

October 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 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

Over the last few months, we have been checking and scrutinising house market statistics as many were still being influenced by lockdown as the market didn't open until mid-May. However, we are starting to see similar trends emerging between the indices suggesting that the stats are being less affected. But I would still only take averages with a pinch of salt. What matters to home movers and investors is what's happening to property prices/rents on a particular street as at a local level, we see huge variations versus the 'average'.

Summary of property price reports

Report Headlines

Rightmove	<i>"Price record for larger homes as buyers compete for space"</i>
NAEA Propertymark	<i>"One in eight properties sold for more than asking price in August"</i>
RICS	<i>"Housing market activity continues to advance at a strong pace"</i>
Nationwide	<i>"Annual house price growth gathers momentum in September as housing market recovery continues"</i>
Halifax	<i>"House prices rebound further to reach record high, challenging affordability"</i>
e.surv	<i>"Stamp duty holiday keeps the market active"</i>
Hometrack	<i>"Supply/demand imbalance supports growth but first-time buyer demand softening"</i>

What's happening in the property market currently?

	High	Low	Jul-20	Aug-20	Sep-20	Annual Change	Annual Average (05 - 20)		
Rightmove	£241,474	£213,570	£320,265	£319,497	£319,996	5.0%	3.6%	Asking prices	E & W
Nationwide	£184,131	£147,746	£220,936	£224,123	£226,129	5.0%	2.7%	Mortgaged only	UK
Halifax	£199,766	£157,767	£241,604	£245,747	£249,870	7.3%	2.9%	Mortgaged only , seasonally adjusted	UK
e.surv	£231,829	£197,145	£298,842	£304,521	£311,624	3.4%	3.5%	Actual prices, includes cash sales	E & W
UK HPI	£190,032	£154,452	£237,963	n/a	n/a	2.3%	3.1%	Sold prices, includes cash sales and new builds	UK

What's happening in the property market currently? - cont'd

I bet you are all shattered! The news from all the indices is that transactions are achieving levels we haven't seen for a long time. Nationwide state *"Mortgage approvals for house purchases rose from 66,000 in July to almost 85,000 in August - the highest since 2007, well above the monthly average of 66,000 prevailing in 2019."* while the NAEA figures show that the *"average number of sales agreed per estate agent branch stood at 12 in August, a slight decrease from 13 in July [which is] the highest figure recorded for the month of August since 2007"* and that *"year-on-year, the number of sales per branch has increased by 33 per cent, rising from nine in August 2019."*

It's quite clear that the market volume wise is doing extremely well and we know that everyone is going to have to be patient while lenders and legal companies in particular are being put under huge amounts of unexpected stress and strain, albeit it is severely affecting all of the home moving industries with the removals industry struggling to keep pace too.

What's interesting though is that we aren't seeing double digit price growth as we would normally see during these 'boom times'. Yes prices are rising, but at a much lower rate than we've seen in the past, and considering since 2005, the average increase year on year to date ranges across the indices from 2.7% to 3.6% (see the table), it's not far off the current 2.5% to 5% (I'm ignoring the strange year on year stat that Halifax produces!)

According to Hometrack, the answer lies in stock. They explain *"More buyers....bring more supply to the market and available sales inventory is 10% higher than a year ago. Greater supply increases choice for buyers and will keep the rate of house price inflation in check."*

National commentary from individual indices

Rightmove

"The trend of up-sizing to a larger home has continued at pace over the past month, leading to record asking prices in the second-stepper sector, made up of three- or four-bedroom homes. This price record has been fuelled by buyers looking for more space, including both those who need extra space for their families and those looking for room to work from home. Overall prices have remained steady since they hit a record in July, up by a marginal 0.2% on the month, and up by 5.0% annually, which is the highest annual growth rate recorded since September 2016.."

RICS

"House price growth continues to gain momentum, as the survey's headline indicator on prices climbed once again to post a net balance of +61% (up from +44% last time)."

Nationwide

"UK house prices increased by 0.9% month-on-month in September, after taking account of seasonal effects, following a 2.0% rise in August. As a result, there was a further pick up in annual house price growth from 3.7% in August to 5.0% in September - the highest level since September 2016."

Halifax

"The average UK house price is now approaching £250,000 after September saw a third consecutive month of substantial gains. The annual rate of change will naturally draw attention, with the increase of 7.3% the strongest since mid-2016. Context is important with the annual comparison, however, as September 2019 saw political uncertainty weigh on the market."

Hometrack

"House prices continue to increase as demand runs ahead of supply across the UK housing market. The annual UK growth rate is +2.6%, up from +1% a year ago."

Regional property price performance

As ever, each region is performing very differently, with the spread here in price growth ranging from 0.2% in the North East from e.surv through to a huge 8.8% in Scotland reported by Rightmove. Typically, regional highs and lows are reasonably in line, but the table shows that there are vastly different views from those indices which focus on marketing prices (Rightmove) and those which look at actual sold prices (e.surv).

