



Housing market overview

Produced 09 April 2021

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

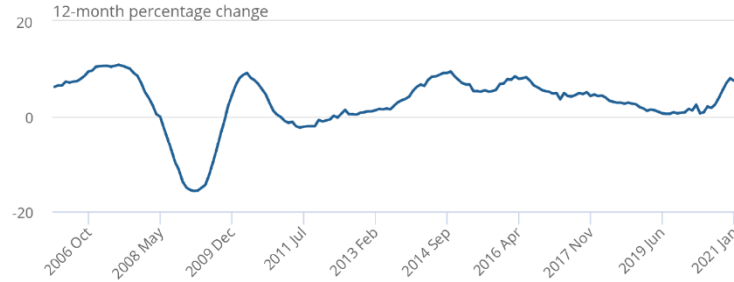
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- > LSL tells us that the four indices that have published their annual house price growth for February are showing significantly differing results with, in descending order, the e.surv HPI reporting annual growth of 8.6%, Nationwide 6.9%, Halifax 5.2% and finally Rightmove at 3.0%. In fact, the range of these four annual indices of 5.6% is the largest it has been in over a year.
- > Halifax reports that first-time buyers are saving more than £800 per year compared with renting. Average monthly rents have risen 10 per cent to £821 in the last year, while the monthly cost of being a first-time buyer has risen by just one per cent in the same period, to £753.
- > It is one of the oddest outcomes from the pandemic: a housing market that is so frenetic that there could be nothing to sell within two months. While Easter is traditionally the start of the house-hunting season, March was the busiest month for a decade. More sales were agreed on March 23 than on any other day in the past ten years, according to the property website Rightmove. A day later, a record 9.1 million people clicked on to the property portal, an average of 6,300 visits every minute.
- > London is poised to lead a national crunch in house prices as Covid and the Stamp Duty holiday risk pushing the market up to unsustainable levels, top economists have warned. The pandemic sparked the deepest recession in 300 years, but the housing market was spared the expected slump by unprecedented measures to prop up incomes, via furlough, and support property sales with a tax cut. When help from the Government disappears, the postponed slump threatens to take hold, according to academics at the London School of Economics' Centre for Economic Performance.
- > Nationwide concurs, saying that the longer-term outlook remains highly uncertain. It may be that the recovery continues to gather momentum and that shifts in housing demand resulting from the pandemic continue to lift the market. However, if the labour market weakens towards the end of the year as policy support is withdrawn, as most analysts expect, then activity is likely to slow nearer the end of 2021, perhaps sharply.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	January '21	▼ 0.5	▲ 7.5	£249,309	24.03.2021
LSL Property Services	February '21	▲ 1.1	▲ 8.6	£333,331	02.2021
Halifax	March '21	▲ 1.1	▲ 6.5	£254,606	09.04.2021
home.co.uk	March '21	▲ 4.8	▲ 4.5	£325,823	12.03.2021
Hometrack	February '21	N/A	▲ 4.1	£226,400	23.03.2021
Nationwide	March '21	▼ 0.2	▲ 5.7	£232,134	03.2021
Rightmove	March '21	▲ 0.8	▲ 2.7	£321,064	15.03.2021

