

Housing market overview

Produced 07 March 2022

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

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

- > House prices continue their upward trajectory, with all of our sources reporting month-on-month rises ranging from 0.1% to 2.3%. All sources report year-on-year increases in the range 7.0% to 12.6%.
- > Nationwide comments there is scope for inflation to rise even further as events in Ukraine threaten to send global energy prices even higher. They say assuming that labour market conditions remain strong, the Bank of England is also likely to raise interest rates, which will exert a further drag on the market if this feeds through to mortgage rates.
- > Hometrack reports average UK house prices rose by 0.9% in the three months to January, taking the rate of annual growth to 7.8%, down from 8% in December. They say price growth gained momentum during most of 2021, after one of the busiest years the market had ever experienced.
- > The Telegraph warns us that house prices could fall by 10pc next year due to Russia's invasion of Ukraine. They say this is expected to accelerate price drops, as higher gas and oil prices keep inflation higher for longer.
- > Rightmove comments new seller asking prices hit a new record high of £348,804 this month, rising by 2.3% (+£7,785). They say February normally sees a rise in asking prices from January, but this is the biggest monthly jump in cash terms recorded by Rightmove in more than twenty years of reporting, and the annual rate of asking price growth (+9.5%) is the highest recorded since September 2014.
- > Zoopla says that January's data shows the lowest level of quarterly house price growth since August 2020. At the same time, they noted that house prices were not likely to follow a "linear" path. They say as of January 2022, the average price of a UK home was £244,100, which Zoopla said was a rise of around £80,000 over the past decade.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	December '21	^ 0.8	^ 10.8	£274,712	16.02.2022
LSL Property Services	January '22	^ 1.5	^ 7.7	£357,750	01.2022
Halifax	February '22	^ 0.5	^ 10.8	£278,123	07.03.2022
home.co.uk	February '22	^ 0.1	^ 7.0	£343,764	16.02.2022
Hometrack	January '22	N/A	^ 7.8	£244,100	04.03.2022
Nationwide	February '22	^ 1.7	^ 12.6	£260,230	02.2022
Rightmove	February '22	^ 2.3	^ 9.5	£348,804	21.02.2022

UK annual house prices – rate of change

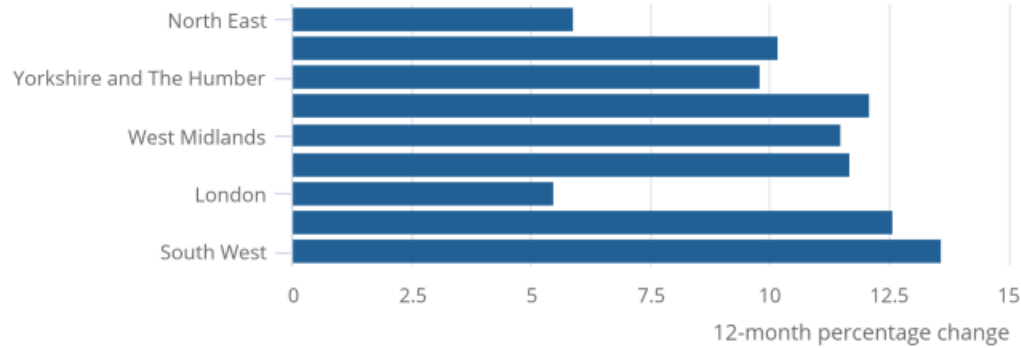


Source: [gov.uk price index](https://www.gov.uk/price-index)

“ Annual house price growth accelerated to 12.6% in February, up from 11.2% in January and the strongest pace since June last year. Prices rose by 1.7% month-on-month, after taking account of seasonal effects, the seventh consecutive monthly increase. ”

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

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



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

“ Over the past year the average price of detached properties (£43,251, +11%) have risen at a rate more than four times that of flats (£10,462, +7%) in cash terms. ”

