



Housing market overview

Produced 05 March 2021

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

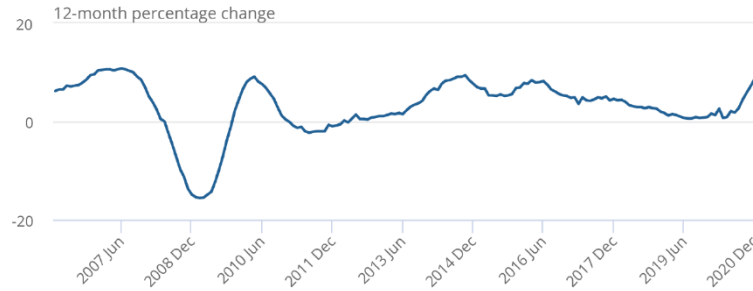
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- > A mixed bunch this month when it comes to month-on-month house prices changes. LSL, Nationwide and Rightmove all report rises ranging from 0.5% to 1.2%, while home.co.uk and gov.uk report no change from the previous month. Our only source reporting a decrease is Halifax at 0.1%. However, all sources continue to report year-on-year increases in the range 3.0% to 8.7%.
- > LSL tell us that 2020 proved an exceptional year in almost every way and many of the changes it ushered in won't be easily swept aside. They go on to say that their data shows that the remarkable growth in property prices we saw in the second half of last year has continued into 2021.
- > Rightmove reports that the first week in February versus February 2020 sees website visits up 45%, with keen home-hunters sending 18% more enquiries, and the number of purchases agreed up by 7%.
- > Halifax tells us that the housing market has been at something of a crossroads at the start of this year, with upcoming events key to determining the path of activity and prices over the next few months. They say the government's decision to extend the Stamp Duty holiday – one of the main drivers of demand from homemovers during the pandemic – has removed a great deal of uncertainty for buyers with transactions yet to complete.
- > Nationwide say the outlook for the housing market is unusually uncertain. They say there is scope for shifting housing preferences to continue to boost activity, especially if there is further policy support in the Budget. Nevertheless, they do say if labour market conditions weaken as most analysts expect, it is likely that the housing market will slow in the months ahead.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	December '20	> 1.2	^ 8.5	£251,500	17.02.2021
LSL Property Services	January '21	^ 1.2	^ 8.7	£330,958	01.2021
Halifax	February '21	▼ 0.1	^ 5.2	£251,697	05.03.2021
home.co.uk	February '21	> 0.0	^ 4.5	£321,208	12.02.2021
Hometrack	January '21	N/A	^ 4.3	£226,600	25.02.2021
Nationwide	February '21	^ 0.7	^ 6.9	£231,068	02.2021
Rightmove	February '21	^ 0.5	^ 3.0	£318,580	15.02.2021

UK annual house prices – rate of change

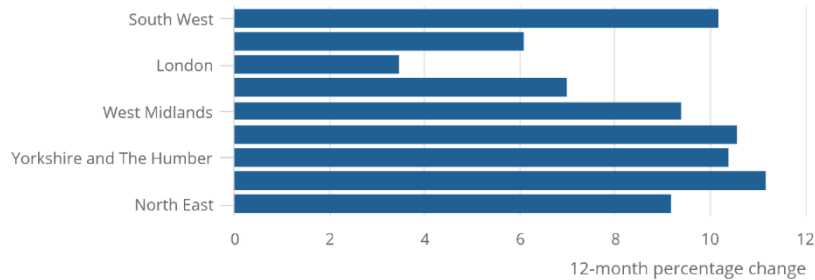


Source: [gov.uk price index](https://www.gov.uk/price-index)

“ Asking prices across England and Wales remain unchanged overall since last month while annualised growth slips to 4.5%.”

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 continue to indicate phenomenal 12-month growth, with the Yorkshire and Humber region showing stunning year-on-year price growth of 9.1%. ”

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 December 2020	Monthly change	Annual change
First time buyer	£210,727	1.3%	7.9%
Former owner occupier	£293,134	1.2%	9.3%

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

“ The number of new sellers coming to market is 21% down over the last four weeks when compared with the prior year. Worst affected are the sectors one might expect to be juggling home schooling responsibilities alongside daily life, which appear to be delaying some owners of family homes from coming to market. The ‘second stepper’ and ‘top of the ladder’ sectors with three bedrooms or more see 25% fewer new listings between them. In contrast, properties with two bedrooms or fewer are only down by 16%. ”

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

UK house-price rates of change: types of dwelling

Property status	Average price October 2020	Monthly change	Annual change
New build	£306,997	-0.4%	6.3%
Existing resold property	£242,374	1.3%	5.8%

