

# Housing market overview

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This document provides the latest information available from various sources, with dates varying from November 2021 – January 2022

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- > Following what may have been no more than a blip last month, house prices continue their upward trajectory with all of our sources reporting month-on-month rises ranging from 0.2% to 1.7%. All sources report year-on-year increases in the range 6.0% to 11.2%.
- > Nationwide comments that high inflation and growing confidence that the Omicron variant will not derail the wider economic recovery has led to increased expectations that policymakers will increase interest rates further in the months ahead. They say this will further reduce housing affordability if it feeds through to higher mortgage rates, although to date a significant proportion of the rise in longer-term interest rates seen in recent months has been absorbed by lenders.
- > Hometrack reports average UK house prices rose by 1% in the three months to December, taking the rate of annual growth to 7.4%, down from 7.7% in September. They say that the value of an average home is now sitting at £242,000, a rise of £17,000 during 2021.
- > Zoopla tell us that the housing market remains notably busy, with demand for homes in the new year up 49% compared with the three-year average. They say this reflects the total number of buyers contacting agents in the four weeks to January 16 2022, compared to the average over a similar period between 2018 and 2021.
- > Rightmove comments that strong demand and continuing low numbers of available homes for sale set up the housing market frenzy to continue into the start of 2022, with early-bird sellers benefitting from increased buyer competition:
  - The number of buyers enquiring about homes is 15% higher than the same time last year
  - The number of available homes for sale per estate agency branch drops again to a new record low of just 12
  - As a result, competition among buyers is almost double what it was at this time last year
- > Halifax reports that household budgets face even greater pressure from increases in the cost of living and rises in interest rates beginning to feed through to mortgage rates. They say that while the limited supply of new housing stock to the market will continue to provide some support to house prices, it remains likely that the rate of house price growth will slow considerably over the next year.

## Summary of published price indices

| Source website              | Period covered | Monthly change (%) | Annual change (%) | Average house price | Official releases |
|-----------------------------|----------------|--------------------|-------------------|---------------------|-------------------|
| gov.uk UK house price index | November '21   | ▲ 1.2              | ▲ 10.0            | £270,708            | 19.01.2022        |
| LSL Property Services       | December '21   | ▲ 1.7              | ▲ 6.0             | £349,234            | 12.2021           |
| Halifax                     | January '22    | ▲ 0.3              | ▲ 9.7             | £276,759            | 07.01.2022        |
| home.co.uk                  | January '22    | ▲ 0.2              | ▲ 6.9             | £343,301            | 12.01.2022        |
| Hometrack                   | December '21   | N/A                | ▲ 7.4             | £242,000            | 27.01.2022        |
| Nationwide                  | January '22    | ▲ 0.8              | ▲ 11.2            | £255,556            | 01.2022           |
| Rightmove                   | January '22    | ▲ 0.3              | ▲ 7.6             | £341,019            | 17.01.2022        |

# UK annual house prices – rate of change

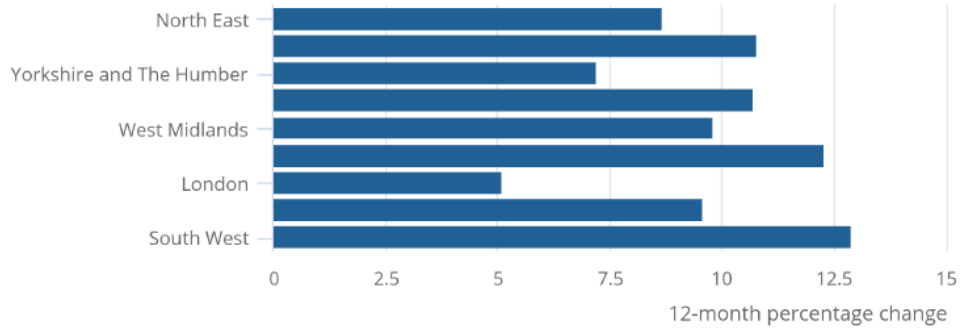


“ Annual house price growth accelerated to 11.2% in January, the strongest pace since June last year, and the strongest start to the year for 17 years. Prices rose by 0.8% month-on-month, after taking account of seasonal effects, the sixth consecutive monthly increase. ”

Source: [Nationwide price index](#)

Source: [gov.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 looks set to break out this year. Supply is down a massive 33% year-on-year, sales stock is down 25% and prices are already up 1.3% over the last six months, making it one of the top four performing English regions. ”