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

UK house-price rates of change: types of buyer

Type of buyer	Average price December 2021	Monthly change	Annual change
First time buyer	£228,627	0.9%	9.9%
Former owner occupier	£322,547	0.8%	11.8%

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

“ Changing sentiment in the market as a result of the evolving economic conditions, would cause another slowdown in listings as potential movers, sellers, adopt a ‘wait and see’ approach. But in the face of such high demand, including from first-time buyers who do not need to sell, there will still be the opportunity to secure transactions. ”

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

UK house-price rates of change: types of dwelling

Property status	Average price October 2021	Monthly change	Annual change
New build	£358,543	2.0%	22.1%
Existing resold property	£260,629	-1.7%	8.2%

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

“ This slower moving flats market means the average price of a flat across the UK rose by 2.6% in the year to the end of January. This is the highest level of growth for flats since 2017, but it still trails price growth for houses – with the average value of a semi-detached home in the UK rising by 9.1% over the same time frame. ”

Source: [Hometrack price index](#)

Number of housing transactions per month

Number of sales volumes by country

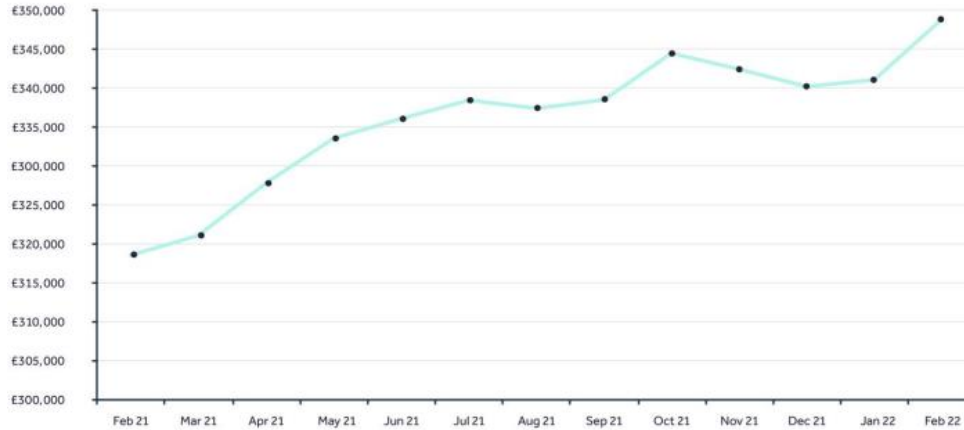
Country	October 2021	October 2020
England	22,642	77,907
Northern Ireland (Quarter 4 - 2021)	2,510	2,806
Scotland	10,228	12,974
Wales	2,017	4,200

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

“ Monthly supply of new sales listings has risen slightly across the UK; up 4% compared to the month of January 2021, although Greater London shows a contraction. ”

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

Monthly asking-price trend



Source: [Rightmove price index](#)