This is likely to be an issue with data from the past and timing of the information, so it goes without saying that agent price data for individual properties will be much more useful over the coming months than confusing headlines of prices being up in their region from 0.2% to 6.4%!

Regional trends

Region	Rightmove Average house price Sep-20	Annual change	Home.co.uk Average house price Sep-20	Annual change	e.surv Average house price Aug-20	Annual change
North East	£162,955	6.4%	£168,864	4.9%	£165,068	0.2%
North West	£212,977	7.1%	£222,945	7.4%	£198,717	2.8%
Yorkshire & Humber	£210,128	7.2%	£220,099	8.8%	£196,691	0.5%
East Midlands	£242,555	5.8%	£248,221	4.2%	£225,107	1.8%
West Midlands	£243,765	6.2%	£266,481	4.5%	£233,972	2.3%
East of England	£363,521	3.5%	£354,711	1.5%	£336,517	1.6%
London	£633,269	4.9%	£528,958	2.6%	£666,117	7.6%
South East	£417,918	4.4%	£407,839	3.3%	£383,954	1.9%
South West	£322,434	3.9%	£332,510	2.1%	£297,108	2.4%
Wales	£212,382	6.0%	£223,101	4.9%	£197,640	4.7%
Scotland	£168,272	8.8%	£202,036	7.7%	n/a	n/a

Sources:

[Rightmove](#)

[Home.co.uk](#)

[e.surv](#)

Regional commentary from individual indices

[Rightmove](#)

“Regions outside the South of England have seen the strongest price jumps, with Yorkshire & the Humber, East Midlands, West Midlands, North East, North West and Scotland all at new records.”

[RICS](#)

“All parts of the UK are now seeing prices rise to a greater or lesser degree, albeit the rate of house price inflation appears to be more modest in London compared to all other regions. The twelve month price expectations remain in modestly positive territory, although sentiment on the outlook does vary by region. Whereas areas such as the North West and Wales display very strong expectations for prices in the year to come, projections are flat to slightly negative in the North East, Yorkshire & the Humber, the West Midlands and London.”

[Nationwide](#)

“Most UK regions saw a slight pickup in annual price growth in Q3 (July, August & September) compared with Q2 (April, May & June), with prices in all areas higher than a year ago. The South West was the strongest performing region, with annual price growth rising from 2.3% to 5.5% (see full table of regional house price data on page 4). For the first time since 2017, house price growth in southern England (London, Outer Metropolitan, Outer South East, East Anglia and South West) exceeded that in northern England (North, North West, Yorkshire & Humberside, East Midlands and West Midlands).”

Regional commentary from individual indices – cont'd

“Annual house price growth in London continued to edge higher, with prices up 4.4% in Q3. Average prices in the capital hit a record high of £480,857 and are now 57% above their 2007 levels (UK prices are 21% higher than their 2007 peak). The surrounding Outer Metropolitan region also saw a rise in annual price growth to 5.0%, while the neighbouring Outer South East region saw a 4.8% rise.

“Northern Ireland was the weakest performing region, with prices up 1.5% year-on-year. Average prices in the province are still 36% below their 2007 peak. Scotland was one of the few areas to see a slowing in the annual rate of price growth, to 2% in Q3, compared to 4.0% in Q2. Meanwhile, Wales saw annual growth accelerate to 3.8%, from 1.0% in Q2.”

e.surv

“This is the first time in the last nine months that all ten GOR areas have simultaneously seen a positive movement in their annual growth in house prices, which is likely to have been brought about by the stimulus of the temporary holiday in stamp duty in England, and the Land Transaction Tax in Wales. London has jumped into the lead by way of its 7.6% annual growth in prices.

“After London, the three areas with the highest house price growth are the same as last month, being Wales, the North West and the South West. In August, nine of the ten Government Office Region (GOR) areas have seen either an increase or no change in their annual price growth, compared to July, with just one area seeing a slowing in their rate of house price growth (Yorkshire and the Humber).”

Hometrack

“At a region and country level house price growth ranges from +1.7% in the North East to +3.3% in the North West, Yorkshire and the Humber and Wales. At a city level Nottingham and Manchester are recording annual price inflation of over 4%.”

