



Housing market overview

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This document provides the latest information available from various sources, with dates varying from November 2020 – January 2021

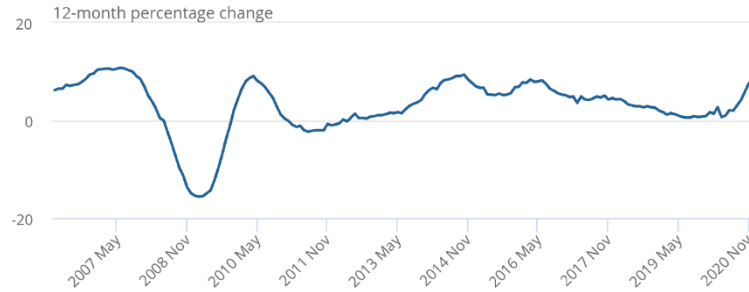
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- > Half of our sources continue to report house price growth, with month-on-month rises ranging from 0.1% to 1.2%. Halifax, Nationwide and Rightmove are conversely reporting monthly price falls in the range of 0.3% to 0.9%. All sources continue to report year-on-year increases in the range 3.3% to 7.8%.
- > LSL tell us that prices rose rapidly over much of England and Wales in 2020, with the average house price in December up 7.8% on the previous year. They say this is the highest annual increase since 2016, though it is worth noting that most of this growth took place in the last six months of the year as pent-up demand was released by more relaxed coronavirus restrictions.
- > The NHBC say that new home registrations across the UK fell 23% in 2020 against the previous year, but with figures recovering close to pre-pandemic levels in the final quarter, down just 2% year-on-year.
- > Rightmove reports of those already in the sales agreed pipeline, now at 613,000 in their latest count, their analysis projects that around 100,000 will miss out on their Stamp Duty saving. They say seller flexibility to re-negotiate will be key to preventing some sales from falling through for this group.
- > Halifax tells us that there are some signs that the upturn in the housing market could be running out of steam, with the annual rate of house price inflation cooling to its lowest level since August. They say although industry figures for agreed sales remain well above pre-pandemic levels, new instructions to sell have decreased noticeably and total stock held by estate agents has risen to its highest level since before the EU referendum in 2016.
- > Nationwide say that the total number of mortgages approved for house purchases in 2020 actually exceeded the number approved in 2019, and house price growth ended 2020 at a six-year high, even though the economy was probably around 10% smaller than at the start of 2020, with the unemployment rate around a percentage point higher.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	November '20	▲ 1.2	▲ 7.6	£249,633	20.01.2021
LSL Property Services	December '20	▲ 1.4	▲ 7.8	£326,762	12.2020
Halifax	January '21	▼ 0.3	▲ 5.4	£251,968	05.02.2021
home.co.uk	January '21	▲ 0.1	▲ 4.9	£321,088	12.01.2021
Hometrack	December '20	N/A	▲ 4.3	£223,700	27.01.2021
Nationwide	January '21	▼ 0.3	▲ 6.4	£229,748	01.2021
Rightmove	January '21	▼ 0.9	▲ 3.3	£317,058	18.01.2021

UK annual house prices – rate of change

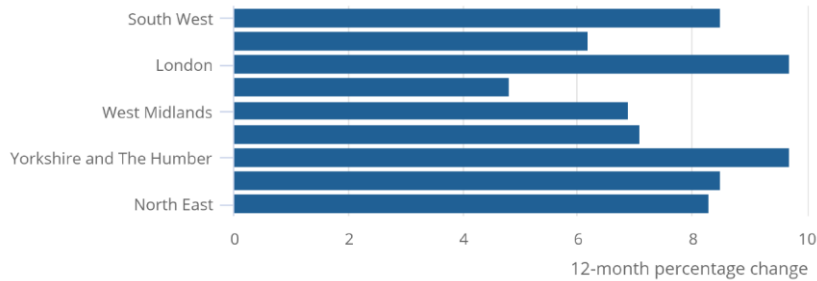


Source: [gov.uk price index](https://www.gov.uk/price-index)

“ The mix-adjusted average asking price for England and Wales registers a remarkably upbeat growth of 4.9% year-on-year. ”

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 northern property markets indicate phenomenal strength, with the Yorkshire and Humber region showing stunning year-on-year price growth of 10.1%, followed by the North West with an annualised gain of 8.2%. ”

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 November 2020	Monthly change	Annual change
First time buyer	£209,163	1.2%	7.3%
Former owner occupier	£291,278	1.2%	8.1%

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

“ The average UK house price slipped by -0.3% in January, the biggest monthly fall since April last year. Whilst this pushed the typical property value down to its lowest level since October, at just under £252,000, prices are around £13,000 higher than a year ago. ”

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

UK house-price rates of change: types of dwelling

Property status	Average price September 2020	Monthly change	Annual change
New build	£302,927	-0.5%	4.9%
Existing resold property	£239,417	1.4%	4.2%

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

“The Stamp Duty holiday has undoubtedly helped to fuel growing demand amongst households for larger properties. However, given the current time to completion across the market, transactions in the early part of 2021 probably don't include many borrowers who expect to benefit from the Stamp Duty reprieve.”

