



Housing market overview

Produced 07 October 2021

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

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- > Have house prices finally reached a peak? This month, two of our sources are reporting fairly significant month-on-month falls: gov.uk -3.7% and LSL -1.4%. Other sources are reporting only relatively modest monthly rises in the range 0.1% to 1.7%. However, all sources are still reporting substantial annual rises, in the range 5% to 10%.
- > The Sunday Times reports that, post-Stamp Duty holiday and post-furlough, predictions for the autumn market are far from straightforward, further complicated by a potential energy crisis, a dire shortage of property for sale and rising inflation.
- > According to Halifax, perhaps the biggest factor in determining the future of house prices remains the limited supply of available properties. With estate agents reporting a further reduction in the number of houses for sale, they say that this is likely to underpin average prices – though not the recent rate of price growth – into next year.
- > Rightmove’s outlook is a little less frenetic. They tell us that the scene is now set for a better-balanced autumn moving season, with some early signs of a much-needed increase in the number of properties coming to market. In the first two weeks of September, the number of new listings is up by 14% compared to the last two weeks of August.
- > The beleaguered London housing market is finally showing signs of turning, according to hometrack, with buyer demand in the capital up 14% over the last month. This translates into a 25% rise in demand for houses across London and a 6% rise in demand for flats, as life continues to return towards normality.
- > Mortgage rates have reached a historic low with the launch of a new 0.79% loan, the lowest ever recorded in Britain. There are now 140 loans on the market with sub-1% interest rates, financial analysts Moneyfacts said. Platform, part of the Co-operative Bank, has undercut them all, having launched a two-year fixed-rate loan at 0.79%.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	July '21	▼ 3.7	▲ 8.0	£255,535	15.09.2021
LSL Property Services	August '21	▼ 1.4	▲ 5.0	£328,434	08.2021
Halifax	September '21	▲ 1.7	▲ 7.4	£267,587	07.10.2021
home.co.uk	September '21	▲ 0.2	▲ 7.4	£343,998	15.09.2021
Hometrack	August '21	N/A	▲ 6.1	£235,000	28.09.2021
Nationwide	September '21	▲ 0.1	▲ 10.0	£248,742	09.2021
Rightmove	September '21	▲ 0.3	▲ 5.8	£338,462	20.09.2021

UK annual house prices – rate of change

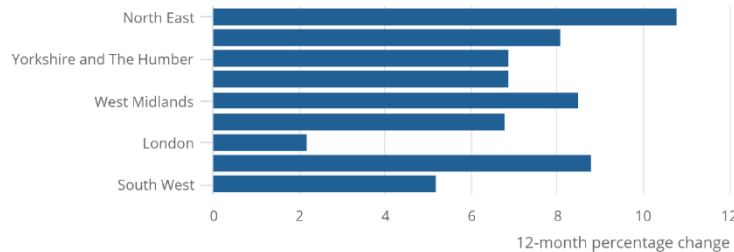


Source: [gov.uk price index](https://www.gov.uk/price-index)

“ House prices remain resilient in the round – all the more surprising when you consider the market was expecting some of the heat in the market might have been dampened by the stamp duty relief taper in England at the end of June. ”

Source: [LSL Property Services price index](https://www.lslproperty.com/price-index)

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



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

“ This month we see further price hikes in the East and East Midlands of 1.1 and 1.0% respectively. However, three English regions (the North East, the West Midlands and Yorkshire & Humber) all indicate a seasonal dip this month of -0.8%. This should not come as a surprise given their previous rapid price growth. Wales indicated a smaller correction of -0.3%.”

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 July 2021	Monthly change	Annual change
First time buyer	£214,237	-3.7%	7.7%
Former owner occupier	£297,324	-3.9%	8.3%

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

“ The rise of the ‘power buyer’ continues – those who have already sold their own home, have cash in the bank, or are first time buyers with a mortgage agreed, are in a more powerful position and are out-muscling those who still need to sell their current home. ”

Source: [Rightmove price index](#)

UK house-price rates of change: types of dwelling

Property status	Average price May 2021	Monthly change	Annual change
New build	£329,801	0.3%	12.0%
Existing resold property	£247,967	0.6%	9.2%

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

“ UK house prices rose by 1.7% in September, adding more than £4,400 to the value of the average property. This rate of monthly growth was the strongest since February 2007, pushing year-on-year house price inflation up to 7.4%. This also reversed the recent three-month downward trend in annual growth, which had peaked at an annual rate of 9.6% in May. ”

Source: [Halifax price index](#)

