

## May 2021 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.

### Summary of current property price reports

#### Report Headlines

[Rightmove](#)

*"Prices hit record high as properties sell at fastest pace ever recorded"*

[NAEA PropertyMark](#)

*"Number of properties sold over asking price reaches highest level since 2014"*

[Nationwide](#)

*"House price growth springs back in April"*

[Halifax](#)

*"House prices reach record high for second month in a row in April"*

[e.surv](#)

*"Prices in March continue to climb, with annual rates close to 10%"*

[Hometrack](#)

*"Buyer demand peaks amid constrained supply of family houses"*

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

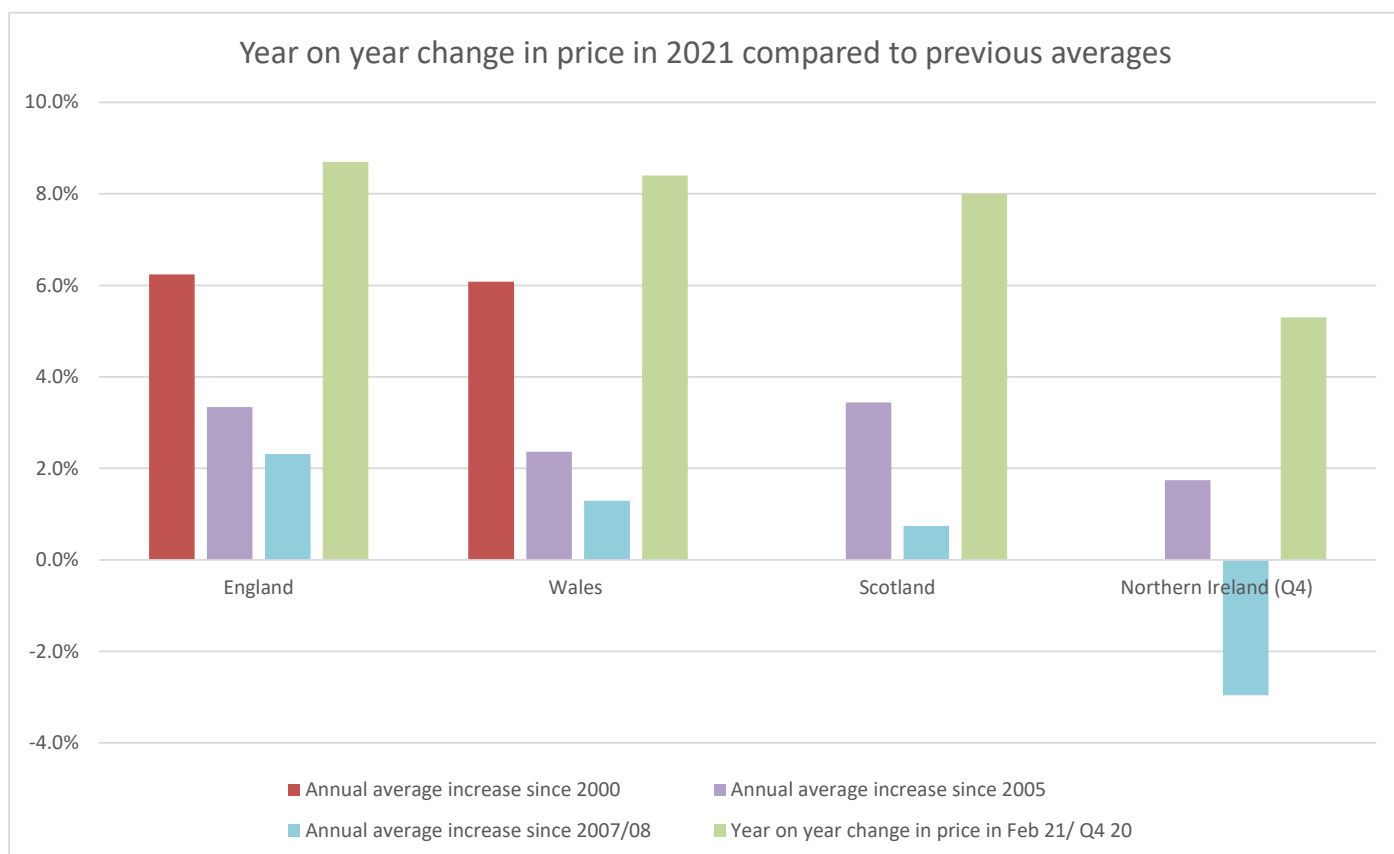
	High 2007/08	Low 2009	Feb-21	Mar-21	Apr-21	Annual Change	Annual Average (05 - 21)		
<b>Rightmove</b>	£241,474	£213,570	£318,580	£321,064	£327,797	5.1%	3.5%	Asking prices	E & W
<b>Nationwide</b>	£184,131	£147,746	£231,068	£232,134	£238,831	7.1%	2.8%	Mortgaged only	UK
<b>Halifax</b>	£199,766	£157,767	£251,697	£254,606	£258,204	8.2%	2.9%	Mortgaged only , seasonally adjusted	UK
<b>e.surv</b>	£231,829	£197,145	£333,331	£339,160	n/a	9.8%	3.8%	Actual prices, includes cash sales	E & W
<b>UK HPI</b>	£190,032	£154,452	£250,341	n/a	n/a	8.6%	3.2%	Sold prices, includes cash sales and new builds	UK

## National property price performance

In times of uncertainty, home movers usually react pretty badly and basically ‘batten’ down the hatches, so many buyers and sellers refuse to move. Despite the uncertainty over the last 12 months and with the added hope over the last month or so that the country can go back to some sort of ‘new normal’, additional support for FTBs and the SDLT extension, it’s apparent that the huge desire to move last year has continued. No-one expected this would happen in Q2 2021 and now the likes of Nationwide are forecasting that *“Housing market activity is likely to remain fairly buoyant over the next six months”* when most of us thought by Q2 the market would start to slow.