Analysis of towns/cities

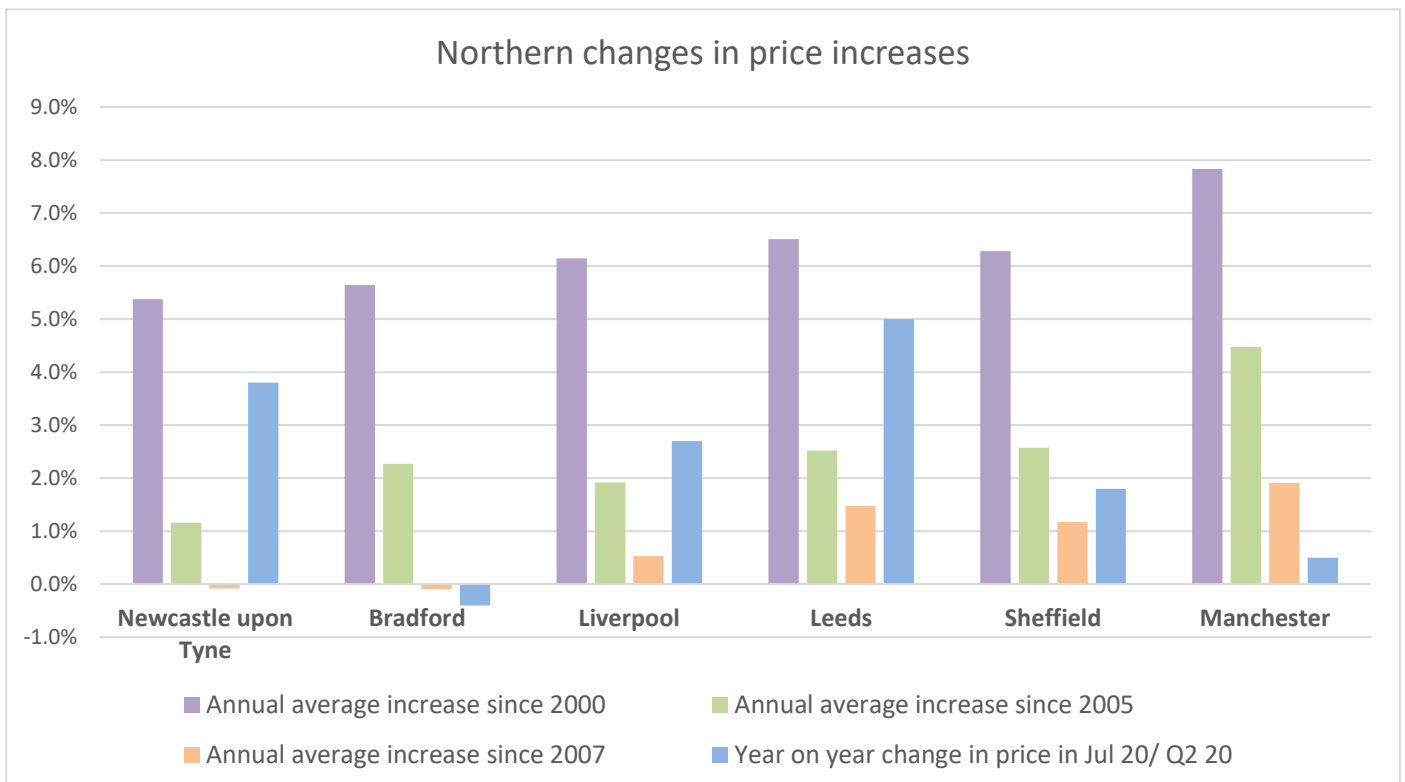
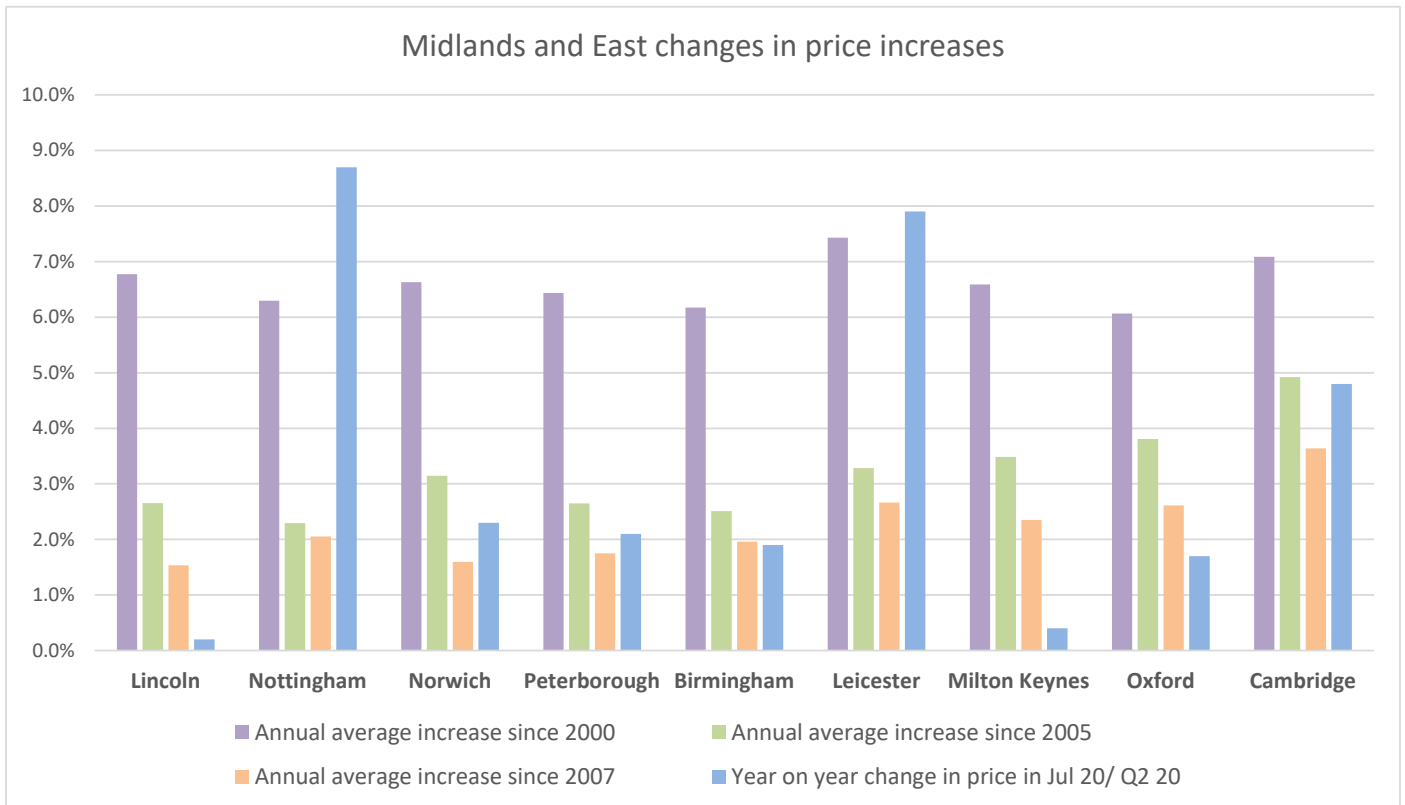
Property Prices Towns/Cities <i>England, Wales, Scotland & NI</i>	Highest average house price pre-credit crunch 2007/08	Latest month's data Jul 20/ Q2 20	Year on year change in price in Jul 20/ Q2 20	Annual average increase since 2000	Highest yearly average increase since 2000	
					Date	% Increase
Belfast (Q2)	£213,626	£135,523	4.2%	n/a	Q1 07	57.1%
Glasgow	£130,473	£140,252	2.5%	n/a	Jan-05	19.2%
Edinburgh	£225,750	£288,506	7.5%	n/a	May-07	17.3%
Cardiff	£170,496	£216,782	4.5%	6.2%	May-03	30.7%
Newcastle upon Tyne	£164,935	£163,254	3.8%	5.4%	Feb-04	39.2%
Bradford	£139,640	£137,992	-0.4%	5.6%	Sep-04	36.5%
Liverpool	£130,249	£139,442	2.7%	6.1%	Jul-04	59.0%
Leeds	£161,439	£195,239	5.0%	6.5%	Apr-03	30.7%
Sheffield	£144,875	£168,491	1.8%	6.3%	Sep-04	31.9%
Manchester	£140,431	£179,537	0.5%	7.8%	Jun-04	34.9%
