



Housing market overview

Produced 10 May 2021

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

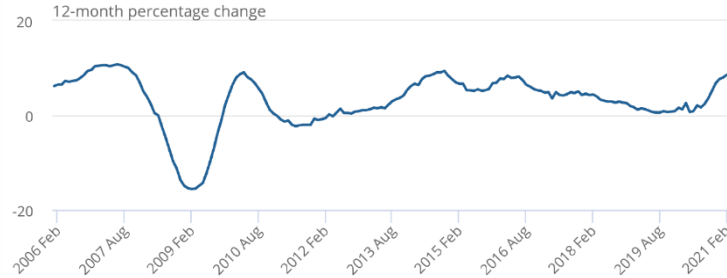
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- > House prices continue their upward trajectory, with all but one of our sources reporting month-on-month rises ranging from 0.7% to 2.1%. Gov.uk is the only source reporting no change from the previous month. All sources report year-on-year increases in the range 4.0% to 9.8%.
- > Halifax reports there is growing optimism in the long-term outlook of the UK economy as the vaccination programme continues at pace, yet they remain cautious about the medium-term prospects of the housing market. As they said in March, the current levels of uncertainty and potential for higher unemployment as furlough support ends leads them to believe that house price growth will slow to the end of the year.
- > Rightmove tells us that the fast pace of the current market means that each week another activity record on the eponymous portal tumbles. Wednesday 7th April set a record of over 9.3 million visits to Rightmove, and March saw time spent on the site surpass two billion minutes in a month for the first time.
- > The Telegraph reports that sales of the most expensive homes in central London have soared as the economy reopens and the exodus from the capital reverses. They say that deals in Kensington & Chelsea jumped 80pc in the two weeks since restrictions started to ease on April 12, compared with the previous 28 days, according to property website Zoopla. This was the largest jump in sales of any local authority in Britain.
- > The Times reports a property frenzy as buyers race to beat the tax deadline. They say the Stamp Duty holiday has sent prices rocketing, with homes selling sight unseen and fears of a bubble growing. In March, almost 191,000 homes were sold, according to figures published last week by HM Revenue and Customs, the highest number in a single month since July 2004.
- > The Times also tells us that there is a boost for first-time buyers as mortgage limits are increased. They say first-time buyers will be able to borrow five and a half times their salary in the first mortgage deal of its kind for nearly a decade. Britain's biggest building society, Nationwide, will offer borrowers with a 10-per-cent deposit the chance to stretch their income so that they can afford bigger loans.
- > Research by Nationwide suggests that while the Stamp Duty holiday is impacting on the timing of housing transactions, for most people it is not the key motivating factor prompting them to move in the first place. For example, amongst homeowners surveyed at the end of April that were either moving home or considering a move, three quarters said this would have been the case even if the Stamp Duty holiday had not been extended.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	February '21	> 0.0	^ 8.6	£250,341	21.04.2021
LSL Property Services	March '21	^ 0.7	^ 9.8	£339,160	03.2021
Halifax	April '21	^ 1.4	^ 8.2	£258,204	10.05.2021
home.co.uk	April '21	^ 1.8	^ 7.4	£331,665	14.04.2021
Hometrack	March '21	N/A	^ 4.0	£227,100	27.04.2021
Nationwide	April '21	^ 2.1	^ 7.1	£238,831	04.2021
Rightmove	April '21	^ 2.1	^ 5.1	£327,797	19.04.2021

UK annual house prices – rate of change

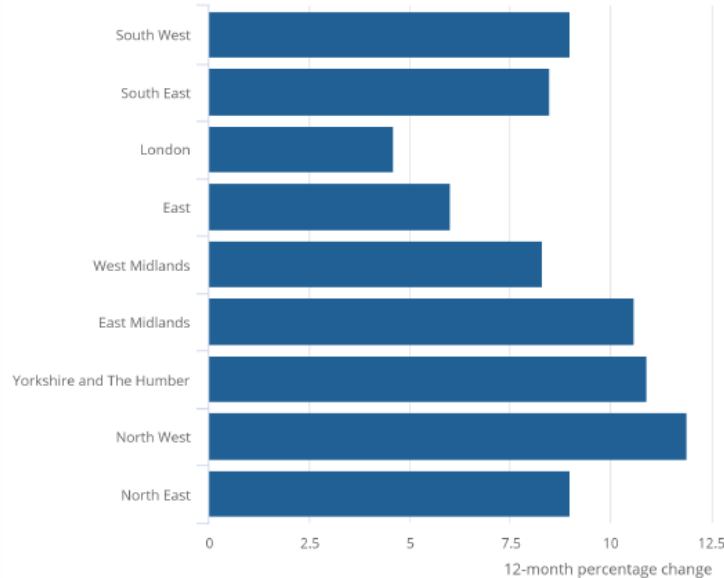


Source: [gov.uk price index](https://www.gov.uk/price-index)

“ Asking prices across England and Wales add 1.8% since last month (the largest monthly rise since May 2007), pushing annualised growth up to 7.4%. ”

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

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



“ Renewed demand and lack of supply has forced up prices in every English region and Scotland and Wales since last month, with the largest hikes in the South West, Wales and East of England, all equalling 2.6%. ”