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

“ Having enjoyed an extremely strong period of activity in the second half of last year, the housing market continued its softer start to 2021, with average prices down very slightly (-0.1%) compared to January. However, with annual house price inflation currently at +5.2%, property values remain comfortably higher than 12 months ago, when February was the last full month before lockdown. ”

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

Number of housing transactions per month

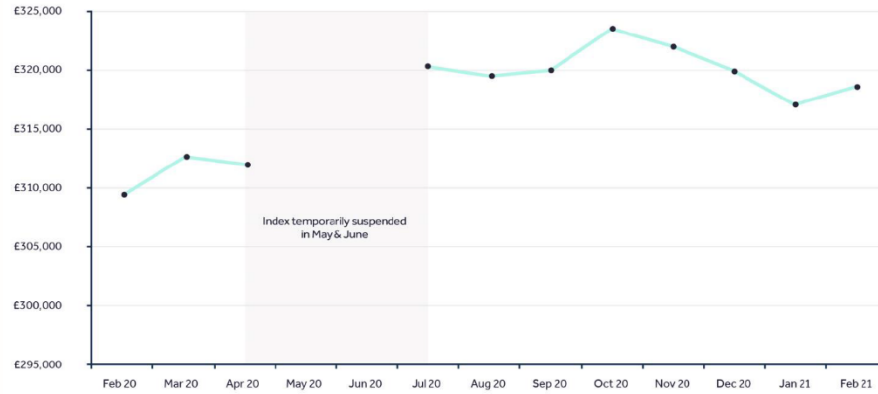
Country	October 2020	October 2019
England	66,643	74,620
Northern Ireland (Quarter 4 - 2020)	7,401	6,757
Scotland	12,205	9,456
Wales	3,717	4,294

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

“The current lockdown is radically reducing the supply of new listings entering the market. Less than three quarters of the expected number of new instructions materialised during January. Vendors’ hesitation is understandable amidst worrying developments in the ongoing health crisis and many sensible and responsible buyers are staying away from physical viewings altogether.”

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

Monthly asking-price trend

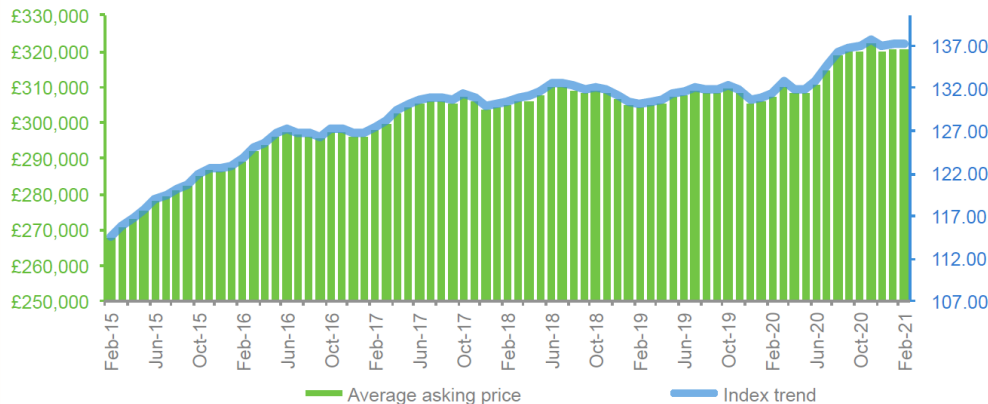


Source: [Rightmove price index](#)

February saw the annual rate of house price growth rebound to 6.9%, from 6.4% in January. House prices rose by 0.7% month-on-month, after taking account of seasonal effects, more than reversing the 0.2% monthly decline recorded in January.

Source: [Nationwide price index](#)

Home asking-price trend for England & Wales

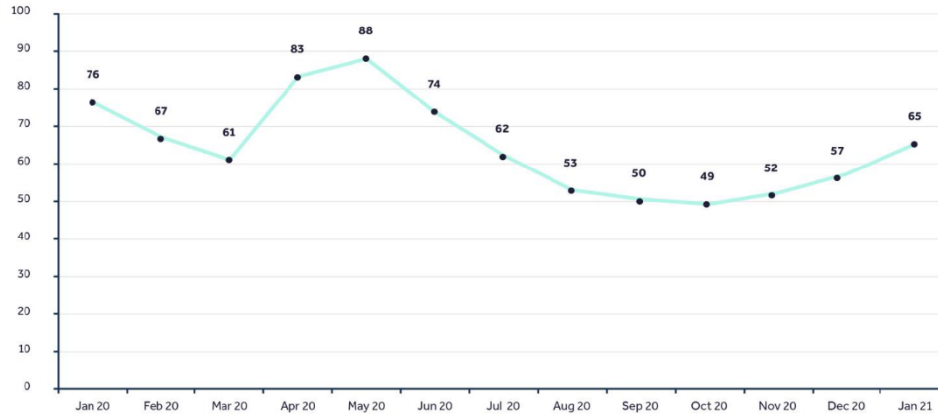


Source: [home.co.uk price index](https://www.home.co.uk/price-index/)