Lincoln	£128,707	£156,881	0.2%	6.8%	Feb-03	38.0%
Nottingham	£119,010	£154,976	8.7%	6.3%	Mar-03	37.9%
Norwich	£166,498	£204,540	2.3%	6.6%	Oct-02	37.9%
Peterborough	£156,264	£195,759	2.1%	6.4%	Dec-02	30.2%
Birmingham	£148,578	£191,231	1.9%	6.2%	Feb-03	36.4%
Leicester	£135,317	£190,440	7.9%	7.4%	Mar-03	35.4%
Milton Keynes	£194,666	£263,324	0.4%	6.6%	Feb-03	32.0%
Oxford	£289,855	£405,233	1.7%	6.1%	Jun-00	29.5%
Cambridge	£283,241	£450,823	4.8%	7.1%	May-00	27.5%
Bournemouth, Christchurch & Poole	£206,227	£288,398	2.8%	6.5%	Apr-03	32.5%
Southampton	£168,795	£215,597	4.9%	5.8%	Apr-03	29.7%
Portsmouth	£169,633	£212,103	-0.5%	5.8%	Mar-03	29.1%
Brighton and Hove	£257,108	£372,694	2.5%	6.9%	Jul-00	35.4%
Reading	£216,724	£284,963	-2.5%	5.2%	Jun-00	35.9%
Tunbridge Wells	£279,413	£375,188	-1.5%	5.7%	May-00	25.2%
Bristol	£195,196	£291,839	6.1%	7.3%	Apr-03	29.7%
London	£298,596	£484,864	1.3%	6.8%	Apr-00	28.3%

