



Housing market overview

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

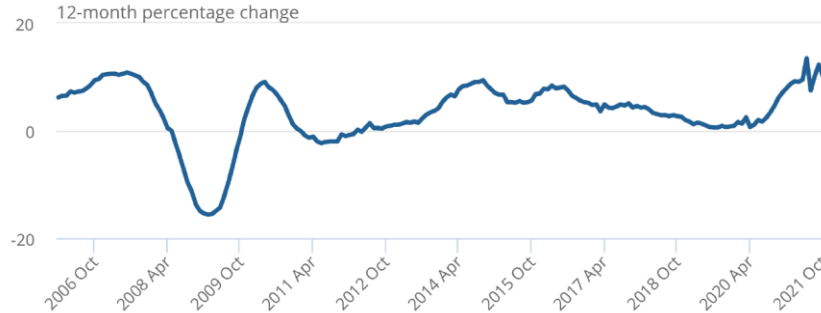
Market overview	3
Summary of published price indices	4
UK annual house prices – rate of change	5
Regional all-dwellings annual house price – 12-month % change	6
UK house-price rates of change: types of buyer	7
UK house-price rates of change: types of dwelling	8
Number of housing transactions per month	9
Monthly asking-price trend	10
Home asking-price trend (England & Wales)	11
Average-time-on-market indicator (National)	12
Asking-price fluctuation percentage	13
UK sales volumes by funding status	14
UK house-price-to-earnings ratio	15
Average properties for sale per estate agent	16

- > Differing statistics abound, with half of our sources continuing to report house price growth, with month-on-month rises ranging from 0.5% to 1.1%. Gov.uk, home.co.uk and Rightmove are conversely reporting monthly price falls in the range of 0.4% to 1.1%. All sources, however, continue to report year-on-year increases in the range 3.8% to 10.4%.
- > The Telegraph reports house prices in the UK have hit an all-time high after rising by an average of £16,000 in 2021, new data has revealed. They say the average home now has a market value of £240,800, the highest on record and up from the previous year's average of £224,800.
- > The Telegraph also reports that increased demand for houses means that 29 buyers are competing for every property listed. The average number of houses available per estate agency branch fell to 20 in November, down from 21 in October, according to Propertymark.
- > According to Halifax, the housing market defied expectations in 2021, with quarterly growth reaching 3.5% in December, a level not seen since November 2006. They say in 2021 we saw the average house price reach new record highs on eight occasions, despite the UK being subject to a 'lockdown' for much of the first six months of the year.
- > Rightmove say that, while fully available stock for sale has hit a new record low this month, valuation requests from home-owners are 19% up on this time a year ago, suggesting more people will be making a New Year resolution to move. They also say strong buyer demand is carrying forward into 2022, with November showing buyer numbers 41% up on election-subdued 2019, and still 3% up on booming 2020.
- > Hometrack comment that while the rate of price growth is easing from the peak in late summer, the strong market conditions throughout the year have put upward pressure on prices. They say when we examine price growth by region, the rise in values registered in the last 12 months is larger than that posted over the previous two years combined in nearly every region in the country.
- > Nationwide expect the housing market will slow this year, since the Stamp Duty holiday encouraged many to bring forward their house purchase in order to avoid additional tax. They say the Omicron variant could reinforce the slowdown if it leads to a weaker labour market. They go on to say even if wider economic conditions remain resilient, higher interest rates are likely to exert a cooling influence. Indeed, house price growth has outpaced income growth by a significant margin over the past 18 months and, as a result, housing affordability is already less favourable than before the pandemic struck.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	October '21	▼ 1.1	▲ 10.2	£268,349	15.12.2021
LSL Property Services	November '21	▲ 0.5	▲ 3.8	£337,173	11.2021
Halifax	December '21	▲ 1.1	▲ 9.8	£276,091	07.01.2022
home.co.uk	December '21	▼ 0.4	▲ 6.9	£342,754	15.12.2021
Hometrack	November '21	N/A	▲ 7.1	£240,900	20.12.2021
Nationwide	December '21	▲ 1.0	▲ 10.4	£254,822	12.2021
Rightmove	December '21	▼ 0.7	▲ 6.3	£340,167	13.12.2021