Commentary from the likes of TwentyCi, Nationwide and others believe that the market will remain strong post the end of the SDLT holiday. Nationwide for example, surveyed homeowners at the end of April who were thinking of moving and three quarters said they would have continued to do so, even if the SDLT holiday hadn’t been extended. This is backed up by the fact that Scotland remains busy despite the fact that pre-Covid rates now apply. Rightmove explains *“Housing market activity remains high in Scotland where there has been no extension to the land and buildings transaction tax holiday which has now come to an end, which suggests that the same could happen when the tax holidays start to come to an end in England and Wales from the end of June.”*

Having had an incredibly strong 2020, it looks now that 2021 will be equally strong. We know it can’t last, the ‘norm’ around 1.2mn home moves a year over time seems to hold, so at some point, transactions will slow, but it doesn’t look like it will happen any time soon.



Source: [UK HPI](#)

## National commentary from individual indices

### Rightmove

*“A monthly price surge of 2.1% has propelled new seller asking prices to a new record high, with the national average now standing at £327,797. This figure shatters the previous record, set in October last year, by over £4,000. The big jump comes as buyer demand sets another new record, chasing the lowest ever proportion of property available to buy. This is now the fastest-selling market that Rightmove has measured since our records began.”*

### Nationwide

*“Annual house price growth accelerated to 7.1% in April, only slightly below the peak of 7.3% recorded in December and up from 5.7% in March.*

### Halifax

*“House prices in April eclipsed the record high set the month before as the market continued to maintain its recent momentum. The average property is now worth £258,204, up 8.2% annually, the highest annual growth rate in five years.”*

### e.surv

*“The March index reveals further sustained rises in annual prices, up nearly 10% (9.8%) in the last twelve months.”*

### Hometrack

*“House prices have been rising at an annual rate of 4% or more for five months, although March marks the slowest rate of growth since October 2020. Price growth is down from 4.5% in January. High levels of demand which are not being matched by supply will continue to support pricing, but the annual rate of price growth will continue to ease as these extreme imbalances start to unwind.”*

## Regional property price performance

This month, the regional performance gathers strength with more areas entering double digit year on year growth, including the North West, Yorkshire and Humber and the East Midlands. But these regions are closely followed by those growing at 8 and 9% (West Midlands, South West and the North East respectively).

Areas which have previously ‘struggled’ to increase due to hitting ‘affordability buffers’ such as London and the East are still growing, but the South East has now increased year on year by 8.5%, suggesting that far from property being ‘unaffordable’ people are finding extra money to pay for homes this year they didn’t pay last.

The test will come when the indices start reporting price changes from August 2020 when prices started to rise last year – can that momentum be maintained or will year on year price changes start to reduce?

Property Prices - Regions	Latest month's data Feb-21	Changes since 2007 peak	Year on year change in price in Feb 21	Annual average increase since 2005	Annual average increase since 2007	Annual average increase since 2000
North East	£138,370	-1%	9.0%	1.4%	-0.1%	5.2%
North West	£184,351	21%	11.9%	2.8%	1.4%	6.3%
Yorkshire & The Humber	£182,220	21%	10.9%	2.7%	1.4%	6.3%
East Midlands	£213,967	34%	10.6%	2.9%	2.1%	6.4%
West Midlands	£215,451	30%	8.3%	2.7%	1.9%	6.0%
South West	£279,242	31%	9.0%	2.9%	2.0%	6.0%
East	£306,346	46%	6.0%	3.5%	2.7%	6.3%
South East	£345,075	44%	8.5%	3.6%	2.7%	5.9%
London	£496,269	66%	4.6%	4.9%	3.7%	6.6%

Source: UK HPI

## Regional commentary from individual indices

### e.surv

*“For the seventh consecutive month and indicative of an entrenched trend, the South West has the highest rate of annual house price growth, at 14.8% (in February), and with areas within it such as Bath, Bournemouth, Bristol, Cornwall and Gloucestershire all experiencing price growth in excess of 17.5%. Somewhat behind and for the third month in succession, the North West and the East Midlands retain their second and third positions, with growth rates of 12.6% and 11.8% respectively. In the North West, Blackburn with Darwen had the highest annual rate, of 22.3%, while in the East Midlands, Nottingham City came highest at 16.8%.*

*“By contrast, the South East, the East of England and Greater London have the lowest rates of increase, indicating that the sustained movement away from central London and its surrounding areas to greener areas outside of south-east England, is continuing. However, it is important to put this in perspective since the growth rates of 8.4% and 7.6% recorded in the South East and East of England remain high in relative terms. Just twelve months ago, in March 2020, at the start of the pandemic, the average annual house price growth for England and Wales stood at 2.6%.”*

### Hometrack

*“Annual price growth in the year to March continues to outperform in regions where homes are more affordable, with values growing at an annual pace of 5.9% in Wales, 5.3% in Yorkshire and the Humber and 5.2% in the North West of England. London, which has the highest average prices for homes of any region is lagging, with 2% growth over the year.”*

## Analysis of towns/cities

Although the regions all show incredibly strong growth year on year, our towns and cities show a mixed picture. Areas such as Edinburgh are up just a few percent, Norwich 2.8% and Peterborough 3.4%. At the other end of the spectrum, Liverpool continues to rise at spectacular rates of 17.6% year on year, closely followed by Nottingham, Leicester and Bradford.