Number of housing transactions per month

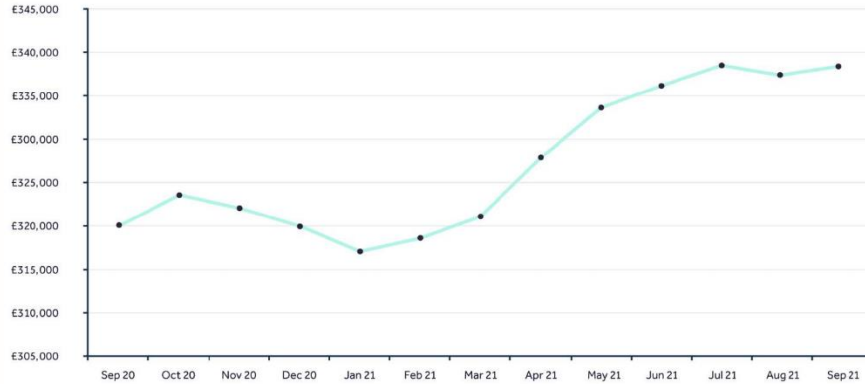
Country	May 2021	May 2020
England	26,733	30,798
Northern Ireland (Quarter 2 2021 average monthly sales)	2,396	670
Scotland	8,379	3,336
Wales	1,572	1,576

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

“ The monthly transaction count from which we have derived the average prices for June, July and August are 26,026, 8,324 and 4,941 sales respectively. These figures contrast with the HMRC estimates of housing transactions in England and Wales for June and July 2021 of 200,000 and 70,000 sales respectively (the August HMRC totals are not yet available at the time of going to press). This suggests that the Land Registry continues to have a mammoth task ahead in processing the number of outstanding registrations. ”

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

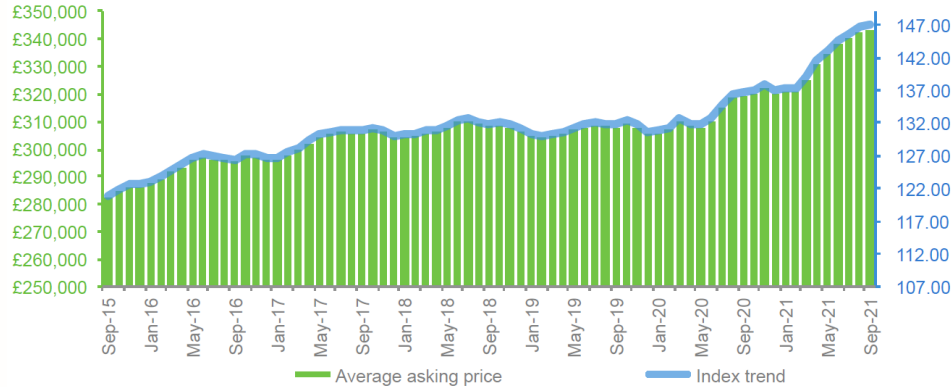
Monthly asking-price trend



“ The national average price of property coming to market hits a new all-time high after rising by 0.3% (+£1,091) this month, to £338,462. This new record high is only £15 higher than the previous record set in July, a sign that prices are now stabilising. ”

Source: [Rightmove price index](#)

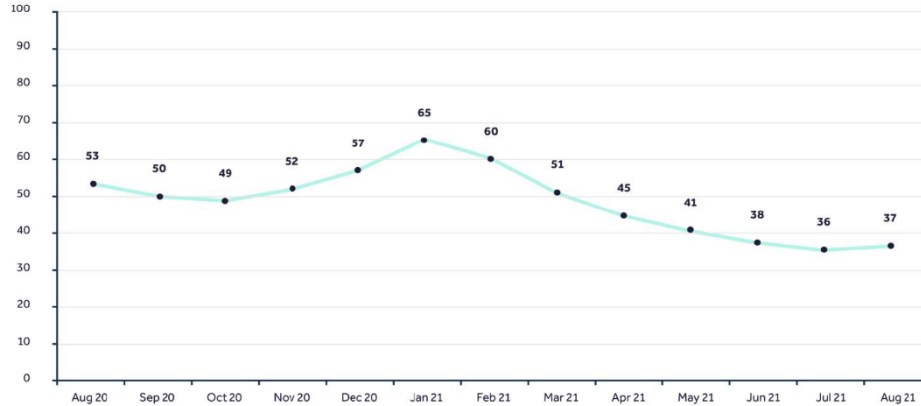
Home asking-price trend for England & Wales



