



Housing market overview

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

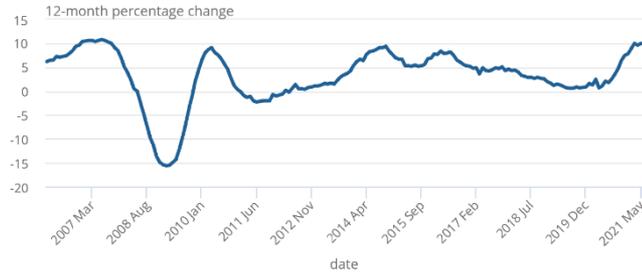
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- > House prices continue their upward trajectory, with all but one of our sources reporting month-on-month rises ranging from 0.4% to 0.9%. Nationwide is the only source reporting a decrease from the previous month of 0.5%. All sources report year-on-year increases in the range 5.4% to 10.7%.
- > Savills reports that an exceptionally strong housing market in addition to robust demand for land and a lack of immediate sites have underpinned high land value growth over the last quarter. They say UK greenfield and UK urban values increased by 1.7% and 1.8% in Q2 2021 respectively, marking the strongest growth in greenfield land values since 2014.
- > Savills have also upgraded its house price forecast for 2021. While stating that the next few years will be "harder to predict", they now expect UK house prices to grow 9% for the year, revised from its previous 4% which was forecast in March. Before this, it had envisaged 0% growth for 2021.
- > Halifax say the latest industry figures show instructions for sale are falling and estate agents are experiencing a drop in their available stock. They say this general lack of supply should help to support prices in the near-term, as will the exceptionally low cost of borrowing and continued strong customer demand.
- > Rightmove predict that the number of completed sales will be the highest ever seen in a single month when June's data is released by HMRC later this week. They say this means it's likely that the first half of 2021 will have seen a record number of moves when compared with the first six months of any other year, induced by the pandemic's side-effect of a new focus on what one's home needs to provide.
- > Nationwide say the Stamp Duty changes drove the number of housing market transactions to a record high of almost 200,000 in June as home buyers rushed to beat the deadline. They report this was around twice the number of transactions recorded in a typical month before the pandemic and 8% above the previous peak seen in March.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	May '21	▲ 0.9	▲ 10.0	£254,624	14.07.2021
LSL Property Services	June '21	▲ 0.8	▲ 10.7	£336,247	06.2021
Halifax	July '21	▲ 0.4	▲ 7.6	£261,221	06.08.2021
home.co.uk	July '21	▲ 0.6	▲ 8.0	£340,678	14.07.2021
Hometrack	June '21	N/A	▲ 5.4	£230,700	27.07.2021
Nationwide	July '21	▼ 0.5	▲ 10.5	£244,229	07.2021
Rightmove	July '21	▲ 0.7	▲ 5.7	£338,447	19.07.2021

UK annual house prices – rate of change

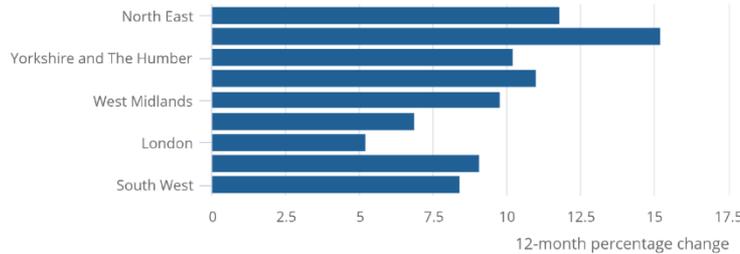


Source: [gov.uk price index](https://www.gov.uk/price-index)

“ Asking prices across England and Wales continue to rise overall as demand continues to overwhelm supply, adding another 0.6% since last month, although the annualised average has slipped to 8.0%.