Source: [UK HPI](#)

Five high growth areas YoY towns/cities	YoY %	Five low growth areas YoY towns/cities	YoY %	Five high growth areas last 12 years towns/cities	%	Five low growth areas last 12 years towns/cities	%
Nottingham	8.7%	Reading	-2.5%	London	62%	Belfast (Q2)	-37%
Leicester	7.9%	Tunbridge Wells	-1.5%	Cambridge	59%	Bradford	-1%
Edinburgh	7.5%	Portsmouth	-0.5%	Bristol	50%	Newcastle upon Tyne	-1%
Bristol	6.1%	Bradford	-0.4%	Brighton and Hove	45%	Liverpool	7%
Leeds	5.0%	Lincoln	0.2%	Leicester	41%	Glasgow	7%
Three high growth areas YoY London	YoY %	Three low growth areas YoY London	YoY %	Three high growth areas last 12 years London	%	Three low growth areas last 12 years London	%
Waltham Forest	7.5%	Camden	-7.9%	Waltham Forest	80%	Tower Hamlets	39%
Wandsworth	7.2%	City of Westminster	-5.4%	Hackney	79%	Sutton	43%
Hackney	6.2%	Kingston upon Thames	-2.3%	Lewisham	76%	Hammersmith and Fulham	48%

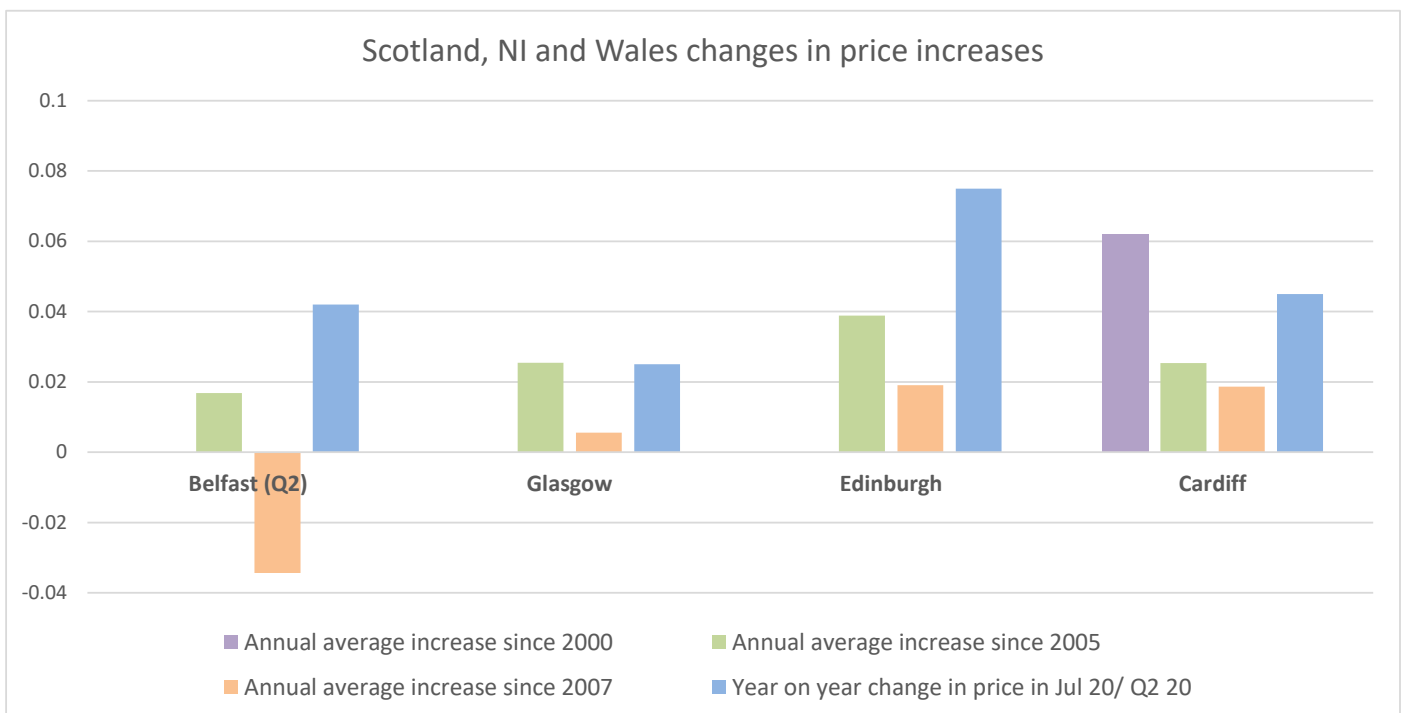
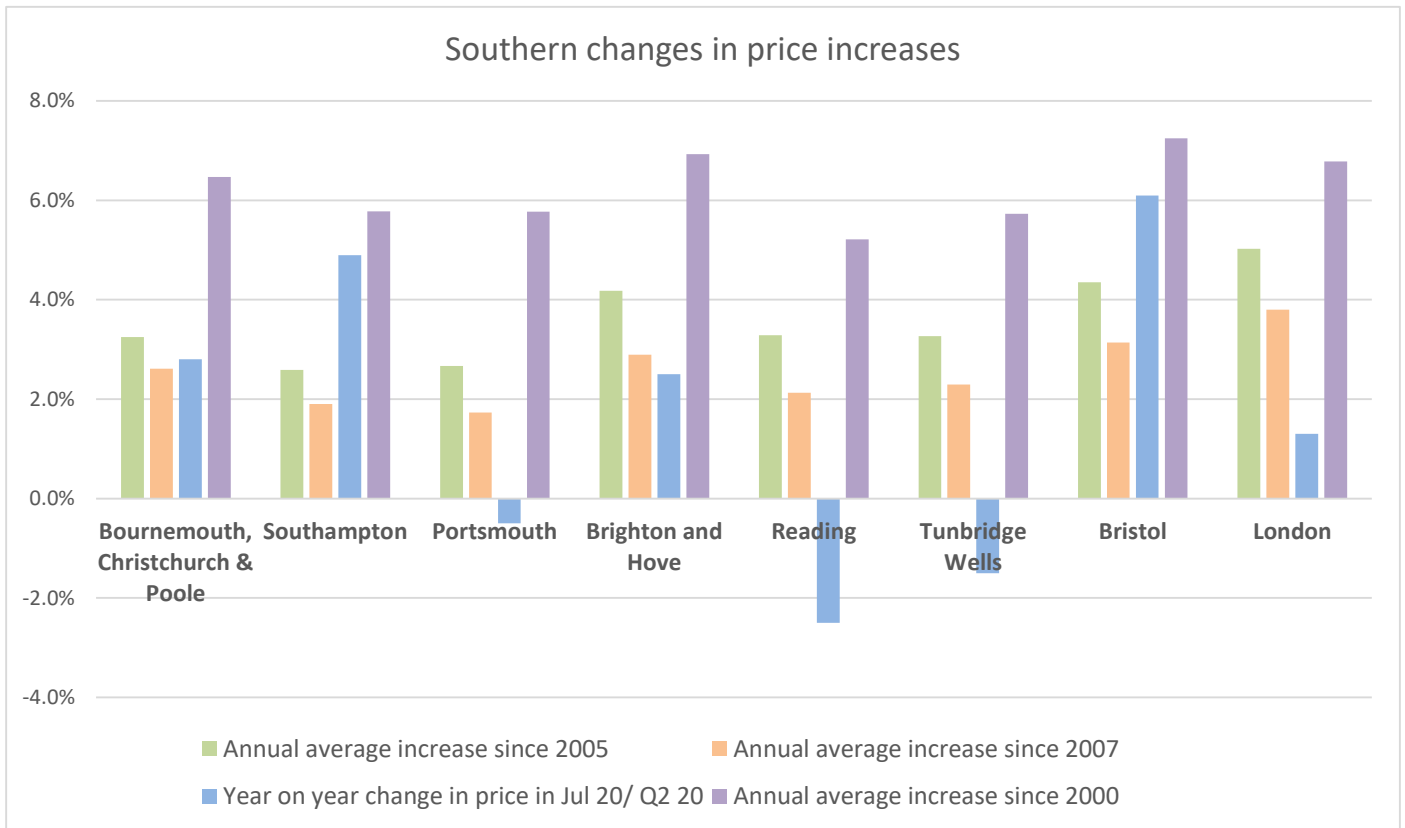
Source: [UK HPI](#)

