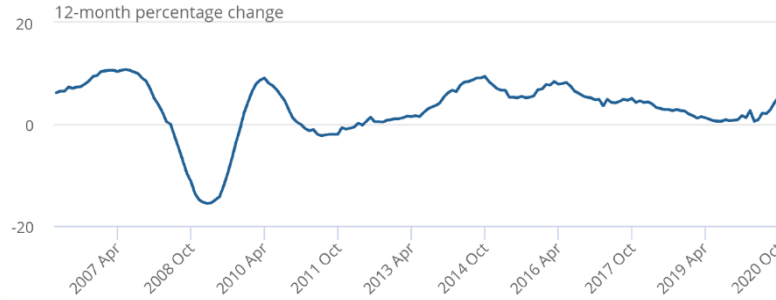
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- > Most of our sources continue to report house price growth, with all but two reporting month-on-month rises ranging from 0.2% to 1.0%. Rightmove and home.co.uk are the only sources reporting monthly price falls, of just 0.6%. All sources continue to report year-on-year increases in the range 3.9% to 7.3%.
- > According to the latest data from Zoopla the value of agreed home sales in 2020 will be £62 billion higher than last year. They say this is a 26% increase on 2019 with the property portal seeing 40% more demand for housing during the year, despite the closure of the market in the spring in response to the pandemic.
- > The Telegraph tells us that the future of house prices is a tug of war between two massive and conflicting post-pandemic forces: economic ruin and state intervention. They say on one side, unemployment is forecast to hit 7.5pc and Chancellor Rishi Sunak needs to plug a £2 trillion black hole of debt. But they go on to say Government measures to protect home ownership, such as a tax holiday, have been huge. Lockdown restrictions and the shift to remote working mean homes – and larger, pricier ones at that – now matter more than ever.
- > Rightmove reports that uncertainties remain in 2021, but housing needs and a fresh-start mentality suggest the market will continue to perform well, as shown by the 53% more prospective buyers contacting estate agents than at this time a year ago.
- > Halifax reports average houses prices rose again in December, stretching the current run of continuous gains to six months. They do go on to say, however, that the monthly rise of 0.2% was the lowest seen during this period and significantly down on the 1.0% increase in November.
- > Nationwide tells us that the number of mortgages approved for house purchase each month reached their highest level for a decade in October, nearly 50% above the monthly average recorded in 2019.

## Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	October '20	▲ 0.7	▲ 5.4	£245,443	16.12.2020
LSL Property Services	November '20	▲ 1.0	▲ 5.8	£319,816	11.2020
Halifax	December '20	▲ 0.2	▲ 6.0	£253,374	08.01.2021
home.co.uk	December '20	▼ 0.6	▲ 4.7	£320,627	15.12.2020
Hometrack	November '20	N/A	▲ 3.9	£222,900	21.12.2020
Nationwide	December '20	▲ 0.8	▲ 7.3	£230,920	12.2020
Rightmove	December '20	▼ 0.6	▲ 6.6	£319,945	14.12.2020

# UK annual house prices – rate of change

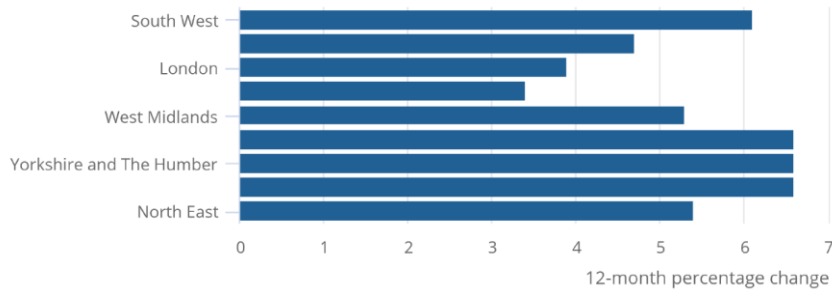


Source: [gov.uk price index](https://www.gov.uk/price-index)

While we are seeing the rapid growth in house prices begin to slow month on month, prices are still up significantly year on year. The data shows that the average house price in November 2020 was 5.8% higher than in November 2019, making this a record-breaking year for yet another reason.

Source: [LSL Property Services price index](https://www.lsl.co.uk/property-services/price-index)

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



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

“ The northern property markets indicate phenomenal strength, with Yorkshire showing the greatest year-on-year price growth of 9.8%, closely followed by the North West with an annualised gain of 8.9%. ”

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 October 2020	Monthly change	Annual change
First time buyer	£205,662	0.7%	4.9%
Former owner occupier	£286,141	0.8%	6.0%

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

“ Buyers and vendors at the prime and super prime end of the market will continue to move throughout 2021 due to a change in lifestyle aspirations which have been spurred on by the COVID 19 pandemic. Many of these clients will be entering the housing market for the first time in decades as they haven't had a pressing need to move or buy a second home so have held off doing so until now. ”