“After three consecutive monthly falls, the average price of property coming to market has risen by 0.5% (+£1,522) this month. This is being fuelled by both a shortage of supply with fewer new sellers coming to market, and increased demand, with all our indicators of buyer activity being ahead of the same period last year.”

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

Average-time-on-market indicator – National



Source: [Rightmove price index](#)

“ Market momentum is slowing with the Typical Time on Market for unsold property in England and Wales rising ten days since last month to 111 days, counter to the normal seasonal trend. However, this figure is five days less than in February 2020. ”

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

Asking-price fluctuation percentage



Source: [Rightmove price index](#)

Indeed, our data shows that the remarkable growth in property prices we saw in the second half of last year has continued into 2021. Rapid growth in the South West, East Midlands and the North West means that average property prices have started the year up close to 9% on January 2020.

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

UK sales volumes by funding status

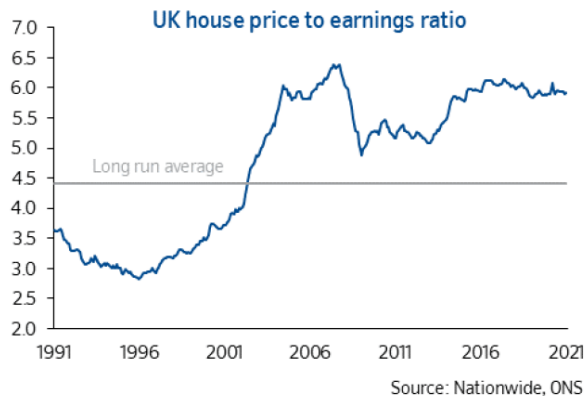
Funding status	Average price December 2020	Monthly change	Annual change
Cash	£239,867	1.4%	8.7%
Mortgage	£261,949	1.1%	8.5%

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

“ The new mortgage guarantee scheme is another welcome development from this week’s Budget. Whilst mortgage approvals have reached record highs in recent months, hitting levels not seen since before the financial crisis of 2008, raising a deposit continues to be the single biggest hurdle for first-time buyers to overcome. ”

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

UK house-price-to-earnings ratio



Source: [Nationwide price index](#)

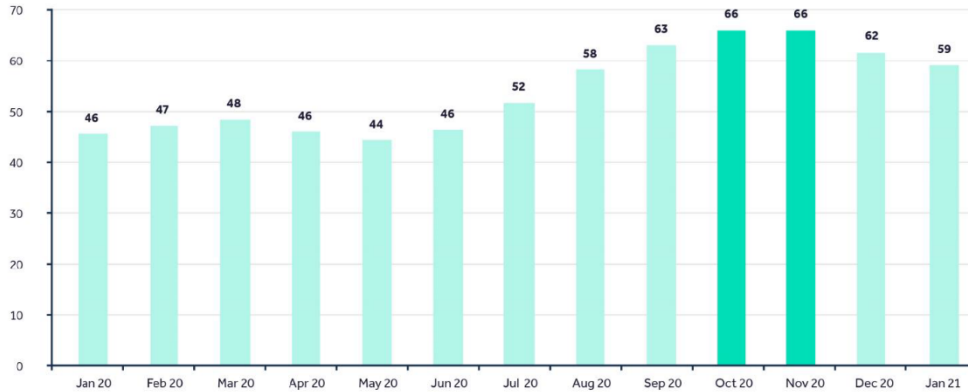
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For many, the pandemic has proved very financially trying, but this hasn't been universal. For some households, where people have kept their jobs and transitioned totally to home-working, the pandemic has provided an opportunity to cut spending and build their savings. For these consumers in a more fortunate financial position, the combination of low mortgage rates and the Stamp Duty holiday have made entering (or often re-entering) the property market an attractive prospect.

”

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

Average properties for sale per estate agent



Source: [Rightmove price index](#)

January indicated a dramatic drop in new sales listings due to the latest COVID lockdown. New instructions were down 27% year-on-year and gave the lowest January total in the history of this Index.

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

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