Analysis of towns/cities – cont'd



Source: [UK HPI](#)

Analysis of towns/cities – cont'd



Source: UK HPI

Towns/cities commentary

As with the regional data, what's happening to individual towns and cities can only be described as 'all over the place'! On our list, we track through the Land Registry areas such as Lincoln, which is being reported as down by 0.2% YoY while next door Nottingham is up by a staggering 8.7%. Areas such as Portsmouth, Reading and Tunbridge Wells are reporting downward movements while Bristol and Southampton are doing really well.

It's clear Covid and the lockdown have vastly increased the differentials between areas of what's happening to house prices, and therefore the industry, media and especially buyers and sellers, need to use much more information on a local level to understand the market than relying on large area 'averages'.

Towns/cities commentary from the indices

The Conurbations	Annual rates of price change %		
	Jun-20	Jul-20	Aug-20
Nottingham	6.6	8.5	10.7
Merseyside	4.9	7.3	8.8
Greater London	1.2	4.7	7.6
Bristol	11.9	9.2	6.5
Cardiff	4.1	3.8	5.9
Leicester	2.5	1.0	2.7
West Midlands	3.3	3.4	2.5
Greater Manchester	0.5	2.4	2.1
West Yorkshire	-0.7	1.5	1.0
Tyne & Wear	0.9	0.0	0.2
Southampton	1.6	0.6	-2.0
South Yorkshire	0.8	-0.1	-3.5

Source: [e.surv](#)

[e.surv](#)

"The above table shows the relative movement in the rates of annual house price growth of 12 conurbation areas/cities in England and Wales, over the period June - August 2020. The simple average annual house price growth of the 12 conurbations amounted to +3.1% in June 2020 and +3.5% in both July and August 2020.