UK annual house prices – rate of change

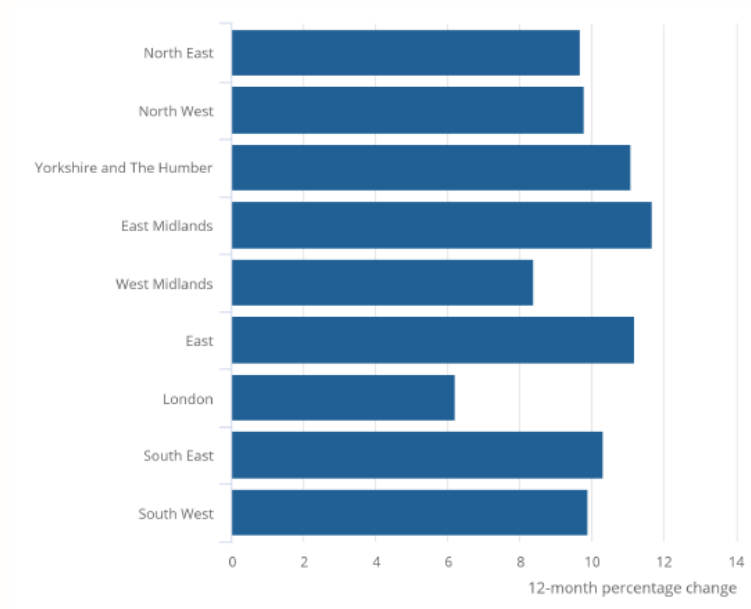


Source: [gov.uk price index](https://www.gov.uk/price-index)

“ Asking prices across England and Wales show a seasonal correction this month, dipping 0.4% since November, although the annualised average growth is up slightly at 6.9%. The greatest price corrections were in the East (-1.1%) and North East of England (-1.5%). ”

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 Greater London market performance improves further and now indicates 4.1% annualised growth, ahead of Scotland, the North East (now the worst performer) and Yorkshire. ”

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

UK house-price rates of change: types of buyer

Type of buyer	Average price October 2021	Monthly change	Annual change
First time buyer	£222,997	-1.7%	9.2%
Former owner occupier	£315,161	-0.6%	11.3%

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

“ The lack of spending opportunities afforded to people while restrictions were in place helped boost household cash reserves. This factor, alongside the Stamp Duty holiday and the race for space as a result of homeworking, will have encouraged buyers to bring forward home purchases they'd maybe planned for this year. The extension of the Government's job and income support schemes also supported the labour market and may have given some households the confidence to proceed with purchases. ”

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

UK house-price rates of change: types of dwelling

Property status	Average price August 2021	Monthly change	Annual change
New build	£348,188	2.2%	18.0%
Existing resold property	£257,188	3.6%	9.2%

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

“ In terms of the property types that are flourishing in this regional story, we are seeing growth in the semi-detached and terraced markets. This is not the narrative that has previously supported price rises as the race for space during the pandemic has previously supported the view that detached and larger properties with gardens have been fuelling the growth. ”

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

Number of housing transactions per month

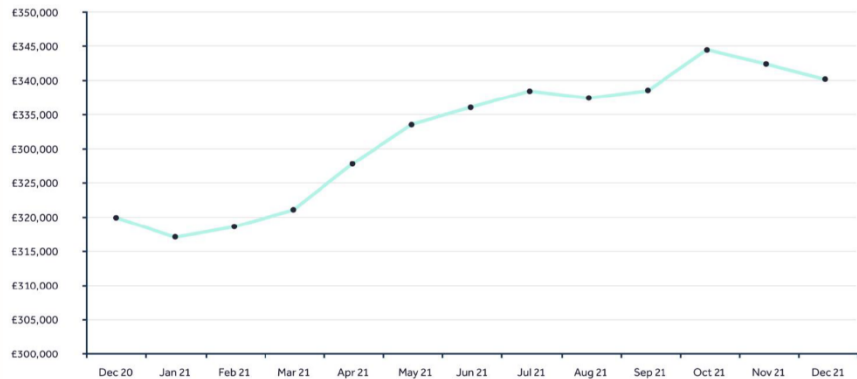
Country	August 2021	August 2020
England	26,661	56,476
Northern Ireland (Quarter 3 - 2021 average monthly sales)	2,510	1,766
Scotland	9,743	6,977
Wales	1,613	2,525

