

## November 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

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

<a href="#">Rightmove</a>	<i>"New records set and forecasts rise in extraordinary times"</i>
<a href="#">NAEA Propertymark</a>	<i>"Housing demand rose by a third in September to highest level for 16 years"</i>
<a href="#">RICS</a>	<i>"Sales market activity continues to display strong momentum"</i>
<a href="#">Nationwide</a>	<i>"Annual house price growth reaches five-year high in October"</i>
<a href="#">Halifax</a>	<i>"Average UK house price reaches new record high – but market set to slow in coming months"</i>
<a href="#">e.surv</a>	<i>"The market is slowing but still sets record prices in October"</i>
<a href="#">Hometrack</a>	<i>"Sales pipeline 50% bigger than a year ago as demand slows to pre COVID levels"</i>

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

	High	Low	Aug-20	Sep-20	Oct-20	Annual Change	Annual Average (05 - 20)		
<b>Rightmove</b>	£241,474	£213,570	£319,497	£319,996	£323,530	5.5%	3.6%	Asking prices	E & W
<b>Nationwide</b>	£184,131	£147,746	£224,123	£226,129	£227,826	5.8%	2.7%	Mortgaged only	UK
<b>Halifax</b>	£199,766	£157,767	£245,747	£249,870	£250,457	7.5%	2.9%	Mortgaged only, seasonally adjusted	UK
<b>e.surv</b>	£231,829	£197,145	£304,521	£311,624	£314,643	4.4%	3.5%	Actual prices, includes cash sales	E & W
<b>UK HPI</b>	£190,032	£154,452	£239,196	n/a	n/a	2.5%	3.1%	Sold prices, includes cash sales and new builds	UK

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

We all know that the market is 'booming' at this moment in time, but it is important to appreciate this is more of a boom in transactions rather than a boom in house prices. Taking annual house price growth from today back to 2000, prices have increased annually by around 6%, while even in these 'boom' times, they are hovering around the more normal 4-5% rise, which is only just above what we've seen since 2005. This ignores the latest Halifax rise of 7.5% which we tend not to take too seriously as the index varies quite dramatically and can blow hot and cold from one month to the next.

However, when you read the stats from Rightmove showing activity is now at levels not seen since 2006, the reason for everyone working towards capacity and home mover's finding it tough to bag a property even with generous offers, it isn't a surprise:-

- *Activity levels hit three new records in September*
- *Average time to sell of 50 days is quicker than ever before, leaving agents with more properties marked as sold than available for sale for the first time ever*
- *Highest number of sales ever agreed in a month, up 70% on September last year*
- *Traffic to Rightmove up almost 50% on September 2019, the biggest annual jump since 2006*
- *Number of active buyers 66% higher than a year ago, down marginally from 67% July peak*
- *Pace of growth easing but sales agreed for October so far still up 58% on same period last year*

There is one surprise though and that's despite this huge uplift in volumes, property prices, although rising potentially ahead of a recession, are not doing so at the pace we would normally have seen in the past and indeed areas such as London, Cambridge and Oxford, not strangers to double digit price growth are seeing OK rises, but not vast increases. This suggests the 'caps' put on house price affordability from 2014 with restrictions on how much money can be lent as a multiple of income and lending at long term rates rather than the current 2% or less, are working at keeping prices in check.

Many of the indices also suggest that its houses, not necessarily flats that are driving the prices upwards and this is a trend which appears to have been exacerbated as it's something we've been tracking since 2007.

## National commentary from individual indices

### Rightmove

*"The average price of property coming to market increased by 1.1% this month, to an all-time national record of £323,530. This is 5.5% higher than a year ago, the highest annual growth rate for over four years. The momentum caused by the combination of pent-up and new demand has led to new records in several key metrics, and as a result Rightmove forecasts that the annual rate of increase will rise further before the year-end and peak at around 7%."*

### RICS

*"The current upswing in demand and sales continues to drive house prices higher. At the headline level, +68% of survey contributors saw prices increase in October (up slightly from +62% previously). Even so, respondents appear doubtful that this rate of house price inflation can be sustained for much longer. Indeed, near term price expectations were trimmed slightly at the national level over the month, with the net balance coming in at +13% compared to +22% in September."*

### Nationwide

*"Annual house price growth rose to 5.8% in October – its highest level since January 2015. UK house prices rose 0.8% month-on-month in October after taking account of seasonal effects, following a 0.9% rise in September."*

## National commentary from individual indices – cont'd

### Halifax

*“The average UK house price now tops a quarter of a million pounds (£250,547) for the first time in history, as annual house price inflation rose to 7.5% in October, its highest rate since mid-2016. Underlying the pace of recent price growth in the market is the 5.3% gain over the past four months, the strongest since 2006. However, month-on-month price growth slowed considerably, down to just 0.3% compared to 1.5% in September.*