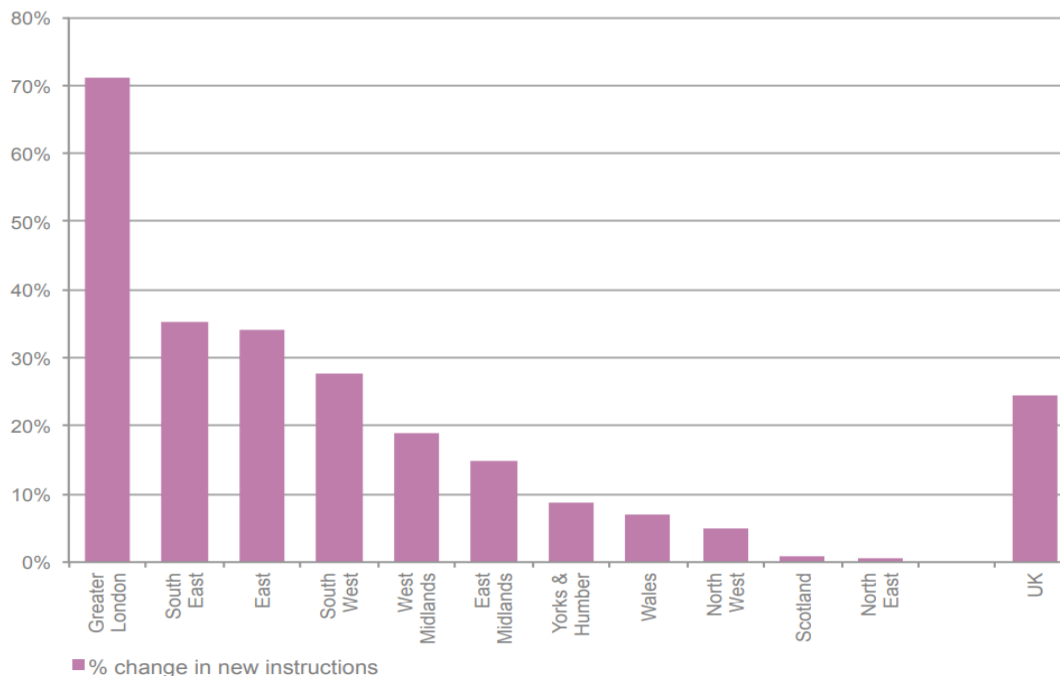
"In August 2020, the City of Nottingham topped the league at 10.7%, having been in second position for the previous two months, with Bristol falling back into fourth place. Merseyside, which has been in third place for the last two months, climbed into second place in August, with a rise in all property type prices over the year, except for flats.

"In August, seven of the twelve conurbation areas listed saw their annual rate of price change increase compared to June. So, the suggestion that all purchasers are moving out of cities to the country would appear to be erroneous. However, it would also appear that those who have moved, but have remained within a conurbation, have purchased a more expensive (and presumably larger) property."

Property transactions, demand and supply

With property transactions pretty much booming in most places, as with prices, the difference is very regional. Areas such as London, the South East and East are, according to Home.co.uk, seeing huge jumps in listings while Scotland and the North East are seeing little change. No doubt that this will vary from street to street, but it's important to make buyers and sellers aware of what's really happening in their area to make sure they understand they aren't necessarily likely to be able to enjoy the boom some others are enjoying across the country.

Change in New Sales Listings, August 2020 vs. August 2019



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

	New Listings		Properties Sold	
	Jun - Oct 20	Jun - Aug 19	Jun - Aug 20	Jun - Aug 19
NATIONAL	15.8	-3.7	23.3	-1.9
Central England	15	-5.7	22.6	-3.9
East Anglia	18.7	-3.7	25.1	-4.1
East Midlands	10.9	4.2	14.4	2.5
London	19.1	-10.2	25.5	-2.8
North East	19.3	-4.2	26	-5.6
North West	6.4	-3	15.5	-1.6
Scotland	63.5	-4.1	56.8	-3.4
South East	15.3	-8.7	24.3	-5.6
South West	14.7	-3.6	22	-1.6
Wales	23.7	-3.3	52.3	-2
West Midlands	11	0	20.5	2.5
Yorks & Humber	10.8	-0.2	15.7	0

Source: [Agency Express](https://www.agencyexpress.co.uk)

Property transactions, demand and supply commentary from the indices

Rightmove

“The strongest sector is ‘top of the ladder’, which includes four-bedroom detached homes and larger. Sales agreed, compared with the same period last year, more than doubled in August in this sector, up by 104%. While in the second-stepper sector (three- or four-bedroom homes excluding four-bedroom detached) they were up by 55%. The first-time-buyer sector of two bedrooms or fewer, although not as strong as the larger homes sectors, still saw sales agreed up by 36%.