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

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



“ Fierce demand has again forced up prices in every English region (except London), Wales and Scotland since last month, with the largest hikes in the East (+1.4%) and South West (+1.0%). ”

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 May 2021	Monthly change	Annual change
First time buyer	£213,336	0.7%	9.5%
Former owner occupier	£296,872	1.1%	10.7%

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

“ Rightmove’s “top of the ladder“ sector mainly includes homes which are detached with four bedrooms or more. These have seen a surge of 39% in the number of sales being agreed, and a drop of 15% in the number coming to market when compared to the first six months of 2019. This massive swing has seen average prices for this sector up by 6.7% in the last six months. ”

Source: [Rightmove price index](#)

UK house-price rates of change: types of dwelling

Property status	Average price March 2021	Monthly change	Annual change
New build	£325,483	5.1%	12.2%
Existing resold property	£251,199	1.5%	9.7%

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

“ House prices rose by 0.4% in July to add £1,122 to the cost of the average property, pulling back some of the ground lost during June (-0.6%, -£1,543). Annual price growth fell to +7.6%, its lowest level since March. This easing was somewhat expected given the strength of price inflation seen last summer, as the market began its recovery from the first lockdown, and with activity supported by the start of the Stamp Duty holiday. ”

Source: [Halifax price index](#)

Number of housing transactions per month

Country	March 2021	March 2020
England	80,257	57,626
Northern Ireland (Quarter 1 - 2021)	2,244	1,788
Scotland	11,968	6,447
Wales	3,515	3,340

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

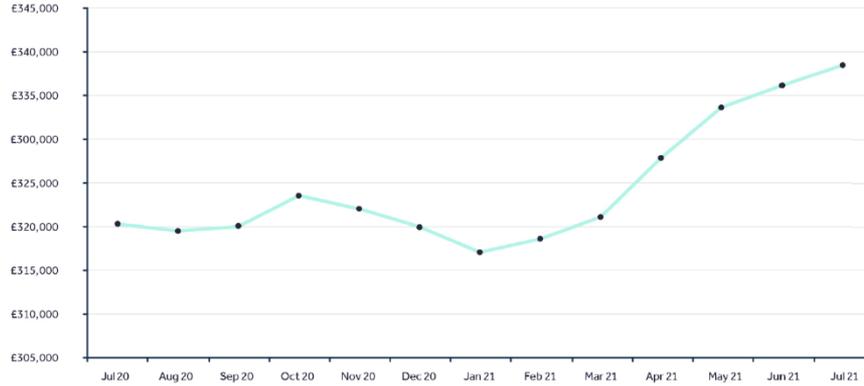


Monthly supply remains vastly below normal expectations in all regions (-32% compared to June 2019). The south west is worst hit by scarcity (-44%) while Greater London, in contrast to all other regions, shows supply is only slightly below expectations (down 4% compared to June 2019).



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

Monthly asking-price trend



“ The busiest first half of a year ever recorded by Rightmove pushes the average price of property coming to market to a new record high for the fourth consecutive month, and £21,389 higher (+6.7%) in just six months. The new all-time high of £338,447 is due to a monthly rise of 0.7% (+£2,374). This is the largest monthly rise at this time of year since July 2007. ”

Source: [Rightmove price index](#)

Home asking-price trend for England & Wales

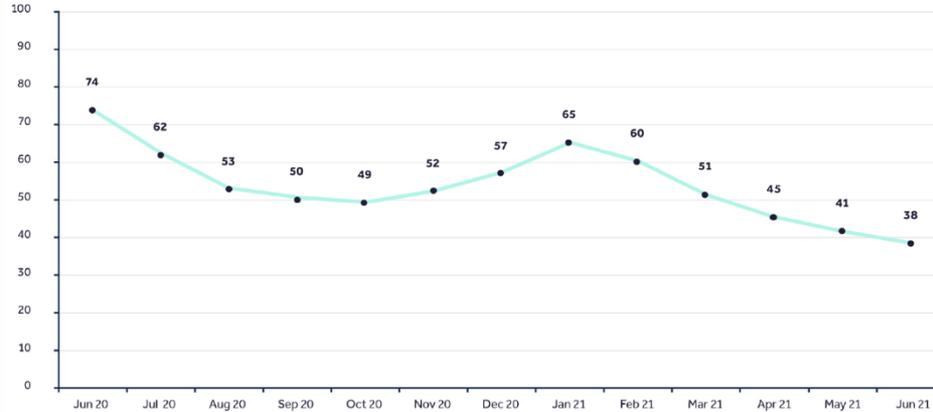


Source: [home.co.uk price index](https://www.home.co.uk/price-index/)