Property Prices Towns/Cities <i>England, Wales, Scotland &amp; NI</i>	Highest average house price pre-credit crunch 2007/08	Latest month's data Feb 21/ Q4 20	Year on year change in price in Feb 21/ Q4 20	Annual average increase since 2005
Belfast (Q4)	£213,626	£140,750	6.5%	1.8%
Glasgow	£130,473	£150,696	11.1%	2.8%
Edinburgh	£225,750	£280,940	2.3%	3.5%
Cardiff	£170,496	£225,925	7.7%	2.6%
Newcastle upon Tyne	£164,935	£167,964	8.0%	1.3%
Bradford	£139,640	£152,526	12.6%	2.8%
Liverpool	£130,249	£152,974	17.6%	2.4%
Leeds	£161,439	£207,238	9.8%	2.7%
Sheffield	£144,875	£191,303	11.7%	3.2%
Manchester	£140,431	£199,235	11.4%	4.9%
Lincoln	£128,707	£159,693	3.9%	2.6%
Nottingham	£119,010	£168,005	13.6%	2.7%
Norwich	£166,498	£210,793	2.8%	3.1%
Peterborough	£156,264	£202,692	3.4%	2.7%
Birmingham	£148,578	£199,053	5.5%	2.6%
Leicester	£135,317	£206,755	13.8%	3.6%
Milton Keynes	£194,666	£273,116	6.0%	3.5%
Oxford	£289,855	£435,372	7.0%	4.0%
Cambridge	£283,241	£474,824	7.0%	4.9%
Bournemouth, Christchurch & Poole	£206,227	£299,505	7.1%	3.3%
Southampton	£168,795	£223,503	7.8%	2.7%
Portsmouth	£169,633	£223,313	4.5%	2.8%
Brighton and Hove	£257,108	£400,636	11.2%	4.4%
Reading	£216,724	£305,754	6.6%	3.5%
Tunbridge Wells	£279,413	£407,539	6.6%	3.6%
Bristol	£195,196	£316,177	11.6%	4.6%
London	£298,596	£496,269	4.6%	4.9%

Source: [UK HPI](#)

Hometrack's data suggests that prices aren't quite increasing at the rates the Land Registry is recording, but it does measure prices a little later in the sale. In contrast, rather than double digit increases, they suggest that most city property price growth ranges from a few percent increase in London through to 6.3% and 6.5% in Liverpool and Manchester respectively.

It's worth noting that they also continue to record falls in Aberdeen, still suffering from local economic issues caused by the fall in oil prices, proving that whether prices go up or down, although there are national triggers for movement, local factors tend to be key when determining which direction prices move.

## Analysis of towns/cities – cont'd

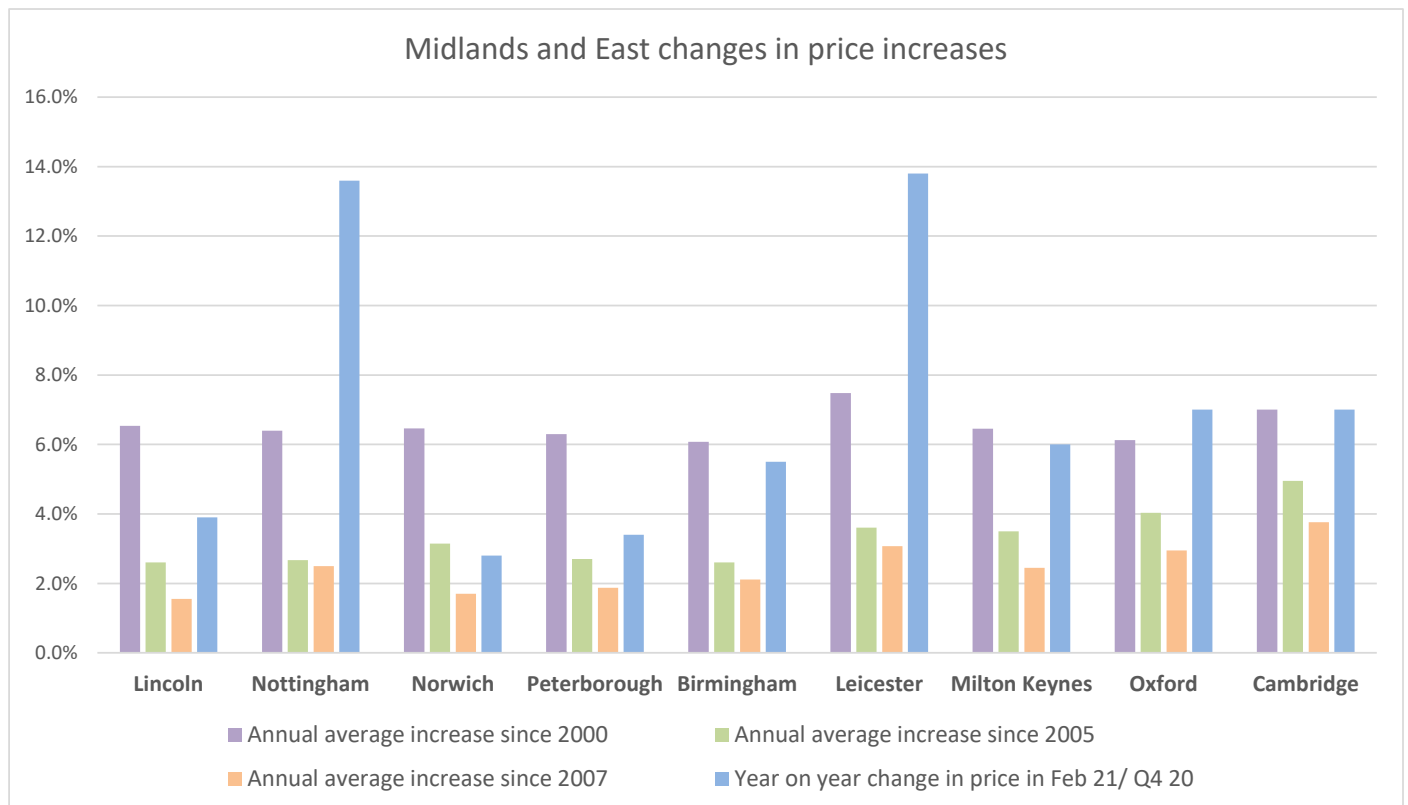
	Average price	%yoy Mar-21	%yoy Mar-20	Monthly trend	Annual trend
<b>UK</b>	<b>£227,100</b>	<b>4.0%</b>	<b>2.1%</b>		
<b>20 city index</b>	<b>£264,800</b>	<b>3.4%</b>	<b>2.5%</b>		
Manchester	£185,800	6.5%	4.0%		
Liverpool	£130,600	6.3%	3.6%		
Leeds	£179,100	5.4%	3.7%		
Nottingham	£169,500	5.2%	5.1%		
Leicester	£195,400	5.1%	4.3%		
Sheffield	£147,500	5.0%	3.0%		
Belfast	£145,700	4.6%	2.9%		
Birmingham	£177,400	4.4%	3.1%		
Cardiff	£218,100	4.2%	2.4%		
Newcastle	£131,200	4.0%	1.4%		
Bristol	£292,300	3.8%	2.8%		
Bournemouth	£298,500	3.6%	1.2%		
Glasgow	£126,900	3.2%	2.8%		
Portsmouth	£247,600	3.2%	2.4%		
Edinburgh	£241,000	2.8%	3.9%		
Southampton	£232,000	2.8%	0.5%		
Cambridge	£423,700	2.0%	1.8%		
London	£487,200	1.8%	1.9%		
Oxford	£410,600	1.6%	-0.4%		
Aberdeen	£144,300	-1.7%	-3.3%		