UK annual house prices – rate of change

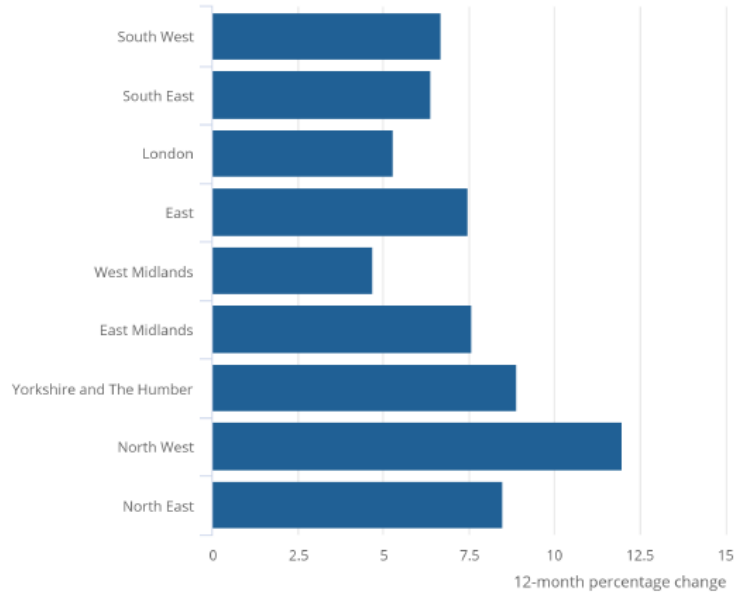


Source: [gov.uk price index](https://www.gov.uk/price-index)

“ Asking prices across England and Wales surge 1.4% since last month pushing annualised growth up to 4.8%. ”

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

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



“Lack of supply has pushed up prices in every English region and Scotland and Wales since last month, with the largest hike in the South East; a massive 2.5%.”

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

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

UK house-price rates of change: types of buyer

Type of buyer	Average price January 2021	Monthly change	Annual change
First time buyer	£208,336	-0.6%	6.8%
Former owner occupier	£291,232	-0.3%	8.3%

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

“ Early signs that more owners are now deciding to market their properties, spurred by incentives and lockdown easing. New listing numbers see building momentum in weekly run rate, only 5% down during the first week of March compared to 20% down for the month of February. The tighter lending criteria put in place in 2014 will help to moderate the pace of price rises, but a sustained rise in fresh supply would also be a tempering factor. ”

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

UK house-price rates of change: types of dwelling

Property status	Average price November 2020	Monthly change	Annual change
New build	£301,110	-0.7%	9.0%
Existing resold property	£245,254	1.3%	6.9%

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

Following a relatively subdued start to the year, the housing market enjoyed something of a resurgence during March, with prices up by just over 1% compared to February. This rise – the first since November last year – means the average property is now worth £254,606, a new record high.

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

Number of housing transactions per month

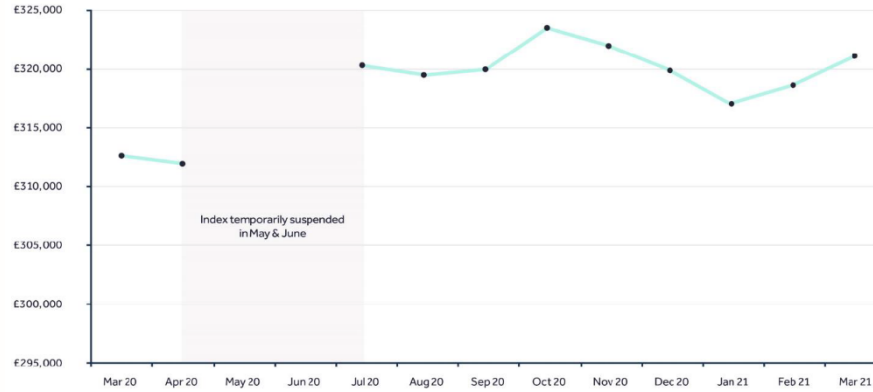
Country	November 2020	November 2019
England	64,515	76,702
Northern Ireland (one-third of sales in Q4 2020)	2,467	2,252
Scotland	11,842	9,990
Wales	3,585	4,494

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

“ Vendors are likely to return to the market in greater numbers as the lockdown is rolled back but it is unlikely, in our view, that the supply of properties for sale will be sufficient to meet demand outside of Greater London. ”