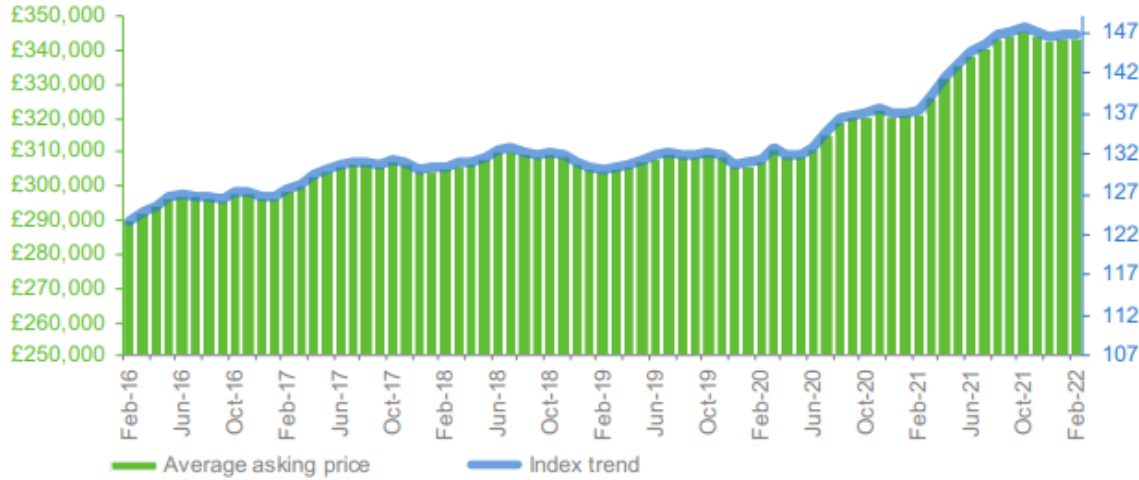


The price of a typical home is now £44,138 (20%) higher than in February 2020 - the month before the pandemic struck the UK.



Source: [Nationwide price index](#)

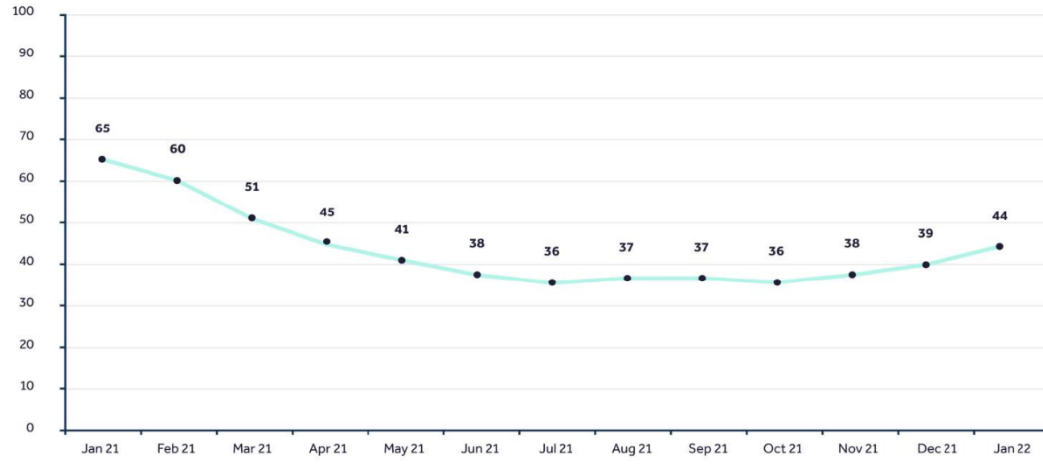
Home asking-price trend for England & Wales



“ Asking prices across England and Wales show a marginal rise of 0.1% since January, while the nominal annualised average growth nudged up to 7.0%. Prices in the North West and East are the most bullish in England, rising 0.8% in each region during the last month, while Welsh prices jumped 1.1%. ”

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

Average-time-on-market indicator – National

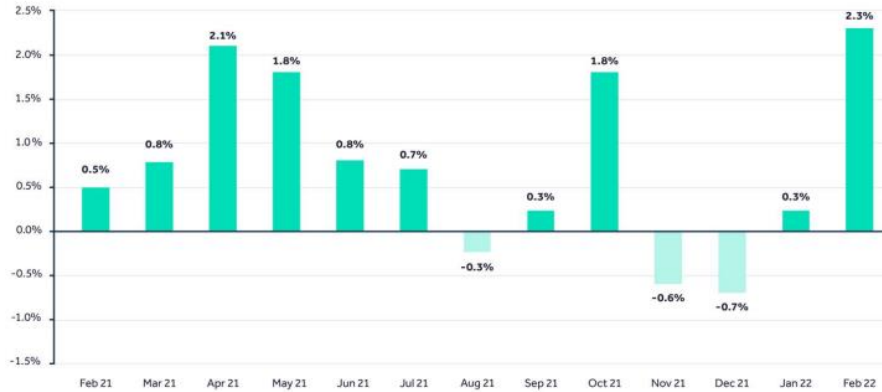


Source: [Rightmove price index](#)

