

## August 2020 property price update

### Independent, free, expert advice on housing

Buying, selling or investing in today's variable market means you need to take a great deal of care before making a decision. It's essential to secure independent, up-to-date advice you can trust. Kate and her team from [Propertychecklists.co.uk](http://Propertychecklists.co.uk) make it easy to access the information and support consumers' needs via FREE of charge [eBooks](#), checklists, articles and one-to-one advice.

### Impact of Covid-19 on property statistics

*We are looking at any indices with a great deal of caution. Due to a lack of robust data there are some that have even been suspended, including our 'main report' we rely on: the government's Land Registry.*

*We are producing reports as best as we can using one off reports from the likes of Hometrack, Savills and Knight Frank and reports such as the RICS which is a sentiment survey. We are sense checking any statistics by talking to people we trust who are on the 'front line' of sales and understanding not just the numbers but the conversations they are having with buyers and sellers.*

*The good news is, this month, we are seeing some 'old friends' who have provided housing data for years come back into the market!*

*However, please remember that confidence drives the market up and down and currently we are trying to understand what's happening so we give a real picture to buyers, sellers and investors, not create 'scary headlines'!*

### Summary of property price reports

#### Report Headlines

<a href="#">Rightmove</a>	<i>"Britain gets moving - unexpected mini-boom pushes prices to record high"</i>
<a href="#">Home.co.uk</a>	<i>"The market bounces back and prices soar"</i>
<a href="#">NAEA Propertymark</a>	<i>"Housing market continues to thrive following lockdown"</i>
<a href="#">RICS</a>	<i>"Activity rebounds firmly but caution remains on the longer term outlook"</i>
<a href="#">Nationwide</a>	<i>"House price growth rebounds in July as activity bounces back"</i>
<a href="#">Halifax</a>	<i>"Sharp increase in July pushes house prices to highest ever levels"</i>
<a href="#">LSL Acadata HPI</a>	<i>"Wales and South West continue to benefit from lockdown lifestyle reappraisal"</i>
<a href="#">Hometrack</a>	<i>"Lockdown distorts housing market supply/demand dynamics"</i>

## What's happening in the property market currently?

	High	Low	Jun-20	Jul-20	Annual Change	Annual Average (05 - 20)		
Rightmove Nationwide	£241,474	£213,570	n/a	£320,265	3.7%	3.6%	Asking prices	E & W
Halifax	£184,131	£147,746	£216,403	£220,936	1.5%	2.5%	Mortgaged only	UK
LSL Acadata HPI	£199,766	£157,767	£237,616	£241,604	3.8%	2.6%	Mortgaged only , seasonally adjusted	UK
	£231,829	£197,145	£298,842	n/a	0.4%	3.2%	Actual prices, includes cash sales	E & W

After the media have tried to use data to 'talk down' the property market over the last couple months, even they couldn't ignore the 'mini boom' that the housing market has experienced since re-opening, most declaring it a 'surprise'!

However, for those working in the market since mid May, this isn't a surprise at all and the industry has been rushed off their feet. Current national data shows that, in the main, property prices are performing around the same growth level (2-3%) year on year as we have seen over the last 15 years.

Even though that isn't 'great' growth (it's less than half the level prices would have grown at annually since 2000), it is still a good result considering the news that we are (understandably) in the deepest recession ever!

### National commentary from individual indices

#### Rightmove

*"Properties throughout Britain are finally able to come to market again, and they are doing so at a new record average asking price due to an unexpected mini-boom. The average price of property coming to market is £320,265 this month, up by an average of 2.4% (+£7,640) compared to March before the housing market was put on hold. Last month's report could only refer to English prices, but there is now sufficient new seller asking price data for Scotland and Wales to restart Rightmove's national index, and the new all-time high follows on from March's £312,625 record in the busy market before lockdown. The price of property coming to market is an accurate early indicator of demand, evidenced by unique buyer enquiries currently being up by 75% so far this month compared to the same period a year ago."*

#### RICS

*"The survey's headline gauge of price growth moved out of negative territory for the first time since March. Across the UK in aggregate, 12% of respondents reported an increase in house prices during July, a noticeable turnaround on the reading of -13% registered in the June results. When disaggregated, prices rose to a greater or lesser extent in virtually all regions/countries covered. London represents the sole exception, where -10% of respondents cited a decline (albeit this is significantly less negative than the reading -54% posted beforehand).*

*"As to the future, at the national level, a net balance of +8% of contributors expect prices to increase over the next twelve months. As such, this latest reading is consistent with a flat to marginally positive outlook for house prices in the year ahead."*

## Nationwide

“UK house prices rose by 1.7% in July, after taking account of seasonal effects, offsetting the 1.6% fall in June. As a result, annual house price growth recovered to 1.5%, from -0.1% last month. On a seasonally adjusted basis, house prices in July were 1.6% lower than in April.