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 November 2021 | Monthly change | Annual change |
|-----------------------|-----------------------------|----------------|---------------|
| First time buyer      | £225,175                    | 1.4%           | 9.1%          |
| Former owner occupier | £317,774                    | 1.1%           | 11.0%         |

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

“ A 10% deposit on a typical first-time buyer home is equivalent to 56% of total gross annual earnings, a record high. Similarly, a typical mortgage payment as a share of take-home pay is now above the long run average, despite mortgage rates remaining close to all-time lows. ”

Source: [Nationwide price index](#)

# UK house-price rates of change: types of dwelling

| Property status          | Average price September 2021 | Monthly change | Annual change |
|--------------------------|------------------------------|----------------|---------------|
| New build                | £359,717                     | 2.9%           | 21.7%         |
| Existing resold property | £265,918                     | 3.4%           | 11.6%         |

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

“ Average demand for London apartments at the highest level since April 2020. The average value of a flat in London has remained largely unchanged over the last 12 months, while the average price of a semi-detached house has risen by 6%, signaling value in the flats market. ”

Source: [Hometrack price index](#)



# Number of housing transactions per month

Number of sales volumes by country

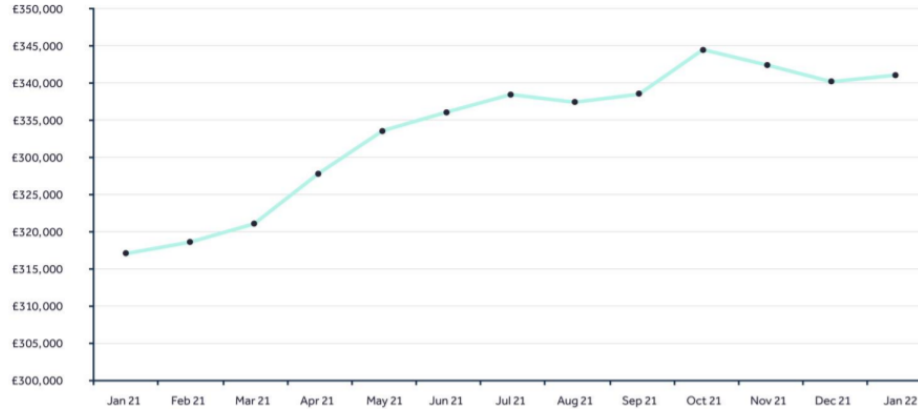
| Country   | September 2021 | September 2020 |
|---|----------------|----------------|
| England   | 40,929         | 62,864         |
| Northern Ireland (Quarter 3 - 2021 average monthly sales) | 2,510          | 1,766          |
| Scotland  | 9,250          | 10,619         |
| Wales   | 1,590          | 2,859          |

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

“ Monthly supply of new sales listings remains comparatively low across the UK, down 18% compared to the month of December 2020. Greater London shows the greatest contraction again this month. ”

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

## Monthly asking-price trend

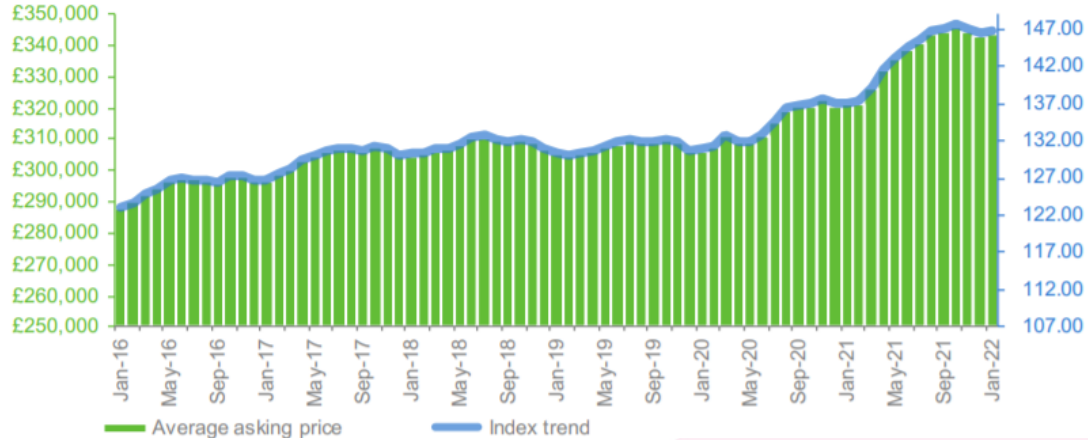


Source: [Rightmove price index](#)

“ House price growth slowed somewhat at the start of the year, rising by just 0.3% in January, the smallest monthly increase since June 2021. This followed four consecutive months of gains above 1%, and with annual growth remaining at 9.7%, the average UK house price was little changed, edging up slightly to a new record high of £276,759. ”