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 February 2021	Monthly change	Annual change
First time buyer	£210,560	0.4%	8.6%
Former owner occupier	£290,627	-0.4%	8.7%

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

“ Two- and three-bedroom semi-detached houses are being snapped up quickest, with 30% of those that are being marked as sold by agents having been on the market for less than a week. This suggests that the surge in activity is now being driven by the mass market where few buyers will be achieving the maximum stamp duty savings. ”

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

UK house-price rates of change: types of dwelling

Property status	Average price December 2020	Monthly change	Annual change
New build	£297,104	0.0%	7.2%
Existing resold property	£247,203	0.8%	7.9%

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

“ House prices in April eclipsed the record high set the month before as the market continued to maintain its recent momentum. The average property is now worth £258,204, up 1.4% month on month and 8.2% annually, the highest annual growth rate in 5 years. ”

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

Number of housing transactions per month

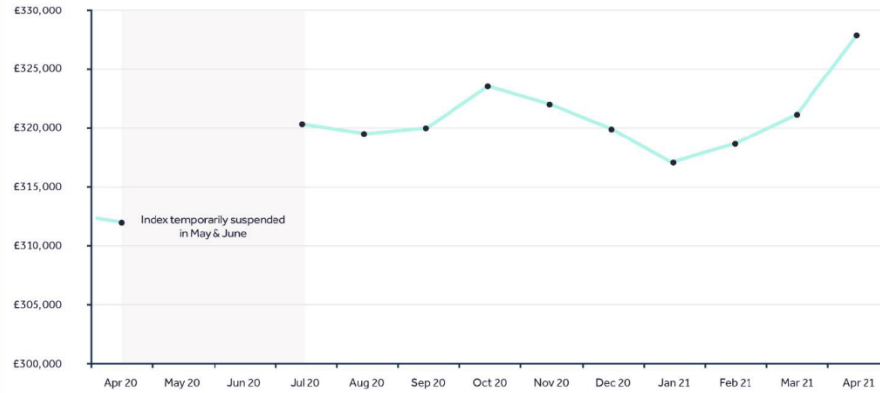
Country	December 2020	December 2019
England	71,132	70,541
Northern Ireland (one-third of sales in Q4 2020)	2,467	2,252
Scotland	10,756	8,072
Wales	4,146	4,089

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

“ Across the UK, the number of properties entering the market is 25% less on average than it was two years ago, and in many regions the supply shortages are much worse. Lack of supply has meant that the total stock of property for sale has been whittled down to a new all-time low of just 307,892 properties. This total of unsold property on the market is 30% lower than it was three years ago and 65% less than the record high of 868,241 set in May 2008. ”

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

Monthly asking-price trend

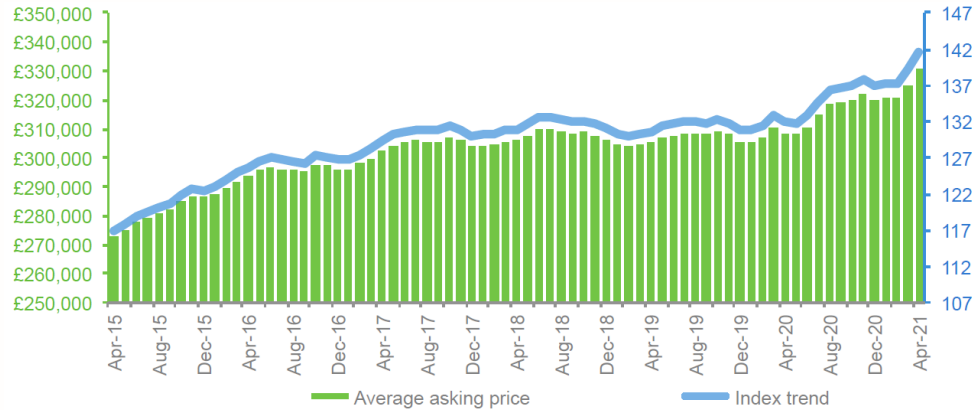


Source: [Rightmove price index](#)

Annual house price growth accelerated to 7.1% in April, only slightly below the peak of 7.3% recorded in December and up from 5.7% in March. In month-on-month terms, house prices rose by 2.1% in April, after taking account of seasonal effects, the biggest month rise since February 2004.