“The bounce back in prices reflects the unexpectedly rapid recovery in housing market activity since the easing of lockdown restrictions. The rebound in activity reflects a number of factors. Pent up demand is coming through, where decisions taken to move before lockdown are progressing.”

## Halifax

“Following four months of decline, average house prices in July experienced their greatest month on month increase this year, up 1.6% from June and comfortably offsetting losses in 2020. The average house price in July is the highest it has ever been since the Halifax House Price Index began, 3.8% higher than a year ago.

“The latest data adds to the emerging view that the market is experiencing a surprising spike post lockdown. As pent-up demand from the period of lockdown is released into a largely open housing market, a low supply of available homes is helping to exert upwards pressure on house prices. Supported by the government’s initiative of a significant cut in stamp duty, and evidence from households and agents suggesting that confidence is currently growing, the immediate future for the housing market looks brighter than many might have expected three months ago.”

## Regional property price performance

The regional property price data is a mix of asking prices through to sold property price data this month with LSL Acadata coming back into the market. Overall, prices are still looking very buoyant year on year in pretty much most regions, with the newly opened markets of Wales and Scotland bouncing back incredibly well. The LSL Acadata data shows a less positive picture, with some areas recording some falls, but it’s likely to take a few more months for the data to ‘settle’ down so we can review exactly what’s been happening in the market since lockdown and re-opened.

For now though, in the main, people are not letting a second wave or the chance of price falls getting in the way of putting a new roof over their head, and this is probably the first time that I can remember people have put their happiness in a home over and above the fear of what will happen to house prices.

### Regional trends

Region	Rightmove Average house price	Annual change	Home.co.uk Average house price	Annual change	LSL Acadata Average house price	Annual change
North East	£157,080	2.5%	£167,036	4.0%	£162,747	-0.5%
North West	£208,330	4.0%	£221,379	6.7%	£192,666	0.6%
Yorkshire & Humber	£204,050	5.2%	£218,112	8.1%	£191,559	-1.3%
East Midlands	£238,523	4.8%	£245,846	3.2%	£218,927	-1.1%
West Midlands	£239,945	4.1%	£264,236	3.3%	£227,424	-0.4%
East of England	£362,975	2.5%	£353,501	0.7%	£329,072	-1.8%
London	£641,854	3.9%	£528,431	2.3%	£594,765	-2.1%
South East	£418,795	2.2%	£406,861	2.9%	£381,846	1.2%
South West	£320,361	2.6%	£334,365	2.8%	£291,231	1.6%
Wales	£206,900	3.1%	£221,615	4.8%	£192,241	3.3%
Scotland	£166,322	5.3%	£199,060	6.6%		

Sources:

[Rightmove](#)

[Home.co.uk](#)

[LSL Acadata](#)

## Regional commentary from individual indices

### Home.co.uk

*“The national average home price jumped a further 1.2% over the last month but there were examples of much greater hikes at the regional level. In fact, we have witnessed price rises across all English regions and in Scotland and Wales over the last three months. The 12-month price growth figures are most impressive, both regionally and nationally, considering the economic chaos brought on by the pandemic. Yorkshire leads the regions with exceptional price growth of 8.1% since August last year. The North West also shows strong growth of 6.7% over the last year. At odds with most mainstream predictions of doom and gloom, these two regions are registering the kind of growth we would expect during a property boom. Scotland is also showing impressive growth at an annualised 6.6%, a far cry from the dire post-Brexit warnings.*

*“Wales and the North East show solid growth. In fact, the North East is now displaying the best price performance for many years, previously being hamstrung with sub-inflation stagnation. Further south, the Midlands, South East, South West and London are all indicating reasonable growth over and above monetary inflation. For the time being, only the East of England shows sub-inflation growth, and this is the natural consequence of a previous period of intense growth. Prices in this region overheated and, like London previously, a price correction was inevitable. Now, key indicators suggest that this market may return to more robust growth as long as supply does not overwhelm the significant demand that is apparent.”*