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

Number of housing transactions per month

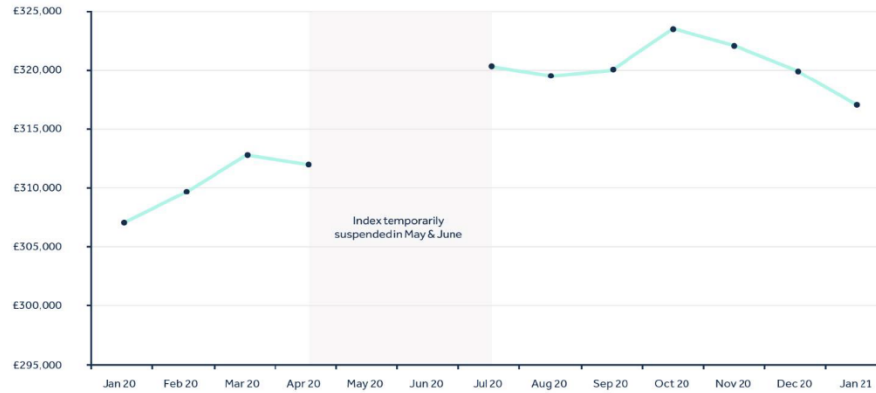
Country	September 2020	September 2019
England	53,428	69,020
Northern Ireland (Quarter 3 - 2020)	4,630	6,769
Scotland	10,168	8,826
Wales	2,518	3,923

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

“ The supply and demand shocks that followed the spring lockdown have faded away, and we now observe that most English regional markets (outside of London), Scotland and Wales have, for the time being, entered a more equilibrated state. ”

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

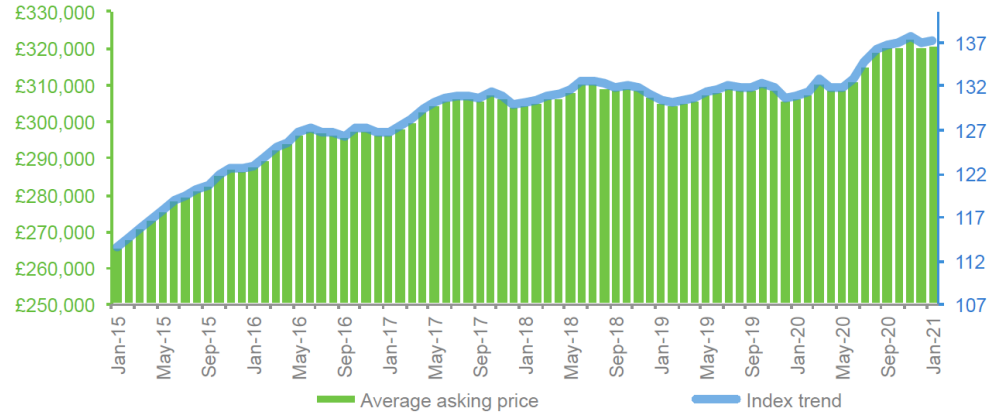
Monthly asking-price trend



Newly marketed property asking prices are down by an average of 0.9% (-£2,887) on the month. Secondly, buyer activity has continued to exceed the same period a year ago, even though 2020 also had a very active start, being buoyed by the post-election 'Boris bounce'.

Source: [Rightmove price index](#)