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

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

Property status	Average price August 2020	Monthly change	Annual change
New build	£294,683	-0.7%	3.4%
Existing resold property	£236,708	1.4%	2.9%

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

“ Despite the clock ticking, around 130,000 sales were agreed over the last month, up by a remarkable 44% on the same period in 2019. A month ago we said that there were a massive 650,000 sales agreed and in the pipeline, many of which will be aiming for completion before 31st March to qualify for stamp duty savings. One month on, and a month closer to that deadline, the figure remains at around 650,000 because 130,000 additional sales have joined the processing logjam and replaced the 130,000 completions or fall throughs that have taken place in the last month. ”

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



# Number of housing transactions per month

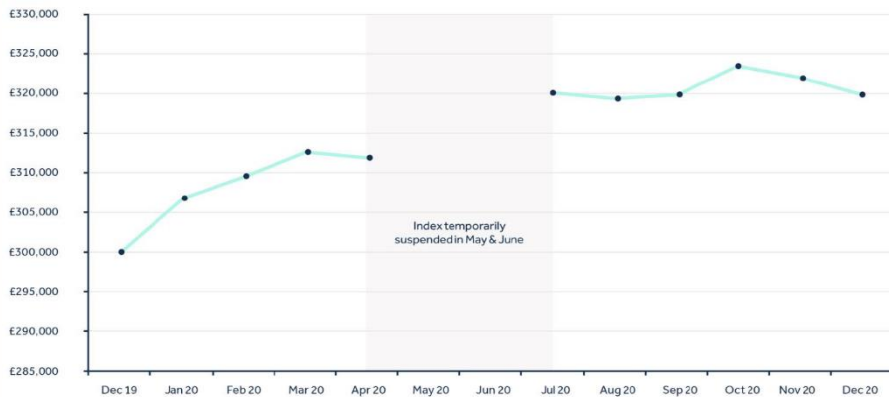
Country	August 2020	August 2019
England	47,756	78,838
Northern Ireland (Quarter 3 - 2020)	4,630	6,769
Scotland	6,688	10,134
Wales	2,178	4,546

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

“ Given the breath-taking activity and demand-driven price hikes since the spring lockdown, it comes as no surprise that home prices show a correction this month. Broadly in line with seasonal expectations, this timely dip, apparent in all regions, will be reassuring for most property market observers. ”

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

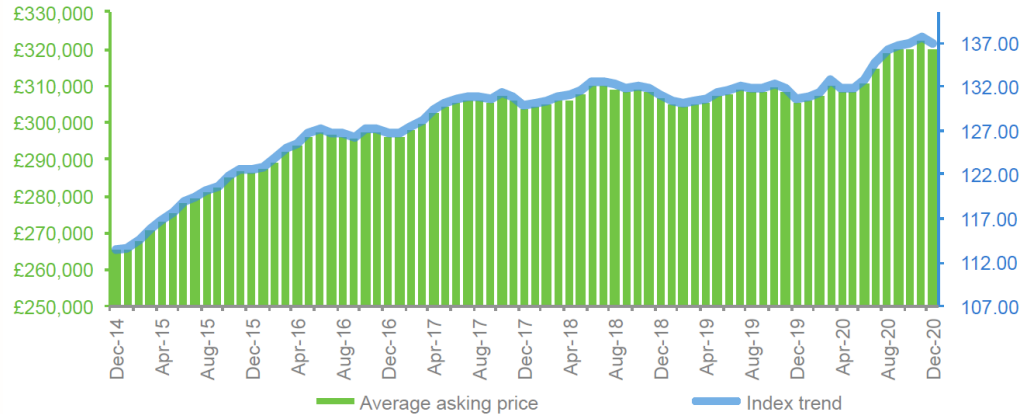
## Monthly asking-price trend



“ Rightmove forecasts a robust 4% national average house price growth in 2021 as there is strong evidence that people will continue to have their reprioritised housing needs high on their life agendas. The unexpected market momentum of 2020 overcame the unknowns of the pandemic and associated economic fallout, and though headwinds and uncertainties remain, demand for housing and buyer affordability appear to be strong enough to outweigh some of these dampening effects. ”

Source: [Rightmove price index](#)

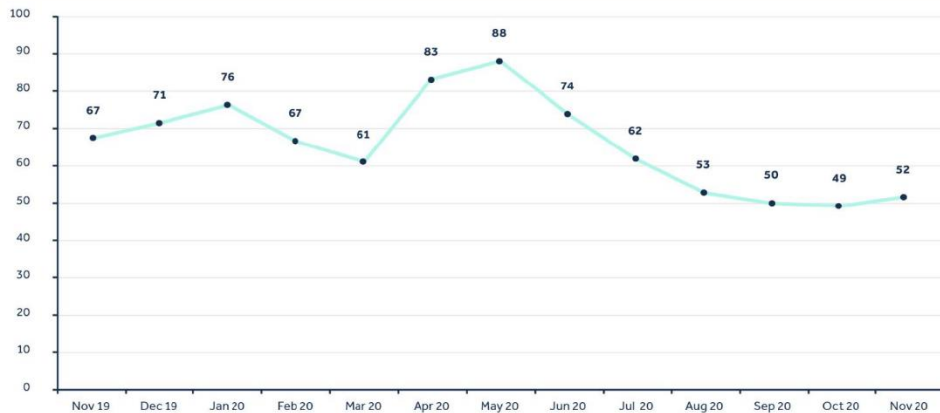
# Home asking-price trend for England & Wales



“Despite this month’s seasonal dip, the mix-adjusted average asking price for England and Wales registers a remarkably upbeat 4.7% year-on-year.”