### LSL Acadata HPI

*“There appears to be a movement away from Greater London to more attractive areas in the South East, the South West and Wales, which in turn may be a consequence of changing work patterns, it now being possible to work from home and so reducing the requirement to commute to an office in central London. Price movements in these three GOR areas appear to be supporting this theory, with Wales topping our price growth league, followed by the South West and the South East. This month, to add to this trio, we need to also include the North West, where price growth has also turned positive, with Cheshire West and Chester reaching new highs in terms of their average house prices. In June, seven of the ten GOR areas have seen an increase in their annual price growth, compared to May, with just three areas seeing a slowing in their rates. The three areas experiencing a slow-down in rates are the South East, Yorkshire and the Humber and the South West.”*

## Analysis of towns/cities

In the absence of Land Registry data, we are using the Hometrack data to take a look at what's happening in cities across the UK. In general, they tend to perform better than the 'rest of the UK' as rural areas don't necessarily have the same supply and demand constraints.

### UK house price index and city summary – June 2020

	Average price	%yoy Jun-20	%yoy Jun-19	Monthly trend	Annual trend
UK	£219,500	2.7%	1.0%		
20 city index	£255,300	2.3%	1.1%		
Nottingham	£158,800	4.5%	3.2%		
Manchester	£174,500	4.1%	3.6%		
Leeds	£170,300	3.6%	2.5%		
Leicester	£184,400	3.1%	4.9%		
Liverpool	£122,800	2.9%	3.1%		
Sheffield	£139,300	2.8%	2.3%		
Bristol	£282,400	2.8%	1.2%		
Birmingham	£168,100	2.8%	3.3%		
Edinburgh	£233,600	2.6%	4.6%		
Cardiff	£211,900	2.3%	3.1%		
Glasgow	£119,700	2.2%	2.7%		
London	£479,300	1.7%	-0.8%		
Portsmouth	£240,600	1.6%	0.7%		
Newcastle	£128,000	1.6%	0.5%		
Belfast	£138,300	1.5%	3.9%		
Cambridge	£413,500	1.5%	-0.4%		
Bournemouth	£289,600	1.0%	0.6%		
Oxford	£401,300	0.8%	-1.3%		
Southampton	£227,400	0.7%	0.2%		
Aberdeen	£143,300	-2.4%	-4.3%		

Source: [Hometrack](#)

### Towns/cities commentary

Cities across the UK are experiencing anything from falls – mostly restricted to Aberdeen which is still suffering from the issues caused by a fall in oil prices, through to over 4% rises in the likes of Manchester and Nottingham. This shows how individual property price movements are, not only at city level, but even down to individual property prices and I think this will be exacerbated when the recession really starts to hit the property market, which as Hometrack have indicated could be pushed back now until 2021.

Overall though, the data reiterates that individual property price knowledge from local expert agents are the key to successful buying and selling for consumers.

## Towns/cities commentary from the indices

### Hometrack

*“UK house price inflation in the 12 months to June 2020 edged higher to +2.7%, the highest level of annual growth for almost two years. The post election rebound boosted sales and activity over Q1 which is still feeding into the headline index.*

*“The monthly UK growth rate has halved to +0.2% and city price indices are registering slower annual growth as a result of the lockdown.*

*“There is no evidence of any material, localised price falls across the index series at regional or city level. A small proportion of local areas are registering small month on month price falls of up to -0.2%.*

*“Given current trends we do not expect the headline rate of annual growth to move into negative territory over 2020. A growing imbalance of supply and demand is set to support prices over 2020 and sales agreed today will be completing up until November. Any price falls in the headline UK Index are more likely in 2021 H1.”*

## Property transactions, demand and supply

The really good news, albeit not ‘great news’ is from Hometrack this month, stating that *“sales volumes which we expect to be 15% lower than in 2019”* – much better than some of the previous predictions suggesting the market could drop by substantially more.