*“Overall, we saw a broad continuation of recent trends with the market still predominantly being driven by home-mover demand for larger houses. Since March flat prices are up by 2.0% compared to a 6.0% increase for a typical detached property. In cash terms that equates to a £2,883 increase for flats compared to a £27,371 rise for detached houses.”*

### Hometrack

*“High demand for housing in the summer is translating into higher house price growth. The UK growth rate is +3.0%, up from +1.1% a year ago - the highest rate for over 2 years (April 2018).”*

## Regional property price performance

At a regional level, the table below shows the stark contrast in property price changes. The North East continues to refuse to see decent house price growth since the last recession. Property prices are still 6% lower, in nominal terms, than they were 13 years ago and with latest average house price growth of just 0.2%, it doesn't look like they will recover any time soon. In contrast, the top performing region is the East Midlands with 3.6% growth year on year according to the Land Registry, with Hometrack saying Nottingham has the highest year on year growth (5%) for their city index. This is better than the average annual increase of 2.7% seen since 2005, but although transactions are booming, it's clear that prices are on the rise, but not 'running away with themselves', even at a regional level.

### Regional commentary from individual indices

Property Prices - Regions	Latest month's data Aug-20	Changes since 2007 peak	Year on year change in price in Aug 20	Annual average increase since 2005	Annual average increase since 2007	Annual average increase since 2000
North East	£131,701	-6%	0.2%	1.1%	-0.4%	5.2%
North West	£173,617	14%	3.5%	2.6%	1.0%	6.3%
Yorkshire & The Humber	£170,025	13%	2.7%	2.4%	1.0%	6.3%
East Midlands	£202,345	27%	3.6%	2.7%	1.8%	6.4%
West Midlands	£204,886	24%	2.3%	2.6%	1.6%	6.0%
South West	£264,886	25%	2.5%	2.8%	1.7%	6.1%
East	£296,411	41%	2.0%	3.6%	2.7%	6.5%
South East	£332,147	39%	2.9%	3.6%	2.6%	6.0%
London	£489,159	64%	3.5%	5.1%	3.9%	6.8%

Source: [UK HPI](#)

[RICS](#) *"House prices are rising across all parts of the UK, with Wales, the West Midlands, the South West and Yorkshire & the Humber all seeing exceptionally strong growth (in net balance terms)."*

[e.surv](#) *"This is the first month in the last 32 that we have seen nine regions simultaneously set a new record average house price - the one region which has missed out on setting a new peak being the West Midlands. It is also the third consecutive month in the last eleven months in which all ten of the Government Office Regions (GOR) have seen a positive movement in their annual growth rates."*

[Hometrack](#) *"At a region and country level, house price growth ranges from +1.7% in the North East to +3.9% in Yorkshire and the Humber. At a city level Nottingham is registering growth of +5.1% followed by Manchester (+4.6%) and Leeds (+4.5%). We expect the headline rate of house price growth to continue to trend upwards over the next 2-3 months towards +4% by the year end."*

## Analysis of towns/cities

With regional price growth ranging from 0.2% to 3.6%, some towns and cities are excelling, but not all. Topping the charts for the Land Registry is Nottingham, but at 9.6% growth, this seems high compared to everywhere else in the country and other indices, so I'm not sure I'd take this rise too seriously. Other areas are more in line with high house prices rises such as Edinburgh rising at 5.3%, Leicester at 5.9% and Bristol at 6.2%.

However, the 'boom' isn't helping everywhere. Reading seems to have taken a particular hit with prices recorded as a -3.5% fall, however, it's likely that this will be reversed by the end of the year based on current activity levels. Other areas such as Tunbridge Wells, Birmingham and Peterborough aren't even registering a 1% rise year on year.

Having said that, with forecasters a few months ago predicting price falls of 5-16%, any rise must be taken as good news in today's uncertain world.