Source: [Hometrack](#)

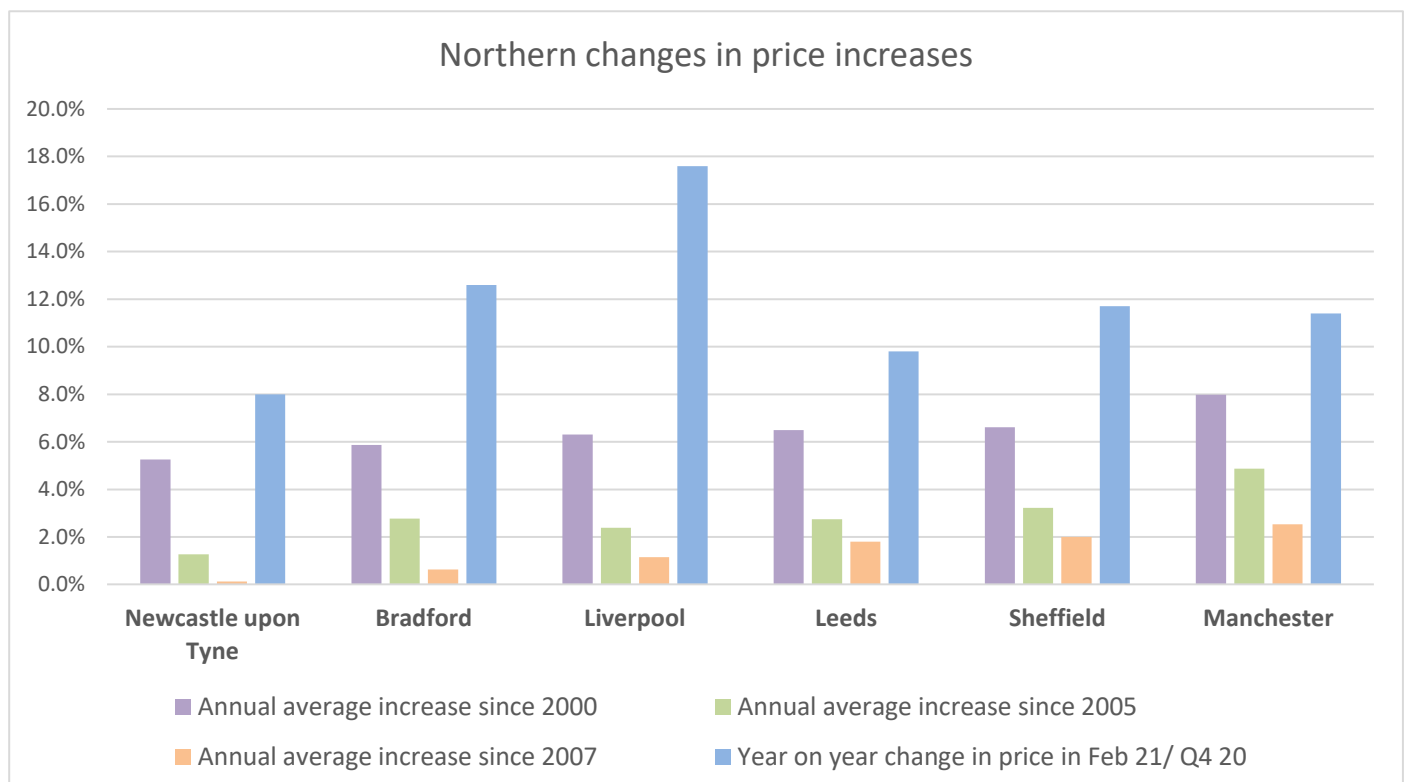
Five high growth areas YoY towns/cities	YoY %	Five low growth areas YoY towns/cities	YoY %	Five high growth areas last 14 years towns/cities	%	Five low growth areas last 14 years towns/cities	%
Liverpool	17.6%	Edinburgh	2.3%	Cambridge	68%	Belfast (Q4)	-34%
Leicester	13.8%	Norwich	2.8%	London	66%	Newcastle upon Tyne	2%
Nottingham	13.6%	Peterborough	3.4%	Bristol	62%	Bradford	9%
Bradford	12.6%	Lincoln	3.9%	Brighton and Hove	56%	Glasgow	15%
Sheffield	11.7%	Portsmouth	4.5%	Leicester	53%	Liverpool	17%
Three high growth areas YoY London	YoY %	Three low growth areas YoY London	YoY %	Three high growth areas last 14 years London	%	Three low growth areas last 14 years London	%
Merton	13.3%	Hammersmith and Fulham	-10.5%	Waltham Forest	90%	Hammersmith and Fulham	27%
Sutton	11.7%	Kensington and Chelsea	-7.5%	Lewisham	88%	Tower Hamlets	42%
Ealing	11.4%	Tower Hamlets	-3.8%	Merton	79%	Kensington and Chelsea	47%