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

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

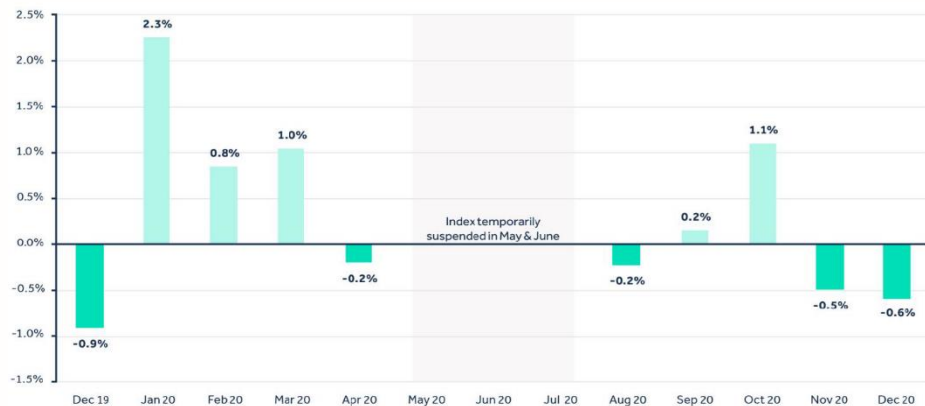


Source: [Rightmove price index](#)

“ The market continues to show exceptional pace with the Typical Time on Market at a mere 84 days for unsold property, 22 days less than in December 2019 (England and Wales), while UK-wide supply is up a mere 9% year-on-year. ”

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

## Asking-price fluctuation percentage



Despite these headwinds, ongoing demand still remains very high, indicating that there's plenty of fuel left in the tank for the housing market. Interest rates remain at near record lows, and we expect greater availability of low deposit mortgages at competitive rates next year. These two factors will help to oil the wheels for home purchases by the 'accidental savers' who have collectively saved £100 billion that they couldn't spend during the pandemic restrictions.

Source: [Rightmove price index](#)

# UK sales volumes by funding status

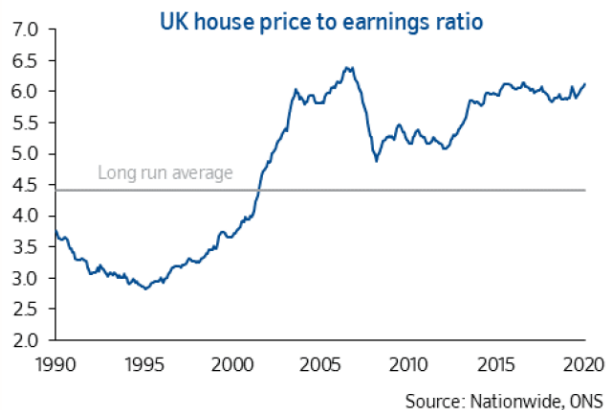
Funding status	Average price October 2020	Monthly change	Annual change
Cash	£233,669	0.9%	5.4%
Mortgage	£255,871	0.7%	5.5%

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

“ The number of mortgages approved for house purchase each month reached their highest level for a decade in October, nearly 50% above the monthly average recorded in 2019. Indeed, by the end of October, the total number of mortgages approved for house purchase in 2020 was only 7% below the total recorded over the same period in 2019. ”

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

# UK house-price-to-earnings ratio



Source: [Nationwide price index](#)



The furlough and Self Employment Income Support schemes provided vital support for the labour market, while a host of measures helped to keep down the cost of borrowing and keep the supply of credit flowing. The stamp duty holiday also stimulated housing demand, by bringing forward peoples' home-moving plans. Lenders also responded by offering payment holidays to borrowers impacted by the pandemic, helping people stay in their homes rather than potentially being forced to sell.



Source: [Nationwide price index](#)

## Average properties for sale per estate agent



Source: [Rightmove price index](#)

“ Oversupply still persists in the capital and this has kept price growth down to just 2.8%, making it the worst-performing region in the UK. November’s new listings total is 57% higher than in November 2019. Although the excess is slightly less than was registered in the two previous months, the rate of oversupply remains a clear indication that this market is still in the midst of a radical readjustment, as vast amounts of the UK capital’s formerly most sought-after property is being put up for sale. ”

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



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