“Nationally, sales agreed for the whole year to date are now down by only 5% on the same period last year. Two regions – the East of England (+4%) and the South East (+1%) – have already overtaken the number of sales agreed for the same period last year, helped by higher average prices causing the stamp duty holiday to have more of an impact for buyers and sellers in these areas. Unsurprisingly both Scotland and Wales are in double digit declines as they are still playing catch up from reopening their housing markets later than England, and are now down by 21% and 16% respectively.

“In London, sales agreed for the year to date are down by just 3%, with a two-speed market in play. There is strong sales activity in Outer London, especially for top-of-the-ladder homes, while areas like Zone 1 are finding it more challenging, where sales are down by 14% for the whole year to date compared to the same period last year. The strong activity in Outer London has helped the capital to climb back to being the second fastest region for the average time taken to secure a buyer, now being beaten only by Scotland at 35 days. The average number of days to agree a sale in London is now 49, a significant 20 days shorter than at this time last year. Nationally, the average time to secure a buyer has dropped from 62 days in August 2019 to 53 this August.”

NAEA Propertymark

“The average number of sales agreed per estate agent branch stood at 12 in August, the highest figure recorded for the month of August since 2007. Year-on-year, the number of sales agreed per branch has increased by 33 per cent, rising from nine in August 2019. The number of sales made to FTBs stood at 23 per cent, falling from 25 per cent in July.

“The number of house hunters registered per estate agent branch fell from 428 in July, to 396 in August. Year-on-year, housing demand is down from 433 in August 2019.

“The number of properties available per member branch stood at 40 in August, falling marginally from 43 in July. Year-on-year, the supply of housing also decreased slightly from 44 properties available per member branch in August 2019.”

RICS

“During September, +52% of survey participants reported an increase new buyer enquiries. This marks the fourth consecutive monthly pick-up in demand, albeit the latest reading represents a slight moderation compared to +75% and +63% in July and August respectively.

“Similarly, new instructions coming onto the sales market also rose for a fourth month in a row, which now signifies the longest stretch of rising supply going back to 2013. Furthermore, +48% of contributors reporting that appraisals are up in annual terms, the pipeline for instructions over the coming months appears to be solid. Even so, it should be noted that, despite the recent improvement, stock levels remain relatively low in a historical context (averaging 42 properties per estate agent branch). Alongside this, +55% of respondents noted an increase in agreed sales over the month (broadly in-line with August’s +61%). Moreover, the regional breakdown shows that sales continue to rise across all parts of the UK, led by exceptionally strong growth in East Anglia, the South West and Yorkshire & the Humber.”

Hometrack

Supply/demand imbalance supports upward pressure on prices

The impetus for price rises shows no signs of slowing as new buyers continue to enter the market. Since the start of the year, demand for housing is 39% higher than at this stage last year. More buyers also bring more supply to the market and available sales inventory is 10% higher than a year ago. Greater supply increases choice for buyers and will keep the rate of house price inflation in check.

The strength of the recovery so far is highlighted in new sales agreed which over the last 9 months are 3% higher than over the same period last year - and this with a 50-90 day closure of the housing market. The 3-4 month lag between sales agreed and legal completion means we will not make up all the ground lost during the market closure this calendar year.

Completed housing sales are set to be 15% lower than in 2019. A continuation of demand and sales over the autumn, albeit at a slower pace, will support sales volumes, and estate agency revenues, into the first quarter of 2021.

Further COVID restrictions to support demand in near term

We have previously highlighted how the strength of the housing market is being driven by a once in a lifetime re-evaluation of housing in response to COVID and the lockdown. Households are prioritising space and location as well as factoring in a shift in working patterns. Less time spent meeting friends and family in public locations will re-enforce the importance of the home.

We believe that a second spike in new cases and a tightening of restrictions announced by the Government will only serve to support this trend, primarily for those households in more secure financial positions. However, the housing market is not immune to any prolonged weakening in the economy and the impact of less Government support.

Tracking buyer demand

The Advisory track current market conditions so buyers and sellers can gain an independent view of how easy it would be to buy and sell their home in their area. This makes it easier for good agents that are honest about market conditions to value and manage expectations. For example, in L16 81% of the properties on the market are under offer.

From PropCast's perspective, the hot markets from a postcode perspective don't necessarily track the overall increases and decreases seen even at town and city levels, with Liverpool, and Sheffield having some of the busiest markets, and London and Liverpool having some of the slower ones.

Top 10 hot markets - buyer demand

Postcode	%	Nov 19
L16	81	Liverpool
L32	79	Liverpool
TS11	77	Redcar
S5	77	Sheffield
1P18	77	Southwold
M29	77	Manchester
S8	76	Sheffield
L33	76	Liverpool
WA12	75	Newton-Le-Willows
BS5	74	Bristol

Top 10 cold markets - buyer demand

Postcode	%	Nov 19
L2	8	Liverpool
W1	9	London
EC2	9	London
WC2	9	London
SE1	11	London
SW3	12	London
SW5	12	London
SW1	13	London
W2	13	London
SW7	13	London

Source: [TheAdvisory](#)