Source: [UK HPI](#)

## Analysis of towns/cities – cont'd

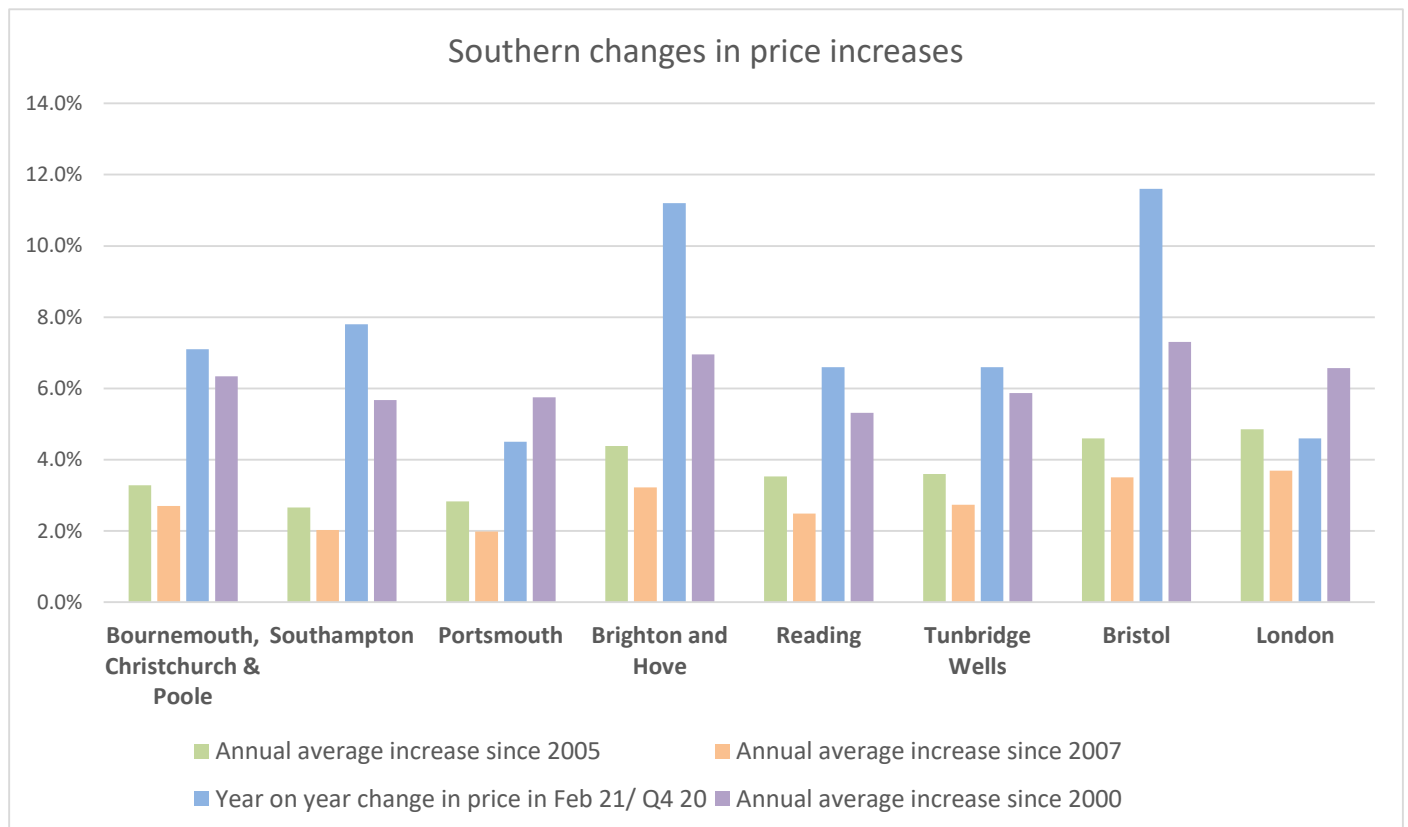


Source: [UK HPI](#)