Property Prices Towns/Cities <i>England, Wales, Scotland &amp; NI</i>	Highest average house price pre-credit crunch 2007/08	Latest month's data Aug 20/ Q2 20	Year on year change in price in Aug 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	£142,690	2.7%	n/a	Jan-05	19.2%
Edinburgh	£225,750	£284,654	5.3%	n/a	May-07	17.3%
Cardiff	£170,496	£217,194	2.7%	6.2%	May-03	30.7%
Newcastle upon Tyne	£164,935	£167,079	2.1%	5.5%	Feb-04	39.2%
Bradford	£139,640	£144,791	3.9%	5.9%	Sep-04	36.5%
Liverpool	£130,249	£142,733	4.1%	6.3%	Jul-04	59.0%
Leeds	£161,439	£197,026	5.4%	6.6%	Apr-03	30.7%
Sheffield	£144,875	£169,464	2.4%	6.3%	Sep-04	31.9%
Manchester	£140,431	£188,922	3.8%	8.1%	Jun-04	34.9%
Lincoln	£128,707	£158,479	1.3%	6.8%	Feb-03	38.0%
Nottingham	£119,010	£156,694	9.6%	6.4%	Mar-03	37.9%
Norwich	£166,498	£209,023	3.2%	6.7%	Oct-02	37.9%
Peterborough	£156,264	£195,963	0.8%	6.4%	Dec-02	30.2%
Birmingham	£148,578	£189,988	0.7%	6.1%	Feb-03	36.4%
Leicester	£135,317	£187,604	5.9%	7.3%	Mar-03	35.4%
Milton Keynes	£194,666	£266,569	2.7%	6.7%	Feb-03	32.0%
Oxford	£289,855	£427,741	5.0%	6.4%	Jun-00	29.5%
Cambridge	£283,241	£452,725	4.2%	7.1%	May-00	27.5%
Bournemouth, Christchurch & Poole	£206,227	£292,811	4.1%	6.5%	Apr-03	32.5%
Southampton	£168,795	£209,987	1.2%	5.6%	Apr-03	29.7%
Portsmouth	£169,633	£216,347	2.6%	5.9%	Mar-03	29.1%
Brighton and Hove	£257,108	£379,045	4.0%	7.0%	Jul-00	35.4%
Reading	£216,724	£284,946	-3.5%	5.2%	Jun-00	35.9%
Tunbridge Wells	£279,413	£391,859	0.4%	6.0%	May-00	25.2%
Bristol	£195,196	£298,531	6.2%	7.4%	Apr-03	29.7%
London	£298,596	£489,159	3.5%	6.8%	Apr-00	28.3%

Source: [UK HPI](#)