Home asking-price trend for England & Wales

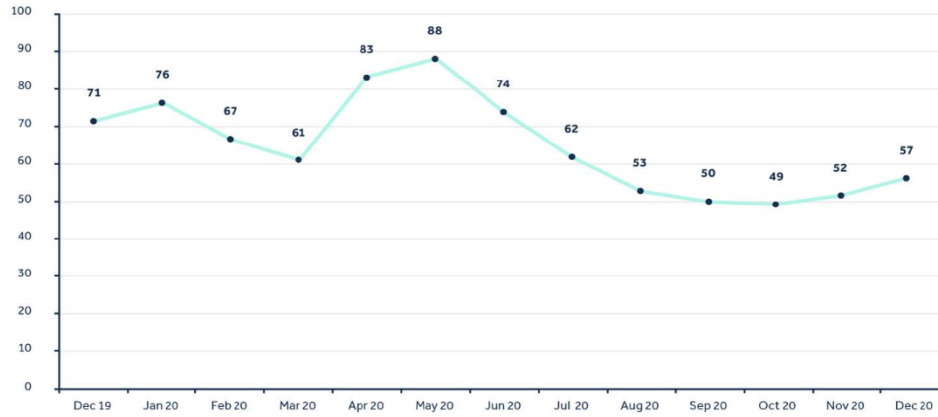


Source: [home.co.uk price index](https://www.home.co.uk/price-index/)

“ The average house price in England and Wales now stands at £326,762 which establishes a new record level for the fifth month in succession. ”

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

Average-time-on-market indicator – National



Source: [Rightmove price index](#)

“ The market retains exceptional momentum with the Typical Time on Market at a mere 101 days for unsold property, 19 days less than in January 2020 (England and Wales), while UK-wide supply is up a mere 14% year-on-year (including London). ”

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

Asking-price fluctuation percentage



Source: [Rightmove price index](#)

Looking at the national data on a monthly basis, in December prices in England and Wales have risen by some £4,500, or 1.4%. This is 0.1% higher than the 1.3% increase recorded in November 2020, and represents the fourth-highest monthly increase of the last year.

Source: [LSL Property Services price index](#)

UK sales volumes by funding status

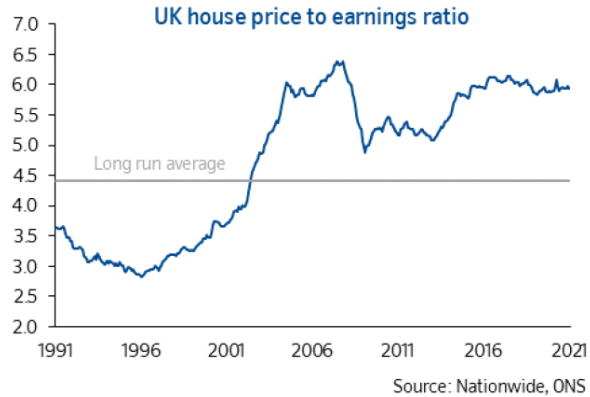
Funding status	Average price November 2020	Monthly change	Annual change
Cash	£237,355	1.2%	7.4%
Mortgage	£260,518	1.3%	7.8%

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

“ Both the number of people owning their home with a mortgage and those owning outright increased compared with a year ago. More than half (54%) of the 15.4 million households in England own their home outright, with the majority (5.2 million or 63%) aged 65 or over. ”

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

UK house-price-to-earnings ratio

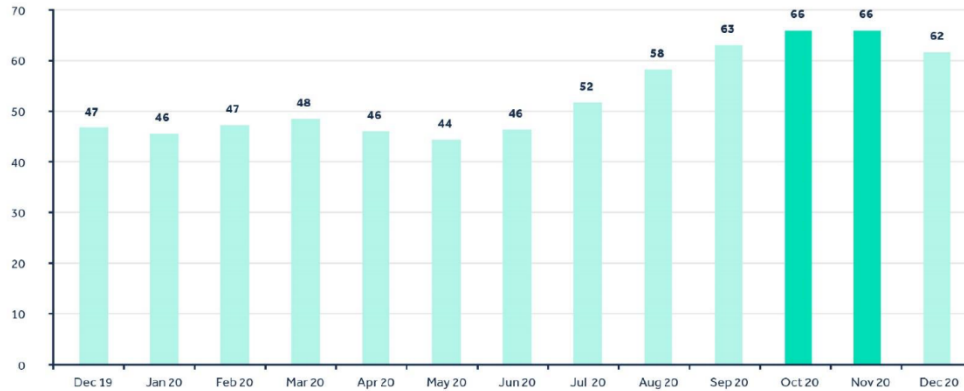


Looking ahead, shifts in housing preferences are likely to continue to provide some support for the market. However, if the Stamp Duty holiday ends as scheduled, and labour market conditions continue to weaken as most analysts expect, housing market activity is likely to slow, perhaps sharply, in the coming months.

Source: [Nationwide price index](#)

Source: [Nationwide price index](#)

Average properties for sale per estate agent



Source: [Rightmove price index](#)

“ The magnitude of pent-up demand, boosted by the reduction in Stamp Duty, has driven the overall stock of property in England and Wales to a new record low. ”

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

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