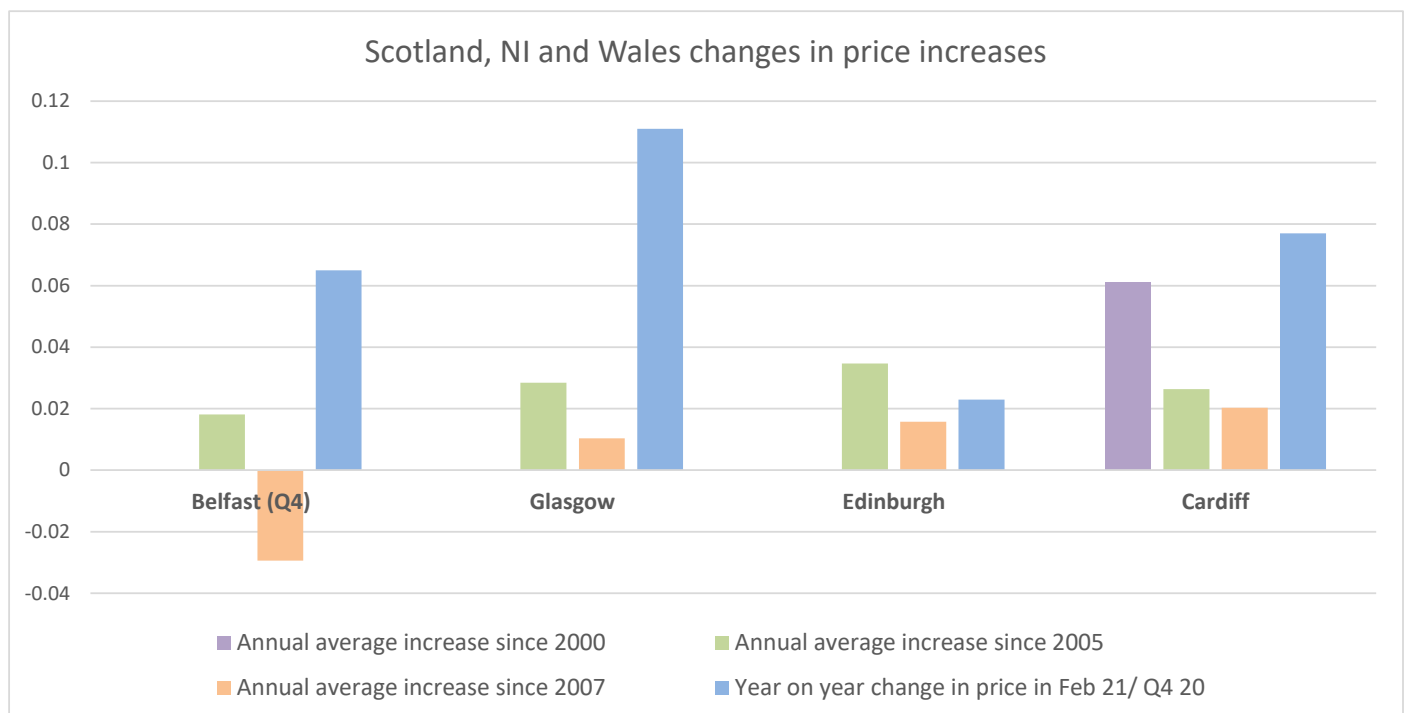


Source: [UK HPI](#)

## Analysis of towns/cities – cont'd



Source: [UK HPI](#)



Source: [UK HPI](#)

## Town/city commentary from individual indices

### Hometrack

*“At a city level, Manchester and Liverpool retain their spots at the top of the price charts, with 6.5% and 6.3% annual growth respectively. At the other end of the scale for major cities, Aberdeen prices are down -1.7% on the year, although this is a more modest decline than the -3.1% seen in March last year. Oxford and Cambridge, two of the markets with highest value housing, are registering relatively muted growth of 1.6% and 2%.”*



## Property transactions, demand and supply

It's interesting that the indices are now looking into much more detail in how transactions are changing. Rightmove shows that two to three bed homes are being 'snapped up quickest' and indeed they are selling fast too, with many only lasting a week on the market.

Perhaps the most interesting data though is from Hometrack which explains that this is one of the 'busiest sales markets in years'. Cities such as Birmingham, Swansea, Glasgow, Liverpool and Leicester, where average house prices are all under £200,000, are seeing demand at its highest.

In the meantime, low supply partly due to the a 'lag' in new properties coming onto the market as "*potential sellers were more reticent to open their homes to viewings amid high COVID 19 cases.*" And, they agree with Rightmove about 'family homes' being most in need. Looking at the "*constrained supply across the regions*" they found "*the scale of declines is most pronounced in the North of England and Scotland, but all regions have seen at least a 20% fall in the availability of family houses for sale.*"

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

### Hometrack

#### **Demand for homes hits new highs**

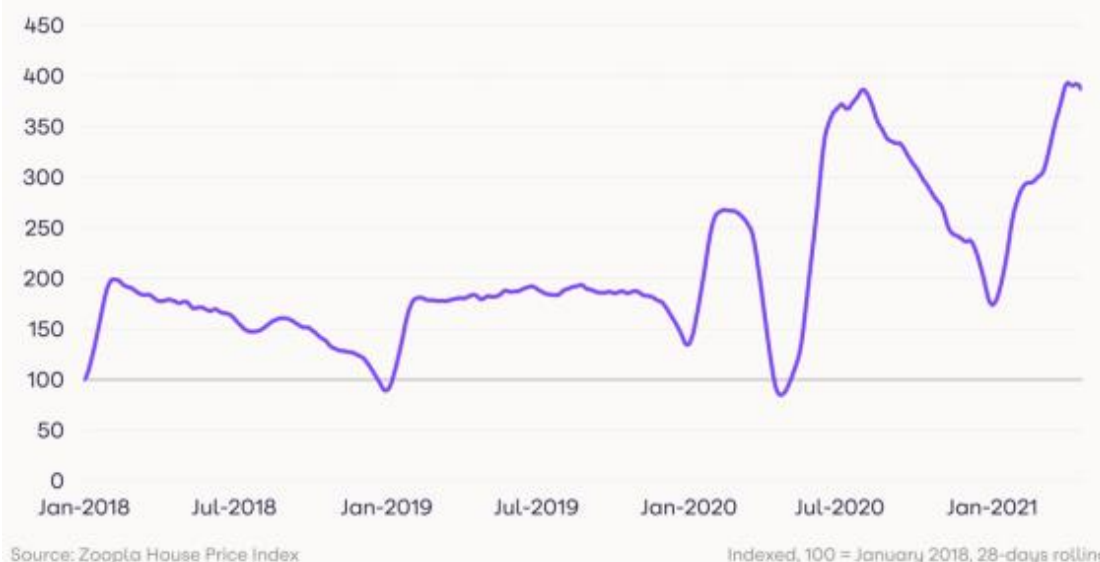
*There has been strong buyer demand from the start of 2021, leading to one of the busiest sales markets in years – with the value of homes sold subject to contract in the first 15 months of the year almost double that in 2019 and 2020.*

*Since March, demand jumped again, to levels like those last seen in the wake of the first lock-down last summer. The combination of children returning to school and the stamp duty holiday extension announcement in early March, as well as the return of first-time buyers and the continued 'search for space' among homeowners came together to create a demand boost, especially for family houses.*

*The cities seeing the highest levels of demand in Q1 were Birmingham, Swansea, Glasgow, Liverpool and Leicester, where average house prices are all under £200,000.*