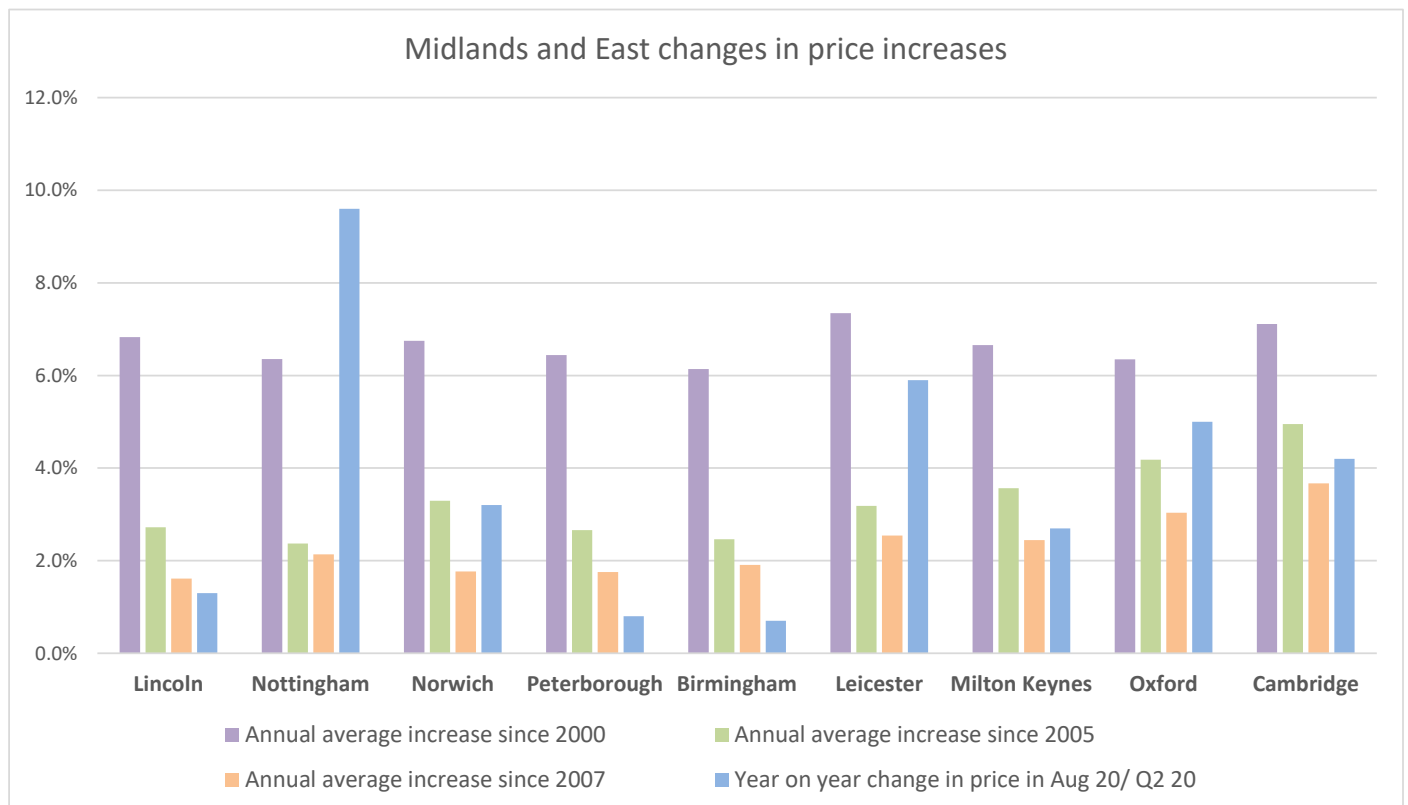
## Analysis of towns/cities – cont'd

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	9.6%	Reading	-3.5%	London	64%	Belfast (Q2)	-37%
Bristol	6.2%	Tunbridge Wells	0.4%	Cambridge	60%	Newcastle upon Tyne	1%
Leicester	5.9%	Birmingham	0.7%	Bristol	53%	Bradford	4%
Leeds	5.4%	Peterborough	0.8%	Oxford	48%	Glasgow	9%
Edinburgh	5.3%	Southampton	1.2%	Brighton and Hove	47%	Liverpool	10%

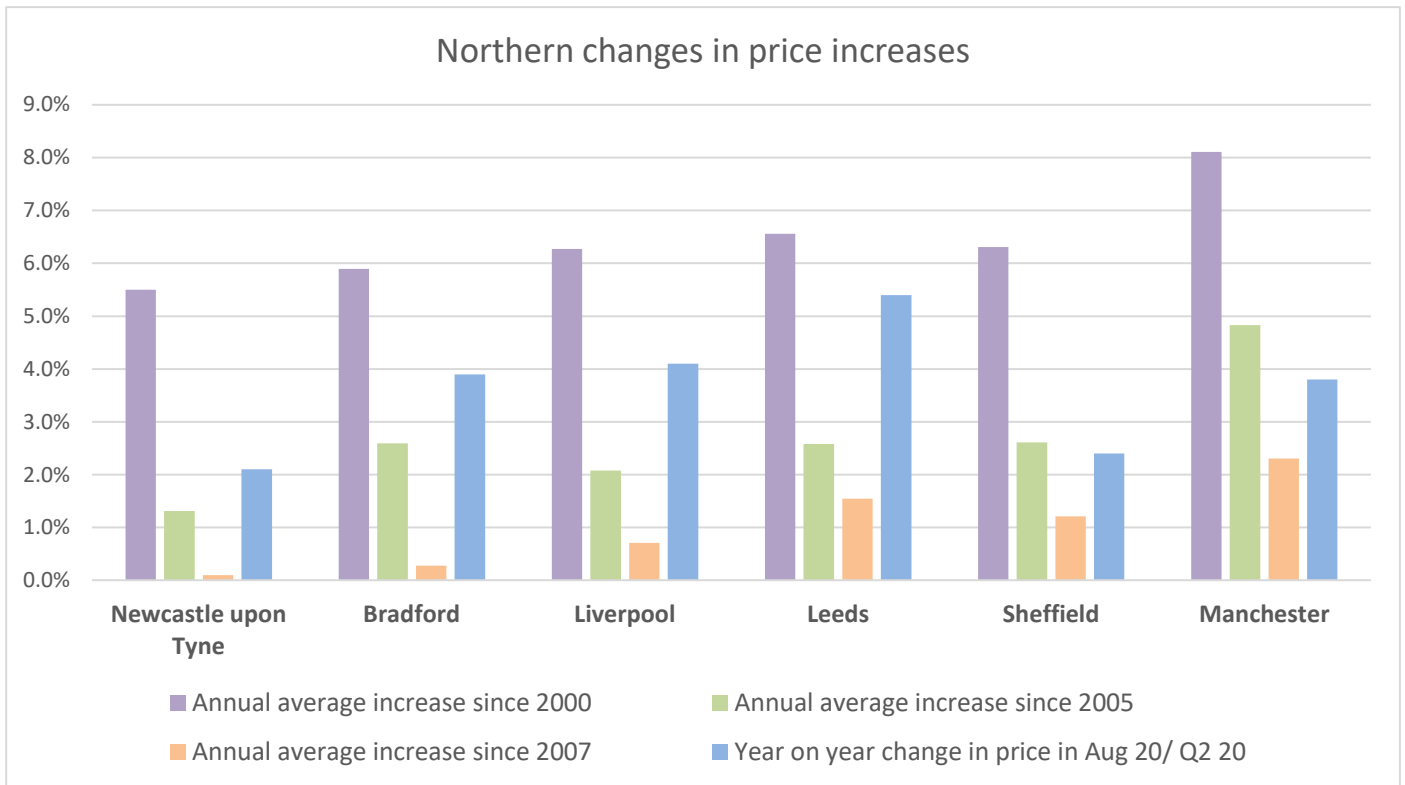
Three high growth areas YoY London	YoY %	Three low growth areas YoY London	YoY %	Three high growth areas last 12 years London	%	Three low growth areas last 12 years London	%
Islington	14.6%	Camden	-7.4%	Waltham Forest	81%	Hammersmith and Fulham	41%
Kensington and Chelsea	9.9%	Kingston upon Thames	-1.9%	Islington	76%	Tower Hamlets	44%
Richmond upon Thames	8.7%	Bromley	-1.2%	Haringey	75%	Bromley	48%