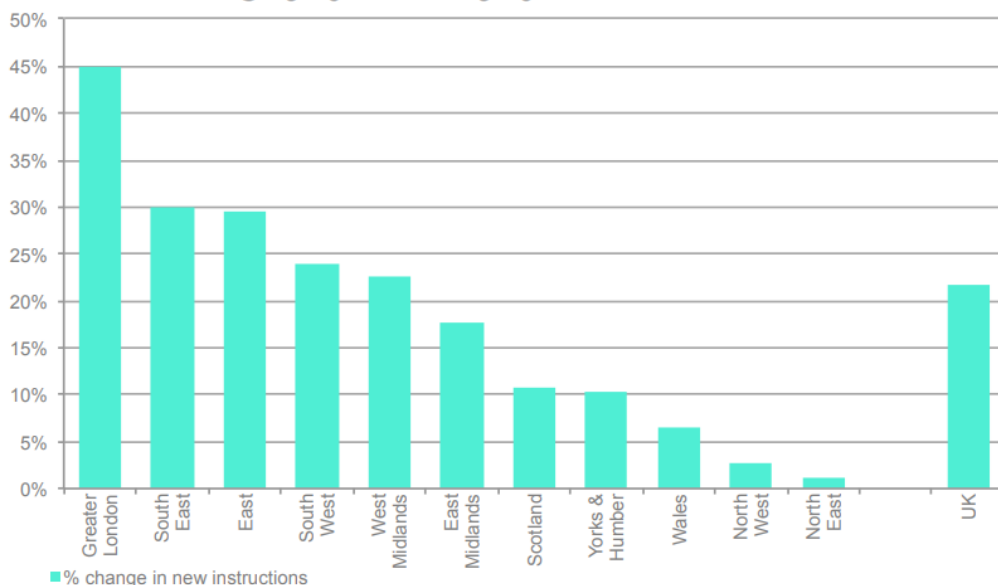
The chart below from Home.co.uk shows a strong increase in supply coming onto the market versus last year, but of course this is ‘pent up sales’ with new listings being held back for at least six weeks.

This improvement is backed up by the NAEA data which shows: *“the number of sales recorded is the highest number since May 2017. Year-on-year, the number of sales agreed has increased marginally from nine on average per branch.”*

It’s vital that sales agents capitalise on this rise as much as possible over the coming few months, as at some point, because demand and supply is being pulled forward so much, the market will have to come to a bit of a halt.

Whether that happens before or after Xmas we won’t know until around October time.

### New Sales Listings, July 2020 vs. July 2019



Source: [Home.co.uk](https://www.home.co.uk)

## Rightmove

*“Current activity levels clearly show that Britain is getting moving again, with the number of properties coming to market up by 11.1% this month compared to a year ago despite Scotland and Wales not contributing for the full period, and total available stock recovering to now being just 13% down. The market is now in full flow with 40,741 (44%) of the 92,085 newly listed properties in the first month after the English market reopened having already found a buyer, compared to 34% for the equivalent dates last year. The stamp duty holidays, which are now expected to run until 31st March in all regions of the UK, are a further incentive to come to market now.*

*“The immediate effect of the stamp duty cut in England has been to amplify the buyer surge. The number of sales agreed in the five days after the announcement (between the 8th and 12th July) was up by 35% on the same days a year ago. This is significantly higher than the 15% increase in sales agreed numbers in England measured in the month of June before the announcement.”*

## NAEA Propertymark

*“The average number of sales agreed per estate agent branch stood at 10 in June, double the amount recorded in May when there were five sales recorded per branch. The number of sales recorded is the highest number since May 2017. Year-on-year, the number of sales agreed has increased marginally from nine on average per branch.*

*“The number of sales made to FTBs stood at 29 per cent, falling from 32 per cent in May.*

*“The number of house hunters registered per estate agent branch rose from 344 in May, to 379 in June. Year-on-year, housing demand is up by 24 per cent, rising from 305 in June 2019.*

*“The number of properties available per member branch stood at 37 in June, increasing from 35 in May. Year-on-year, the supply of housing remained the same.”*

## RICS

*“With regards to new buyer enquiries, +75% of survey participants noted an increase over the month. This marks the second consecutive report in which demand has rebounded firmly following the lockdown induced slump seen from March to May. Similarly, new instructions being listed onto the sales market rose sharply, evidenced by +59% of respondents reporting a rise (up from a reading of +41% in June).*

*“Alongside this, +57% of respondents nationally saw a rise in agreed sales over the month. This is up from a reading of +43% last time and is again indicative of a strong pickup in transaction levels after the hefty declines reported a few months ago. Furthermore, a positive reading was returned for the agreed sales indicator across all parts of the UK.”*

## Hometrack

*“While there has been a lot of focus on the impact of COVID-19 on house prices, the greatest impact will be felt in sales volumes which we expect to be 15% lower than in 2019.*

*“This is a much better outcome than many, including us, expected in mid-March. We estimate 124,000 sales will be lost over 2020 as a result of the market closure.”*