*Buyer demand is likely to continue to ease as more parts of the country emerge from lockdown, but given the myriad factors boosting the appeal of moving listed above, buyer appetite will remain above average levels for this time of year through Q2.*

#### **Buyer demand hits new peak**

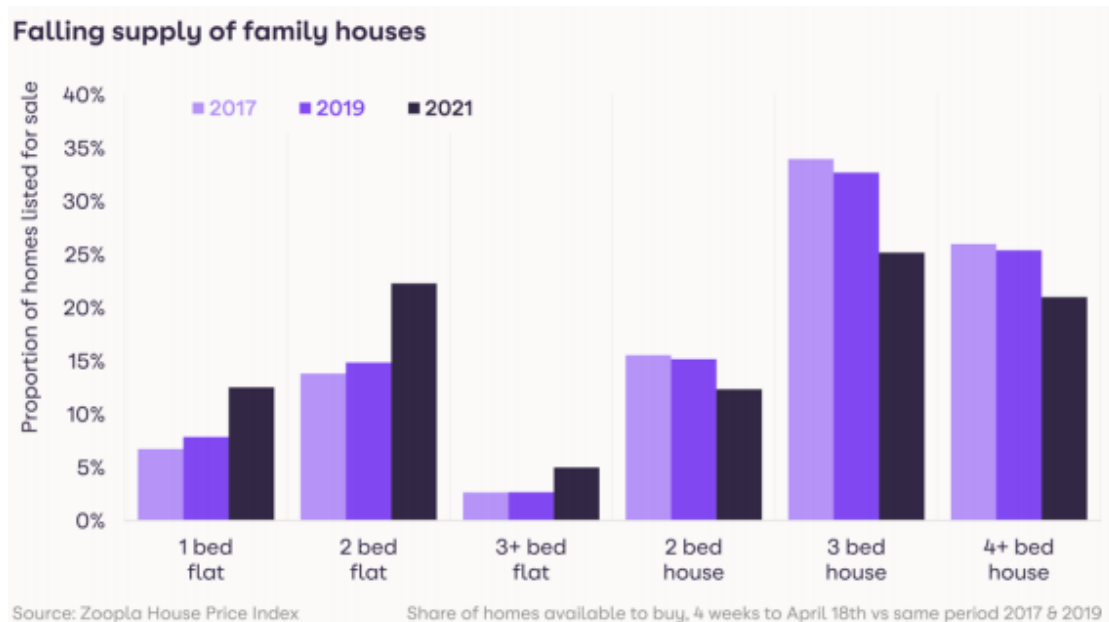


## Supply constrained, especially for family houses

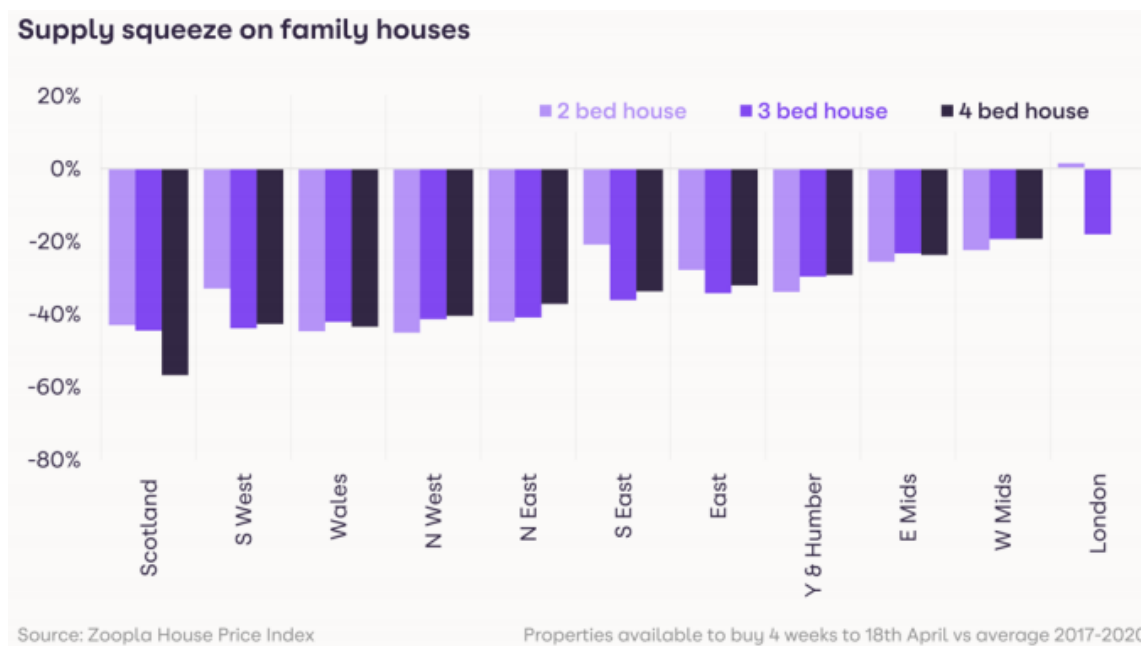
The number of homes being listed for sale has not kept pace with buyer demand foremost of the last 12 months, eroding the total number of homes for sale in most markets, with a particular drop in the availability of family houses.

In the first half of April, the number of homes for sale was nearly 30% lower than average during the same period in 2017-2019.

The lack of supply coming to the market has been exacerbated by several factors, including the rise in activity among first-time buyers who have nothing to sell. In addition, the lag typically observed between a rise in demand and the subsequent rise in supply was elongated at the start of the year as potential sellers were more reticent to open their homes to viewings amid high COVID 19 cases.



When we look at the trend of constrained supply across the regions, we can see that the scale of declines is most pronounced in the North of England and Scotland, but all regions have seen at least a 20% fall in the availability of family houses for sale.