“ The market is picking up momentum earlier than usual this year with the Typical Time on Market for unsold property in England and Wales dropping to 87 days (median), 24 days less than in February 2021. ”

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

Asking-price fluctuation percentage



“ ...average asking prices have now risen by nearly £40,000 in the two years since the pandemic started, compared to just over £9,000 in the previous two years. ”

Source: [Rightmove price index](#)

UK sales volumes by funding status

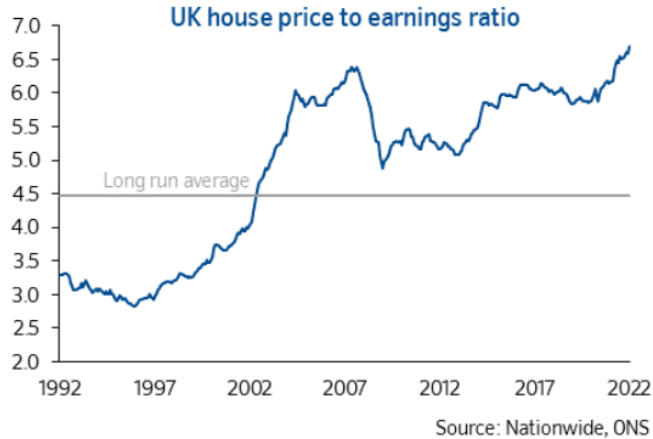
Funding status	Average price December 2021	Monthly change	Annual change
Cash	£260,457	0.7%	10.2%
Mortgage	£286,918	0.9%	11.1%

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

“ Housing affordability has already become more stretched, in part because house price growth has been outstripping earnings growth by a wide margin since the pandemic struck. The price of a typical home is now equivalent to 6.7 times average earnings, up from 5.8 in 2019. ”

Source: [Nationwide price index](#)

UK house-price-to-earnings ratio

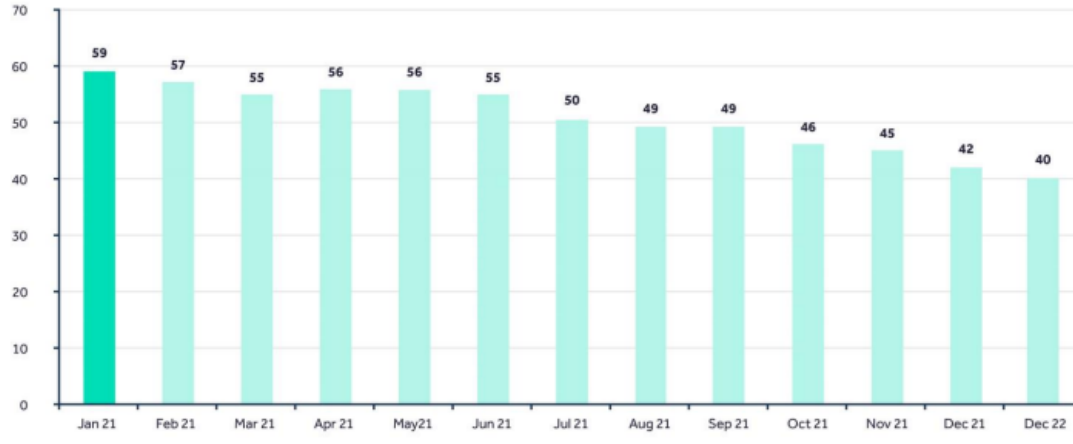


Source: [Nationwide price index](#)

“ The continued buoyancy of the housing market is a little surprising, given the mounting pressure on household budgets from rising inflation, which reached a 30-year high of 5.5% in January, and since borrowing costs have started to move up from all-time lows in recent months. ”

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 ticked up this month for the first time since October 2020, adding 7,257 properties to the record low of 222,050 last month. ”

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

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