Source: [UK HPI](#)

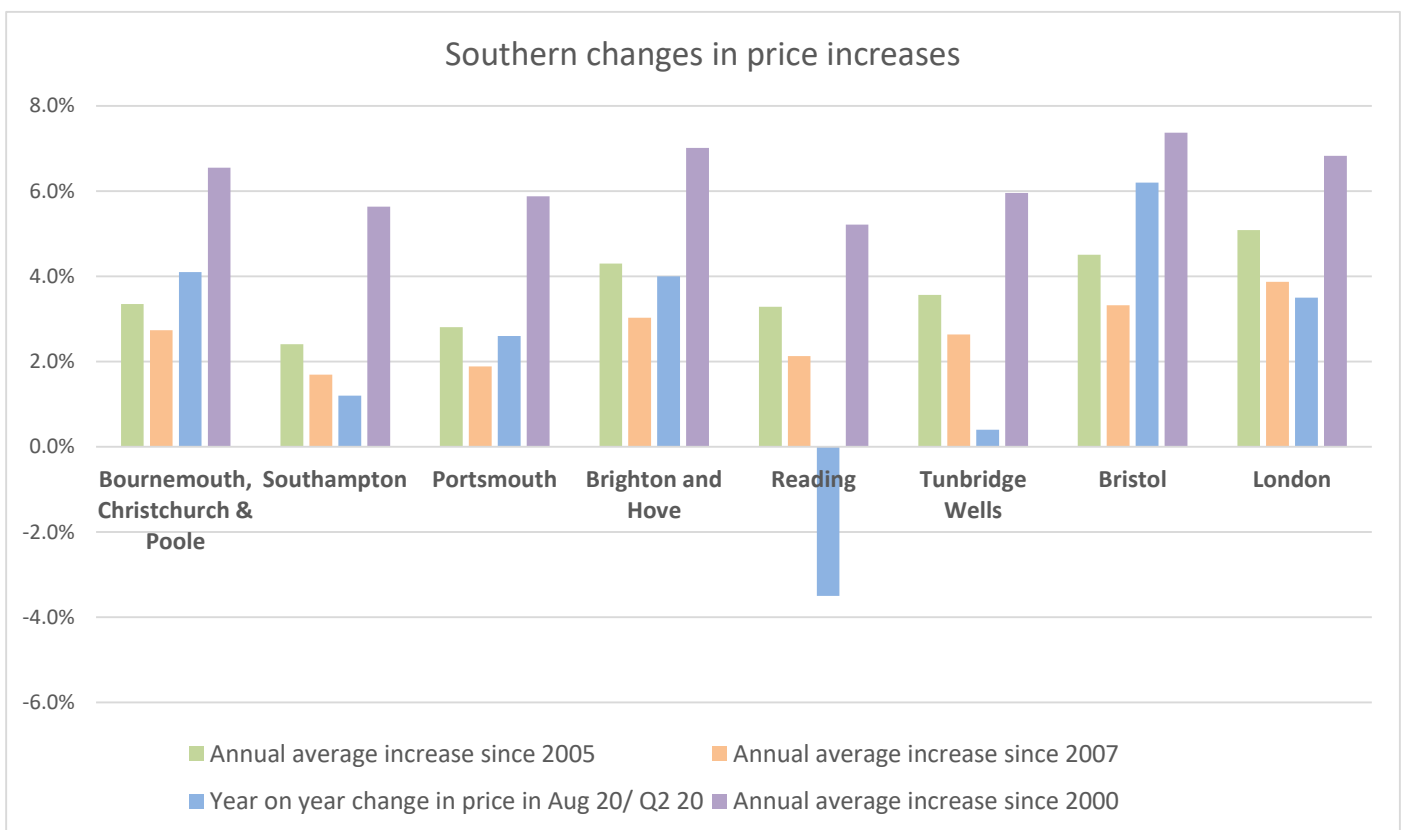


Source: [UK HPI](#)