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

Monthly asking-price trend

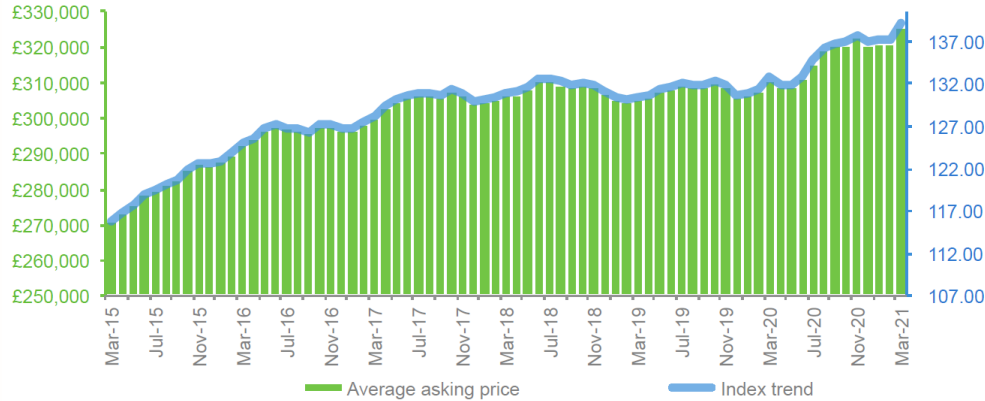


Source: [Rightmove price index](#)

“ Annual house price growth slowed to 5.7% in March, from 6.9% in February. Prices fell by 0.2% month-on-month, after taking account of seasonal effects, following a 0.7% rise in February. ”

Source: [Nationwide price index](#)

Home asking-price trend for England & Wales

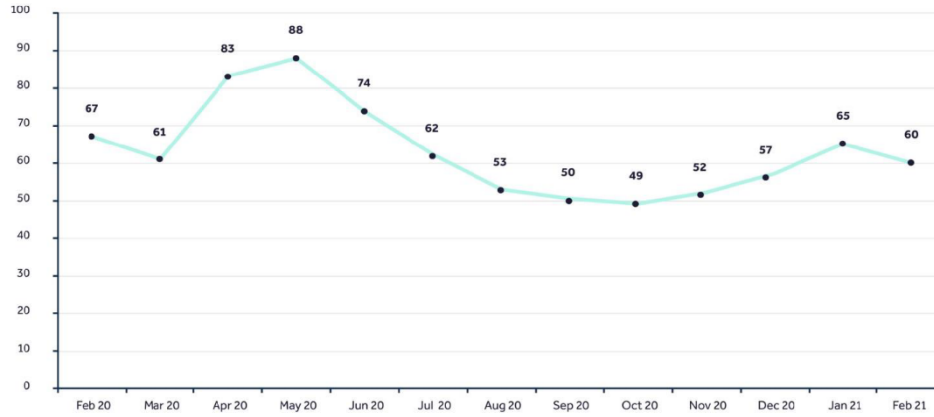


Source: [home.co.uk price index](https://www.home.co.uk/price-index/)

“ The average price of property coming to market rises by 0.8% (+£2,484) this month as buyer demand reaches record levels. With demand being driven by the side effects of the lockdowns and the additional spur of government incentives, we anticipate further price rises during the traditional spring selling season. ”

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

Average-time-on-market indicator – National

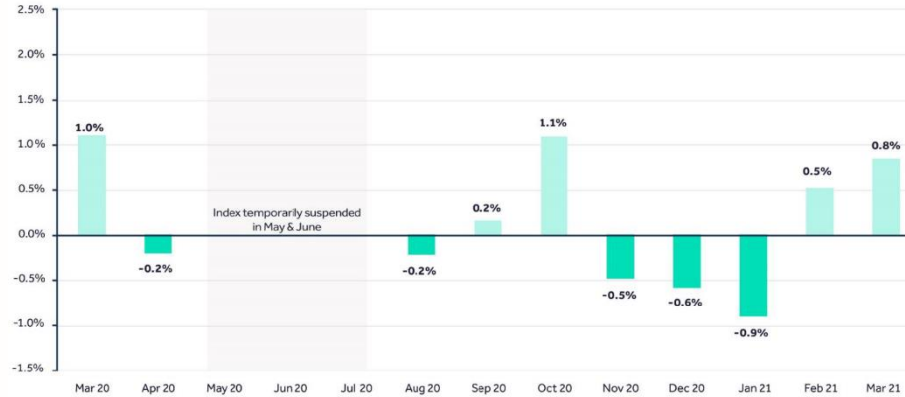


Source: [Rightmove price index](#)