Source: [Nationwide price index](#)

Home asking-price trend for England & Wales

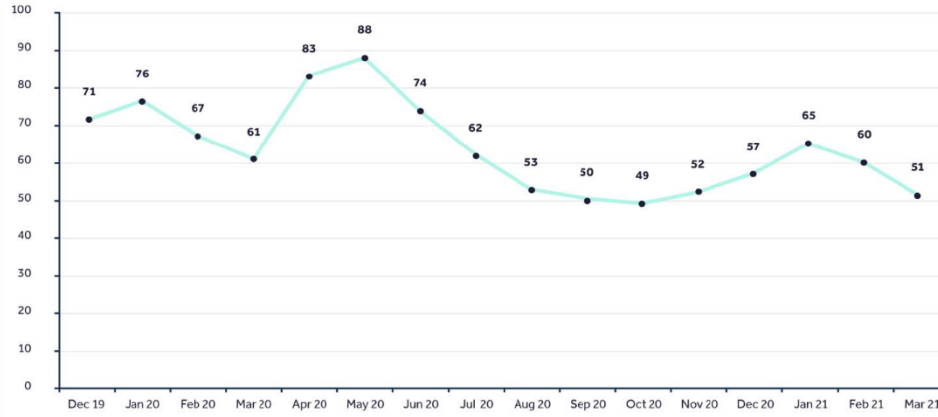


Source: [home.co.uk price index](https://www.home.co.uk/price-index)

“ A monthly price surge of 2.1% (+£6,733) has propelled new seller asking prices to a new record high, with the national average now standing at £327,797. This figure shatters the previous record, set in October last year, by over £4,000. The big jump comes as buyer demand sets another new record, chasing the lowest ever proportion of property available to buy. This is now the fastest selling market that Rightmove has measured since our records began. ”

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

Average-time-on-market indicator – National

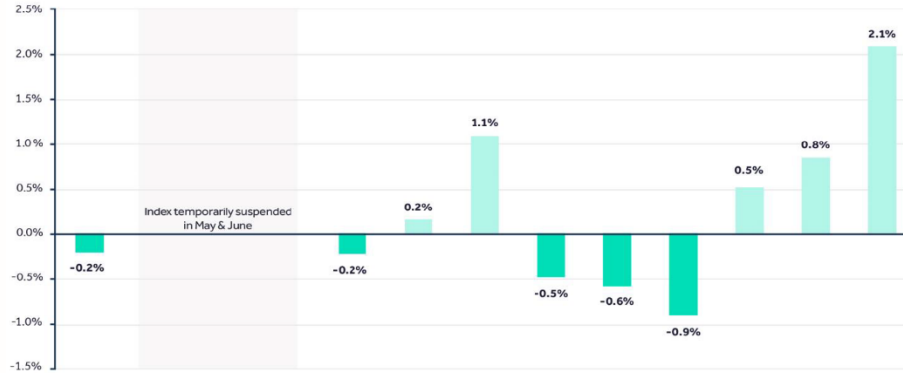


Source: [Rightmove price index](#)

“ Market momentum has increased rapidly as buyers snap up the little stock available, with the Typical Time on Market for unsold property in England and Wales falling by 27 days since last month to just 86 days. This figure is 15 days less than in April 2020. ”

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

Asking-price fluctuation percentage



Source: [Rightmove price index](#)

“ This month’s Index shows that in the last year, England and Wales have seen the average price of a home increase by some £30,000. On an annual basis, this is the highest rate of increase for over 6 years. It is a very clear statement about the resilience of the housing market and how well it has responded to the challenges of the pandemic and the fiscal remedies that have been administered in the last year. ”

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

UK sales volumes by funding status

Funding status	Average price February 2021	Monthly change	Annual change
Cash	£238,614	0.1%	9.0%
Mortgage	£260,772	-0.1%	8.5%

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

“Savings built up over the months in lockdown have given some buyers even more cash to invest in their dream properties, while the new mortgage guarantee scheme may have eased deposit constraints for some prospective homebuyers who previously thought their first step on the housing ladder was a few years away.”

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

UK house-price-to-earnings ratio

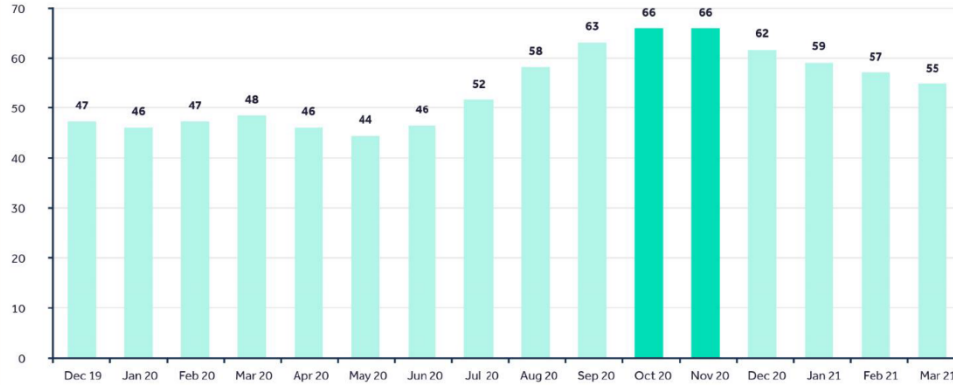


“ Demand has been injected into a market of historically low interest rates that have supported buyers’ affordability since 2008. Lockdowns have fuelled people’s willingness to make lifestyle and life-stage changes and the injection of fiscal support, in the form of the temporary stamp duty holiday, has further supported their ability and desire to move home. ”

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

Source: [Nationwide price index](#)

Average properties for sale per estate agent



Source: [Rightmove price index](#)

“ The total stock of property for sale in England and Wales has fallen again, setting a new all-time low of 307,892, 22.5% lower than in April 2020. ”

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

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