## Analysis of towns/cities – cont'd

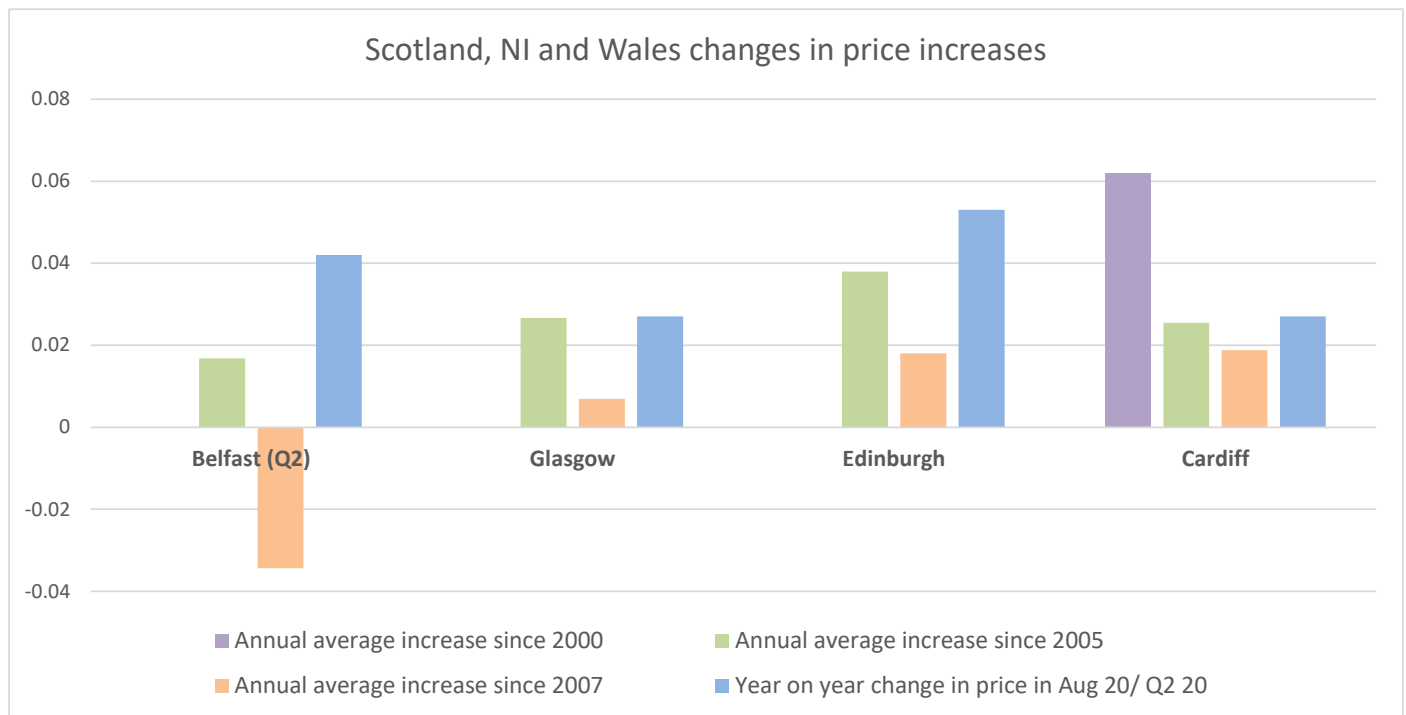


Source: [UK HPI](#)



Source: [UK HPI](#)

## Analysis of towns/cities – cont'd



Source: [UK HPI](#)

## Towns/cities commentary from the indices

The Conurbations	Annual rates of price change %		
	Jul-20	Aug-20	Sep-20
Bristol	9.4	7.5	8.3
Merseyside	7.0	8.6	8.2
Greater London	1.9	5.7	7.3
Nottingham	8.1	9.6	5.7
Cardiff	2.9	5.0	4.6
Leicester	1.2	3.5	4.2
West Yorkshire	2.7	3.1	3.7
Greater Manchester	3.3	3.1	2.8
Tyne & Wear	0.1	1.7	2.0
West Midlands	3.2	2.7	1.8
South Yorkshire	1.5	0.2	-1.7
Southampton	0.0	-1.5	-3.0

Source: [e.surv](#)

[e.surv](#)

*“The table above shows the relative movement in the rates of annual house price growth of 12 conurbation areas/cities in England and Wales, over the period July - September 2020. The ‘simple average’ annual house price growth of the 12 conurbations amounted to +3.4% in July 2020, +4.1% in August and +3.7% in September 2020.*

*“In September 2020, the City of Bristol topped the league at 8.3%, having been in third position at 7.5% in August. All property types in Bristol have seen an increase in their respective prices over the last twelve months, with the highest increase being seen in semi-detached homes. Merseyside remains in second position where it has been for the last two months. As with Bristol, all property types in Merseyside have seen an increase in their values over the last twelve months.*