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

“ The total stock of property for sale in England and Wales continues to plummet as demand outweighs supply, hitting a new record low of 231,260, 42.0% lower than in December 2020 and 49.8% less than in December 2018. ”

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

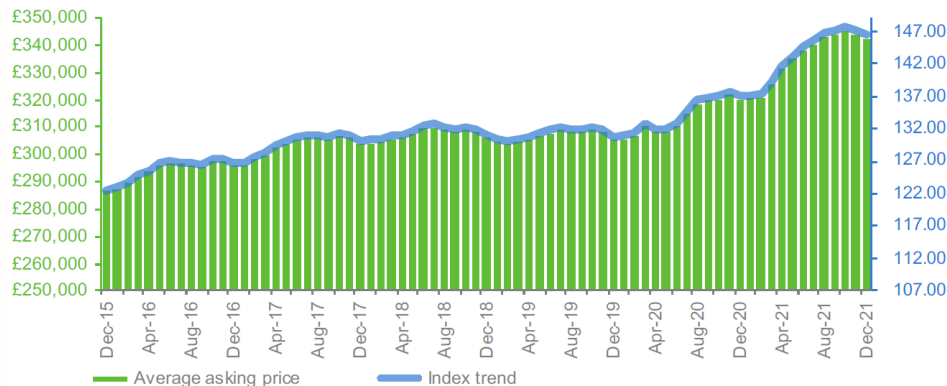
Monthly asking-price trend



As an exceptionally busy 2021 draws to a close, Rightmove expects a closer to normal though still busy market in 2022. One sign of a return to traditional norms is the continuation of the seasonal fall in the price of property coming to market, down by 0.7% (-£2,234) on the month, compared to a 0.6% fall this time a year ago.

Source: [Rightmove price index](#)

Home asking-price trend for England & Wales

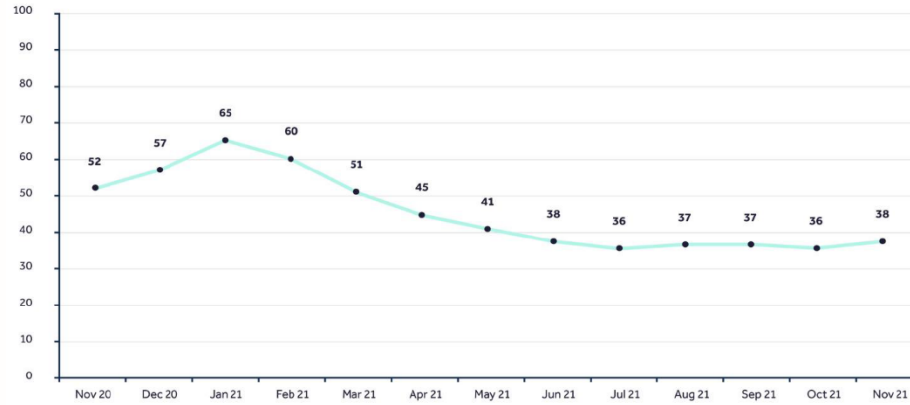


Source: [home.co.uk price index](https://www.home.co.uk/price-index)

“ Average UK house prices rose by 1% in November, taking the total annual growth to 7.1%, down from 7.6% in August. This took the value of an average home to £240,800, up some £16,000 compared to November last year. ”

Source: [Hometrack price index](https://www.hometrack.com/price-index)