“ The lockdown has meant market momentum has slowed a little with the Typical Time on Market for unsold property in England and Wales rising two days since last month to 113 days, counter to the normal seasonal trend. This figure is just two days more than in March 2020. ”

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

Asking-price fluctuation percentage



Source: [Rightmove price index](#)

“...there has been widespread price growth across Wales and all nine English regions. Once again, all ten GOR areas have simultaneously set a new record average house price, and it is the seventh month in a row in which all have seen a positive movement in their annual growth rates.”

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

UK sales volumes by funding status

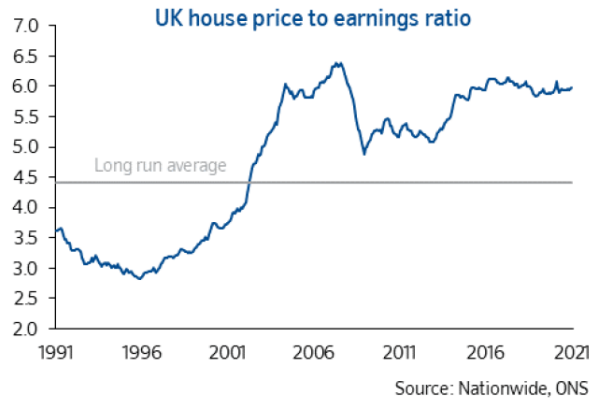
Funding status	Average price January 2021	Monthly change	Annual change
Cash	£236,938	-0.7%	7.7%
Mortgage	£259,952	-0.4%	7.5%

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

“ The latest Bank of England figures show the number of mortgages approved to finance house purchases fell in February 2021 by 9.9% to 87,669. Year-on-year, the February figure was 19.5% above February 2020. ”

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

UK house-price-to-earnings ratio

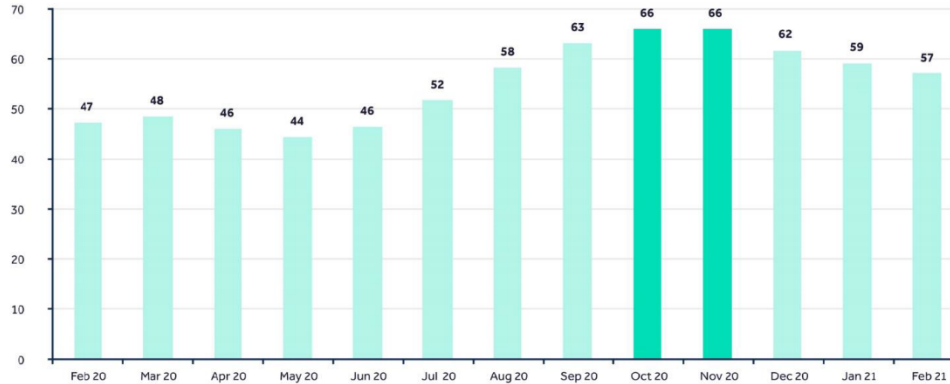


Source: [Nationwide price index](#)

“ In the Budget, the government underlined its commitment to the housing market with the announcement of its new mortgage guarantee scheme. This is welcome because although mortgage approvals have reached record highs in recent months, raising a deposit continues to be a huge hurdle for many buyers to overcome. The government guaranteed scheme will really help some potential buyers accelerate their home-buying plans and offer a helping hand to borrowers wanting to trade up. ”

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

Average properties for sale per estate agent



Source: [Rightmove price index](#)

“ February indicated a further dramatic shortfall in new sales listings due to the latest COVID lockdown. New instructions were down 27% year-on-year (same as in January) and again gave a new record low for the month in the history of this Index. ”

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

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