*“In September, five of the twelve conurbation areas listed above have seen their annual rate of price change increase compared to August, while in seven areas the rate slowed, suggesting that some of the steam associated with the rapid rise in prices is beginning to dissipate.”*



## Property transactions, demand and supply

“Up massively” is the only real commentary that anyone needs to know at this moment in time. Lots more listings as shown by the Home.co.uk chart below, especially in London and this is backed by Hometrack data too, as well as Rightmove stats. Interestingly, it does appear that the North East not only isn't benefiting from price rises, but also isn't seeing that much of a pick-up in listings either, being 'bottom of the pile' according to Home.co.uk.

The huge rise in sales agreed from the NAEA to 14 sales per branch is massive. Welcome post the lockdown, but this is now causing the industry to have capacity issues with everyone from lender to agent, legal company and surveyor through to the removal industry really struggling to keep up.

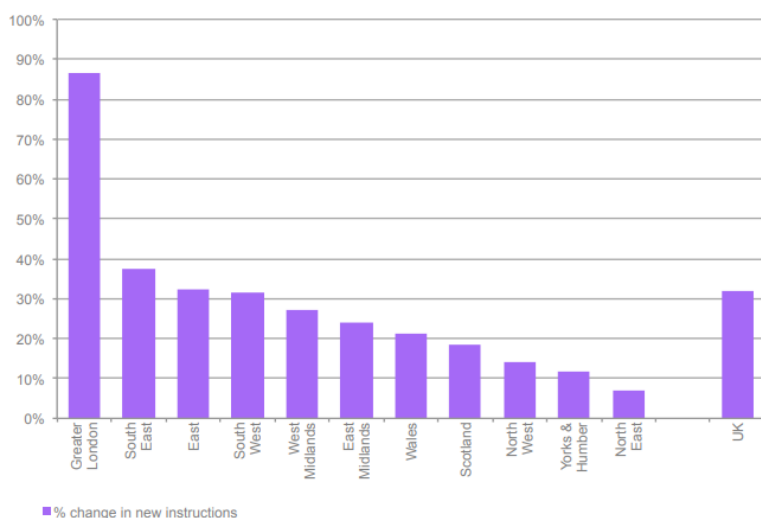
Worryingly, this is leading to fears that those who have not yet sold or even made offers on a property may not complete before March 31<sup>st</sup> and if they have bought to avoid stamp duty, they may not have the money to pay it, potentially collapsing chains around the country, causing chaos in a currently healthy property market.

As a result, the [Home Buying and Selling Group](#) has launched a new 'pledge' which recommends:

1. Buyers don't make offers on a property based on a few internet checks, but based on advice from a broker or lender on their true affordability
2. Sellers instruct their legal company from day one of marketing NOT wait until they receive an offer

For more information and advice to help you move smoothly visit the: [Home Buying and Selling Group Industry Pledge](#)

New Sales Listings, September 2020 vs. September 2019



Source: [Home.co.uk](#)

	New Listings		Properties Sold	
	Jul - Sep 20	Jul - Sep 19	Jul - Sep 20	Jul - Sep 19
NATIONAL	8.3	-3.4	11.0	-1.8
Central England	6.4	-9.2	9.7	-6.8
East Anglia	9.4	-4.1	11.5	-1.0
East Midlands	5.7	4.4	7.3	-3.9
London	14.0	-18.7	13.1	-1.4
North East	9.8	-4.6	9.5	-3.8
North West	3.7	1.5	6.7	0.0
Scotland	33.7	-0.8	36.9	-1.7
South East	5.4	-6.7	12.0	1.2
South West	7.7	-4.4	11.0	-2.9
Wales	11.5	-2.1	24.4	-2.1
West Midlands	5.0	-0.6	4.6	-3.6
Yorks & Humber	4.2	2.4	5.3	2.1

Source: [Agency Express](#)

## Property transactions, demand and supply commentary from the indices

### Rightmove

*“Despite the effective market closure between late March and mid-May, 2% more sales have been agreed so far this year than in the same period in 2019, so this is not just a release of delayed pent-up demand. There is new demand too, which is continuing at pace, although there are some signs of it easing slightly.*”

### NAEA Propertymark

*“The average number of sales agreed per estate agent branch stood at 14 in September, the highest figure recorded since August 2006. This is an increase from 12 sales agreed per branch in August.*

*“Year-on-year, the number of sales agreed per branch has increased by 75 per cent, rising from eight in September 2019.*

*“The number of sales made to FTBs stood at 19 per cent, falling from 23 per cent in August. This is the lowest amount recorded since March 2013, when the figure also stood at 19 per cent.*