Source: [Halifax price index](#)

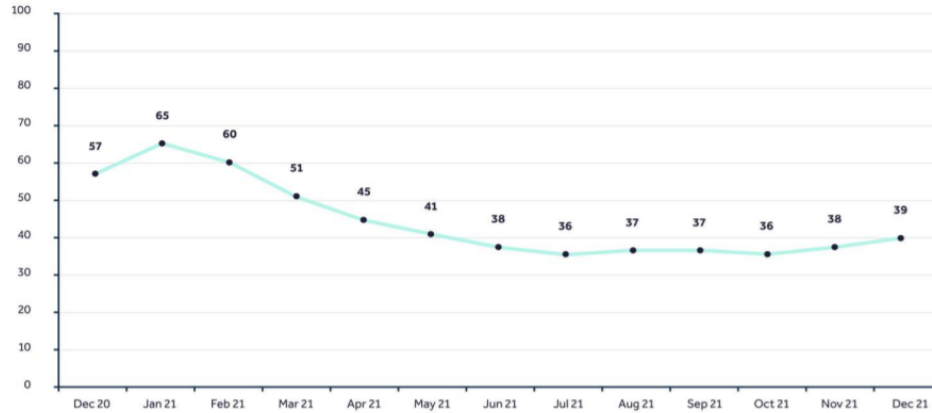
# Home asking-price trend for England & Wales



“ Asking prices across England and Wales show a small rise this month, up 0.2% since December, while the nominal annualised average growth remains unchanged at 6.9%. Prices in the West Midlands show an exceptionally bullish rise of 1.5%. The greatest price correction was in the South East (-0.8%). ”

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

## Average-time-on-market indicator – National

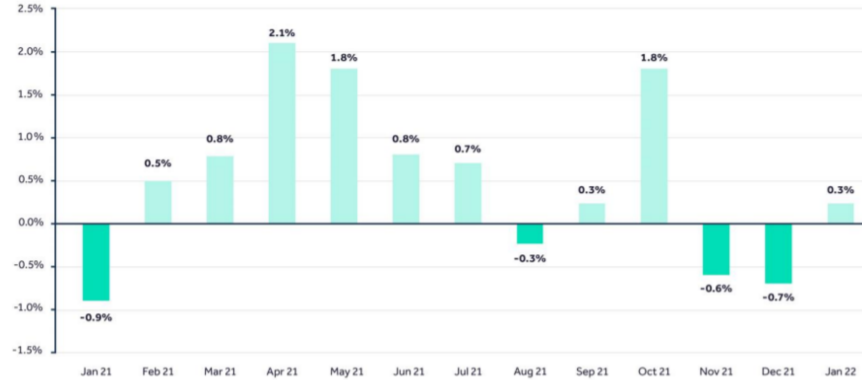


Source: [Rightmove price index](#)

“ The market retains considerable momentum with the typical time on market for unsold property in England and Wales at 92 days (median), nine days less than in January 2021. ”

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

# Asking-price fluctuation percentage



...national average asking prices are now 7.6% higher than this time last year, an annual rate of growth not seen by Rightmove since the 8.3% recorded back in May 2016. The jump in average asking prices this month is driven by homes in the “top of the ladder” and “first-time buyer” sectors, with first-time-buyer-type homes hitting a new record average asking price of £214,176.

Source: [Rightmove price index](#)

# UK sales volumes by funding status

| Funding status | Average price November 2021 | Monthly change | Annual change |
|----------------|-----------------------------|----------------|---------------|
| Cash           | £256,739                    | 1.1%           | 9.5%          |
| Mortgage       | £282,557                    | 1.3%           | 10.3%         |

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

“ Housing demand has remained robust. Mortgage approvals for house purchases have continued to run slightly above pre-pandemic levels, despite the surge in activity in 2021 as a result of the stamp duty holiday, which encouraged buyers to bring forward their transactions to avoid additional tax. ”

Source: [Nationwide price index](#)

# UK house-price-to-earnings ratio



Source: [Nationwide price index](#)

“ Following the peak activity of 2021, transaction volumes are returning to more normal levels. Affordability remains at historically low levels as house price rises continue to outstrip earnings growth. Despite record levels of first-time buyers stepping onto the ladder last year, younger generations still face significant barriers to home ownership as deposit requirements remain challenging. ”

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 continues to fall as demand outstrips supply, hitting a new record low of 222,050, 40.9% lower than in January 2021 and 50.1% less than in January 2019. ”

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



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