“ Over the last twelve months, our index has shown the average price of a home sold in England and Wales has increased by some £32,500, or 10.7%. If we exclude London from this then the figure is a very considerable 14%. Nevertheless, even including the capital, this is the highest annual rate since February 2005. ”

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

Average-time-on-market indicator – National

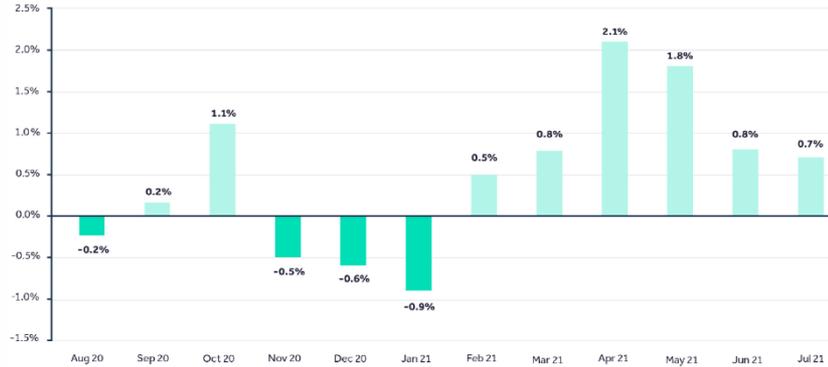


Source: [Rightmove price index](#)

“ The tapering of the Stamp Duty holiday is having no apparent calming effect on the market. In fact, the pace has quickened as buyers feverishly mop up the little sales stock available: Typical Time on Market for unsold property in England and Wales has fallen further to a mere 73 days (the lowest July figure since 2007). ”

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

Asking-price fluctuation percentage



Source: [Rightmove price index](#)

“ Annual house price growth slowed to 10.5% in July, from the 17-year high of 13.4% recorded the previous month. In month-on-month terms, house prices fell by 0.5%, after taking account of seasonal effects, following a 0.7% rise in June. ”

Source: [Nationwide price index](#)

UK sales volumes by funding status

Funding status	Average price May 2021	Monthly change	Annual change
Cash	£241,266	1.0%	10.0%
Mortgage	£265,914	0.9%	10.1%

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

“ ... fiscal support, combined with the UK’s monetary policy of historically low interest rates, continues to make home moves more affordable and has meant buyers can take advantage of cheaper borrowing and the savings they have made in lockdown to make their home moves. ”

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

UK house-price-to-earnings ratio

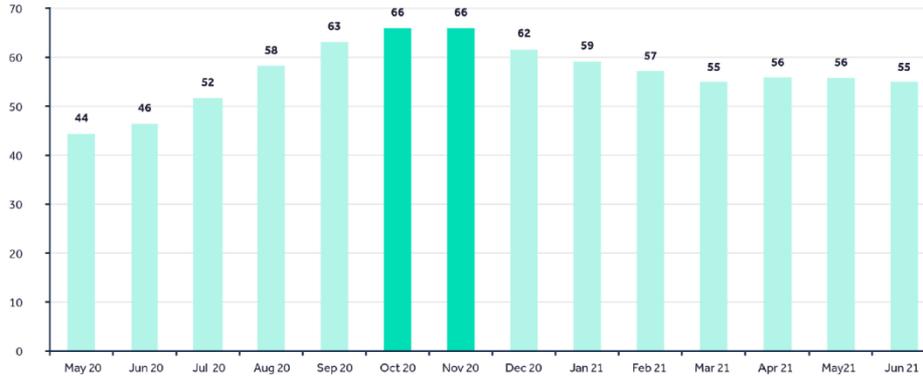


Source: [Nationwide price index](#)

“ Although there remains some uncertainty over the impact on employment from the unwinding of Government support schemes, on balance the risks to the macro-environment are receding, with consumer confidence improving, the labour market recovering, and the economy expanding as restrictions are lifted. ”

Source: [Halifax 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 to a new low of 273,531, 34.6% lower than in June 2020 and 43.4% less than in June 2018. ”

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

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