*“The number of properties available per member branch stood at 41 in September, rising marginally from 40 in August. Year-on-year, the supply of housing also increased slightly from 40 properties available per member branch in September 2019.*

*“The number of house hunters registered per estate agent branch rose by a third (33 per cent) from 396 in August, to 525 in September. This is the highest number of house hunters recorded since June 2004, when 581 were recorded per branch.”*

### RICS

*“Looking at new buyer enquiries, +46% of respondents cited an increase in demand during October. This marks the fifth consecutive positive monthly reading, following the lockdown induced slump seen earlier in the year. Although the most recent figure is a little more modest compared to those posted over the previous four months, it remains consistent with solid momentum behind buyer demand nonetheless.*

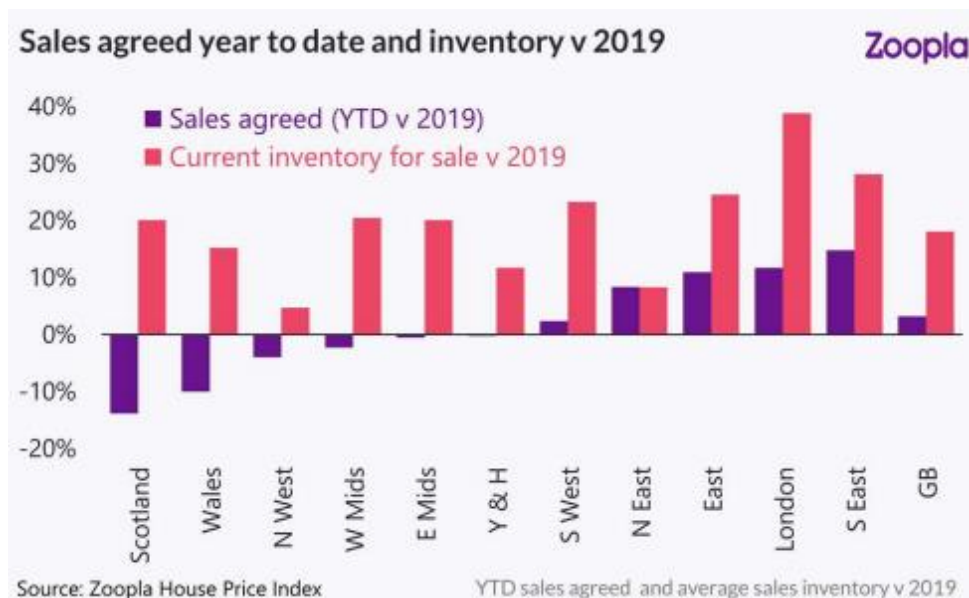
*“Meanwhile, the survey’s indicator tracking new instructions coming onto the sales market remained in positive territory for a fifth successive report, posting +32% compared with +38% previously. As such, this represents the longest uninterrupted sequence of growth in fresh listings going back to 2013. Consequently, stock levels on estate agents’ books edged up slightly to average 43 homes per branch (from 42 last month). Despite the latest pick-up, it should be highlighted that the current level of inventories being reported remains relatively low when placed in a historical context.*

*“With regards to transaction volumes, at a national level, +41% of contributors saw a rise in agreed sales over the month. Again, the latest return has eased slightly compared to +54% in September but remains well above the average reading posted over the past year (+9%). At the regional level, East Anglia stands out as displaying particularly robust sales momentum at present (+72%), while the North West and West Midlands also exhibit elevated readings of +62% and +60% respectively.”*

## Property transactions, demand and supply commentary from the indices – cont’d

### Hometrack

- 50% more homes progressing through the system than this time last year – we estimate 418,000 sales progressing to completion worth £112bn
- There is a large pipeline of sales to complete by Christmas and the 31<sup>st</sup> March 2021 – with an average 100 days to complete an agreed sale and those looking to beat the stamp duty deadline need to agree a sale before mid-December
- The rebound in sale volumes greatest in southern regions
- Levels of sales inventory are currently 18% higher than a year ago across Britain



## 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. [View the House Selling Weather Forecast here.](#)

### Top 10 hot markets - buyer demand

Postcode	%	Nov 20
L32	83	Liverpool
L33	80	Liverpool
IP18	78	Southwold
L10	77	Liverpool
S8	77	Sheffield
TS11	77	Redcar
WA12	77	Newton-Le-Willows
L16	76	Liverpool
S5	76	Sheffield
BN42	76	Brighton

### Top 10 cold markets - buyer demand

Postcode	%	Nov 20
W1	9	London
WC2	9	London
EC2	10	London
SW3	11	London
L2	12	Liverpool
W2	12	London
SW5	13	London
WC1	14	London
SW1	14	London
NW8	14	London

Source: [TheAdvisory](#)