Average-time-on-market indicator – National

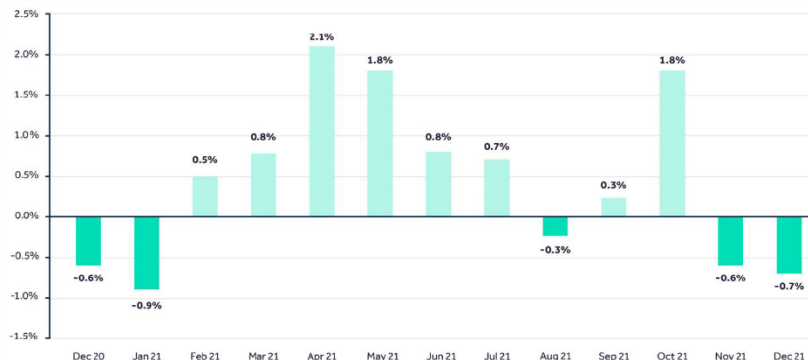


Source: [Rightmove price index](#)

“ The market shows exceptional momentum for the time of year with the Typical Time on Market for unsold property in England and Wales remaining at 80 days (median), contrary to seasonal expectations of a slowdown. Never in the history of this index has the typical property spent so little time on the market in December. ”

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

Asking-price fluctuation percentage



“ While we forecast prices to rise by another 5% in 2022, some of the edge will be taken off sellers’ pricing power by increasingly stretched buyer affordability, and more buyer choice boosted by previously hesitant sellers now gearing up for a New Year move. This would be particularly timely, as fully available stock for sale has hit a new record low again this month. ”

Source: [Rightmove price index](#)

UK sales volumes by funding status

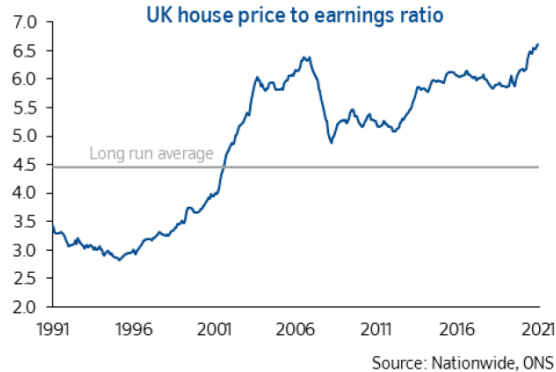
Funding status	Average price October 2021	Monthly change	Annual change
Cash	£255,730	-0.9%	10.3%
Mortgage	£279,511	-1.2%	10.2%

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

“ Demand has remained strong in recent months, despite the end of the Stamp Duty holiday at the end of September. Mortgage approvals for house purchase have continued to run above pre-pandemic levels, despite the surge in activity seen earlier in the year. Indeed, in the first 11 months of 2021 the total number of property transactions was almost 30% higher than over the same period of 2019. ”

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

UK house-price-to-earnings ratio

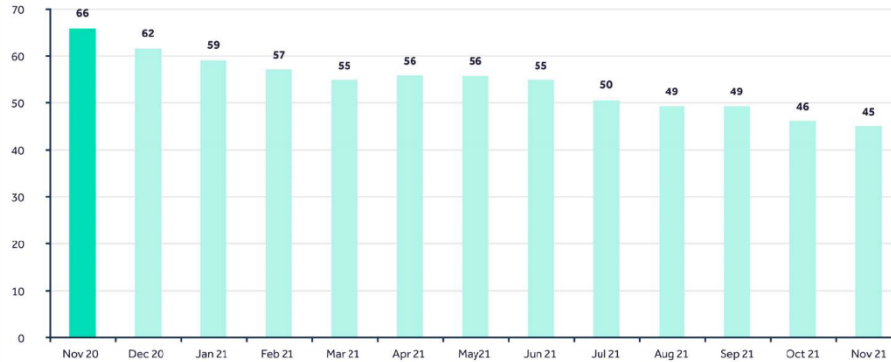


Overall, even with another rate rise next year, mortgage rates will remain relatively low compared to long-run averages, and many households are further protected by the 'stress tests' that lenders have been implementing, ensuring their household income will withstand mortgage rates at 3% higher than their current rate.

Source: [Hometrack 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 continues to plummet as demand outweighs supply, hitting a new record low of 231,260, 42.0% lower than in December 2020 and 49.8% less than in December 2018. ”

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

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