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

### Rightmove

*“Two- and three-bedroom semi-detached houses are being snapped up quickest, with 30% of those that are being marked as sold by agents having been on the market for less than a week. Momentum is being partly driven by the lack of property coming to market over the last few months, which has reduced available stock levels as we move into the spring home-moving season. We can't compare with the same period a year ago in 2020 when the housing market was effectively suspended, but the number of properties coming to market in the last month is up by a modest 3% on the same period in 2019. This means it has now recovered to normal levels, but it is still massively outpaced by buyer demand. In contrast the number of sales agreed is up by 55% on the same period two years ago, and so the proportion of available property is at its lowest ever recorded by Rightmove.”*

### NAEA Propertymark

*“The average number of sales agreed per estate agent branch stood at 12 in March which is an increase from 11 in February. Year-on-year, this figure is the highest for the month of March since 2007 when the number of sales per estate agent branch also stood at an average of 12.*

*“The number of sales agreed has now increased consecutively each month since December 2020.*

*“The number of sales made to FTBs stood at 27 per cent in March, which is a rise from 25 per cent in February. This is the highest figure recorded since June 2020.*

*“The number of properties available per member branch stood at 31 in March, falling from 34 in February. This means there is an average of 13 buyers for every available property on the market.*

*“The average number of house hunters registered per estate agent branch stood at 409 in March, which is an increase from 388 in February.”*

### HMRC

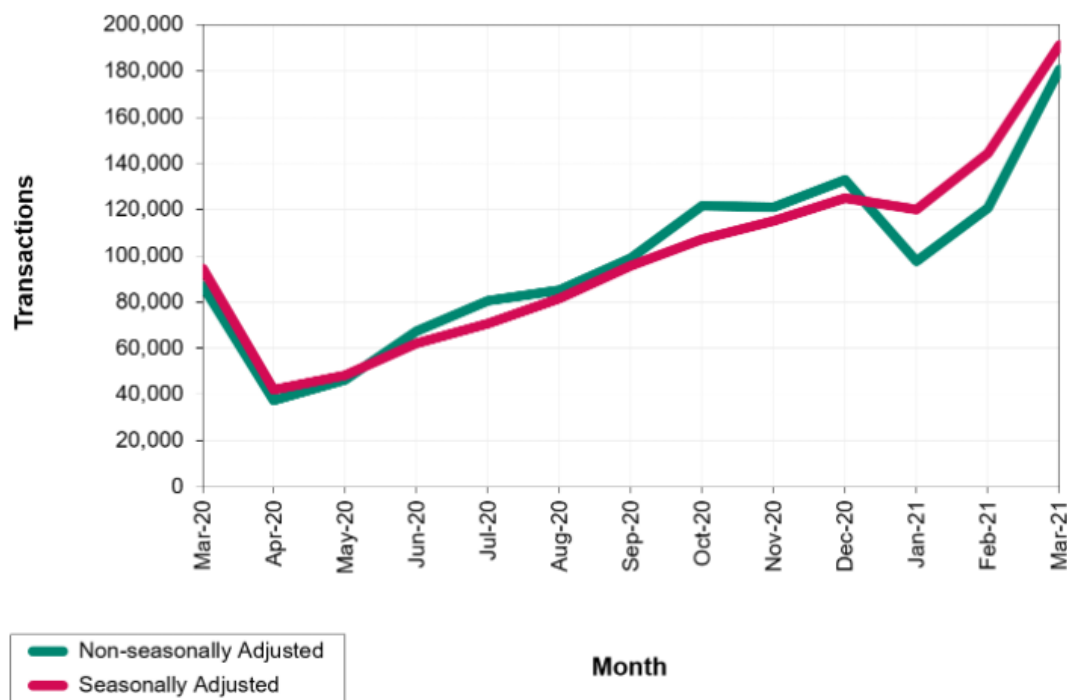
*“In February 2021, on a seasonally adjusted basis, the estimated number of transactions of residential properties with a value of £40,000 or greater was 147,050. This is 48.5% higher than a year ago. Between January 2021 and February 2021, UK transactions increased by 23.0% on a seasonally adjusted basis.*

*“The provisional non-seasonally adjusted estimate for UK residential transactions in March 2021 of 180,690 is the highest monthly total since the introduction of Stamp Duty statistics in their current format from 2005.*

*“The provisional non-seasonally adjusted estimate for UK residential transactions in 2021 quarter 1 (399,060) is the highest quarter 1 total since the introduction of Stamp Duty statistics in their current format from 2005, and the highest quarterly total since 2006 quarter 2 when transactions reached 419,270.”*

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

Chart 1: UK residential property transactions by month (March 2020 to March 2021).



Source: [HMRC](#)

Chart 3: Year on year comparisons of UK residential transactions in March between 2012 and 2021.

Month and year	Non-seasonally adjusted	Seasonally adjusted
March 2012	86,720	89,060
March 2013	79,000	81,310
March 2014	91,570	102,780
March 2015	91,490	99,170
March 2016	171,370	176,650
March 2017	105,640	104,900
March 2018	95,870	94,920
March 2019	95,660	100,320
March 2020	86,920	94,380
March 2021 (provisional estimates)	180,690	190,980

Source: [HMRC](#)

## 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 BN42 (Brighton) 89% 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 Brighton, Hayle and Canvey Island having some of the busiest markets, and London/Liverpool having some of the slower ones. [View the House Selling Weather Forecast here.](#)

### Top 10 hot markets - buyer demand

Postcode	%	May 21
BN42	89	Brighton
TR27	89	Hayle
SS8	88	Canvey Island
S12	86	Sheffield
IP5	86	Ipswich
NP10	86	Newport
PL6	86	Plymouth
CF82	86	Hengoed
BH17	85	Poole
BN13	85	Worthing

### Top 10 cold markets - buyer demand

Postcode	%	May 21
L2	11	Liverpool
W1	11	London
SW10	14	London
W2	15	London
WC2	16	London
NW8	16	London
L1	16	Liverpool
EC2	17	London
SW5	17	London
SW1	18	London

Source: [TheAdvisory](#)