“ Thanks to lower supply, asking prices across England and Wales nudged up again despite the looming end of the stamp duty tax break, adding another 0.2% since last month, although the annualised average growth slipped a little to 7.4% ”

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

Average-time-on-market indicator – National

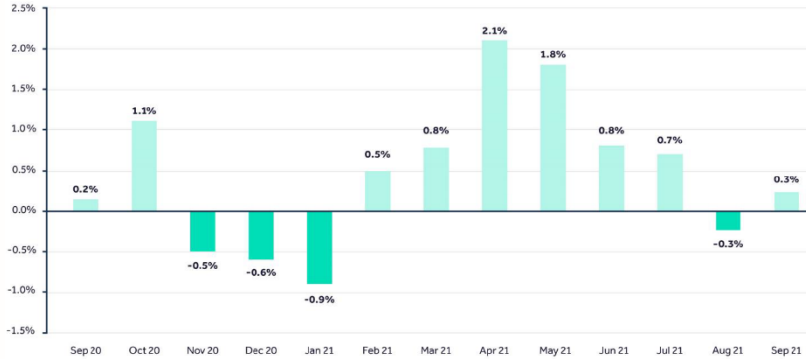


Source: [Rightmove price index](#)

“ Whilst relatively low, Typical Time on Market for unsold property in England and Wales has risen slightly by five days since last month to 82 days, in line with seasonal expectations. ”

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

Asking-price fluctuation percentage



Source: [Rightmove price index](#)

“ Annual house price growth remained in double digits for the fifth month in a row in September, though there was a modest slowdown to 10.0%, from 11.0% in August. House prices rose by 0.1% month-on-month, after taking account of seasonal effects. As a result, house prices remain c13% higher than before the pandemic began in early 2020. ”

Source: [Nationwide price index](#)

UK sales volumes by funding status

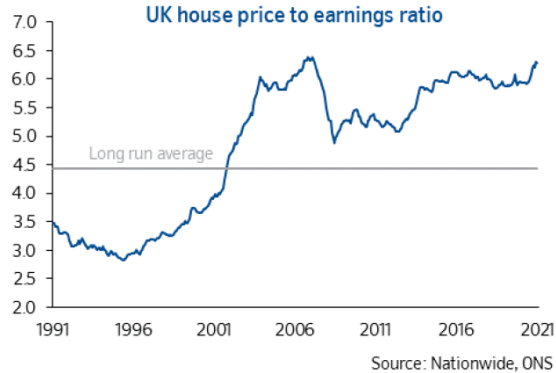
Funding status	Average price July 2021	Monthly change	Annual change
Cash	£242,901	-3.8%	8.1%
Mortgage	£266,285	-3.8%	7.9%

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

“ The average price of all completed sales funded by both mortgages and cash grew at an annual rate of 5.0% in August. This is 4.0% lower than the rate of 9.0% recorded in June, the reduction almost certainly relating to the ending of the first stage of the Stamp Duty holiday in England, along with the complete withdrawal of the Land Transaction tax holiday in Wales. ”

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

UK house-price-to-earnings ratio

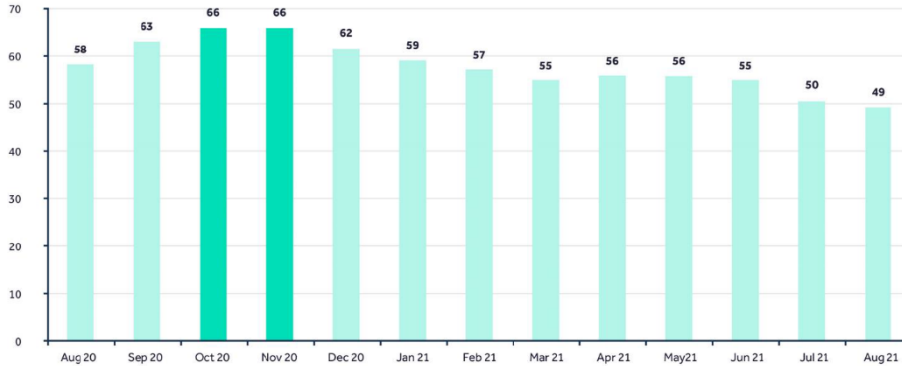


Source: [Nationwide price index](#)

“ The labour market has remained remarkably resilient to date and, even if it does weaken, there is scope for shifts in housing preferences as a result of the pandemic – such as wanting more space or to relocate – to continue to support activity for some time yet. ”

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 been eroded further to a new record low of 265,774, 38.8% lower than in September 2020 and 45.0% less than in September 2018. ”

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

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