

## The UK's most comprehensive property price report

This report is to help give everyone – industry and consumers – a quick five minute guide to what's happening in the property market, according to the property indices, along with property expert Kate Faulkner's comments.

### Property price and market indices summary

- Most indices are reporting record sales and prices being hit in the last few months
- Country wise, Northern Ireland house prices are up year on year but lag behind England, Wales and Scotland. Prices are still -34% lower, on average than in 2007. (Source: Land Registry)
- Regional performances are vastly different, with London prices up by just 3.7% year on year while Yorkshire and Humber tops price growth at 14%, however, long term affordability for this and many other areas is still looking good (Source: Land Registry)
- Westminster prices are down by over -8%, Liverpool prices up by over 18% (Source: Land Registry)
- Hometrack predicts a staggering 1.5mn transactions for 2021
- Rightmove report buyers secured in just 45 days

#### Rightmove

##### ***New price record as Wales and the north lead the way and London stands still***

*"New records continue to be set as the average price of property coming to market this month jump by 1.8%. Average London house prices are 2.9 times higher than prices in the northern areas of Great Britain, and although still large this is the smallest ratio recorded by Rightmove since 2013."*

#### RICS

##### ***Strong demand and a lack of new instructions driving prices higher***

*"House price growth rose again over the month, with +75% of respondents noting an increase in prices during April. This is up from a reading of +62% back in March and has now become successively more elevated in each of the last three reports. Furthermore, all UK regions/countries are now seeing a sharp pick-up in house price inflation."*

#### Nationwide

##### ***Annual house price growth hits double digits in May***

*"May saw a further acceleration in annual house price growth to 10.9%, the highest level recorded since August 2014."*

#### Halifax

##### ***House prices soar as market remains buoyant heading into the summer***

*"A year on from the first easing of national lockdown restrictions, and the gradual reopening of the housing market, annual growth surged to 9.5%."*

#### e.surv

##### ***Double digit house price growth in England and Wales***

*"This month, our data shows that on an annualised basis, prices grew by nearly 12% (11.7%) in April, the highest year-on-year growth since January 2005, and this despite England and Wales having been in various states of lockdown and economic contraction since March 2020."*

#### Hometrack

##### ***Annual UK house price inflation at +4.1%***

*"Average house prices rose at 4.1% in the year to April, up from 2.3% in April last year, but down from 4.7% at the start of the year. Prices are being underpinned by demand from buyers continuing to outstrip supply. Price growth is highest in areas where affordability is greatest."*

## Property indices reporting could reduce demand from first time buyers

Kate Faulkner says the problem with these headlines is that they are driving the idea in consumers' minds, particularly first time buyers, that property is now unaffordable for many. For example, an article in the Telegraph's headlines: "[House prices rise £3,000 in one month](#)" and the Guardian are reporting: "UK house prices 'likely to keep rising despite hitting record high'" with the Daily Mail telling people "Pandemic property boom continues: Housing sales this year are forecast to rise to the highest level since the market peak in 2007".

This will potentially have the impact of dampening housing demand unnecessarily, especially from always needed first time buyers, despite the fact that in reality, affordability for most areas is actually better than it was back at the previous height of the market in 2007.

The property industry that are working daily with consumers needs to be clear that although property prices have had a hike over the last 12 months, property is still affordable and where people are struggling to buy, there are a plethora of government schemes available to help them. (*see article*)

We need to educate people, that, since 2005, despite the big hikes in the last year, average property prices each year have only increased in line with inflation as the table below shows, with Nationwide reporting a 2.9% increase each year, while e.surv and Rightmove suggest slightly higher than inflation growth of 3.6-3.8%:-

	High 2007/08	Low 2009	Mar-21	Apr-21	May-21	Annual Change	Annual Average (05 - 21)		
<b>Rightmove</b>	£241,474	£213,570	£321,064	£327,797	£333,564	6.7%	3.6%	Asking prices	E & W
<b>Nationwide</b>	£184,131	£147,746	£232,134	£238,831	£242,832	10.9%	2.9%	Mortgaged only	UK
<b>Halifax</b>	£199,766	£157,767	£254,606	£258,204	£261,743	9.5%	3.0%	Mortgaged only , seasonally adjusted	UK
<b>e.surv</b>	£231,829	£197,145	£339,160	£341,462	n/a	11.7%	3.8%	Actual prices, includes cash sales	E & W
<b>UK HPI</b>	£190,032	£154,452	£256,405	n/a	n/a	10.2%	3.4%	Sold prices, includes cash sales and new builds	UK

The relevance of using property price averages at all for consumers has to be questioned when Nationwide quotes the average price of £243,000 (*for mortgaged properties in the UK*) and Rightmove an average 37% higher at £333,564 (*based on asking prices in England and Wales*).

Due to average property prices being fairly irrelevant from a consumer perspective, below we breakdown what's happening by country, region, towns and cities and even in some cases, by postcode.

## How does house price growth differ by country?

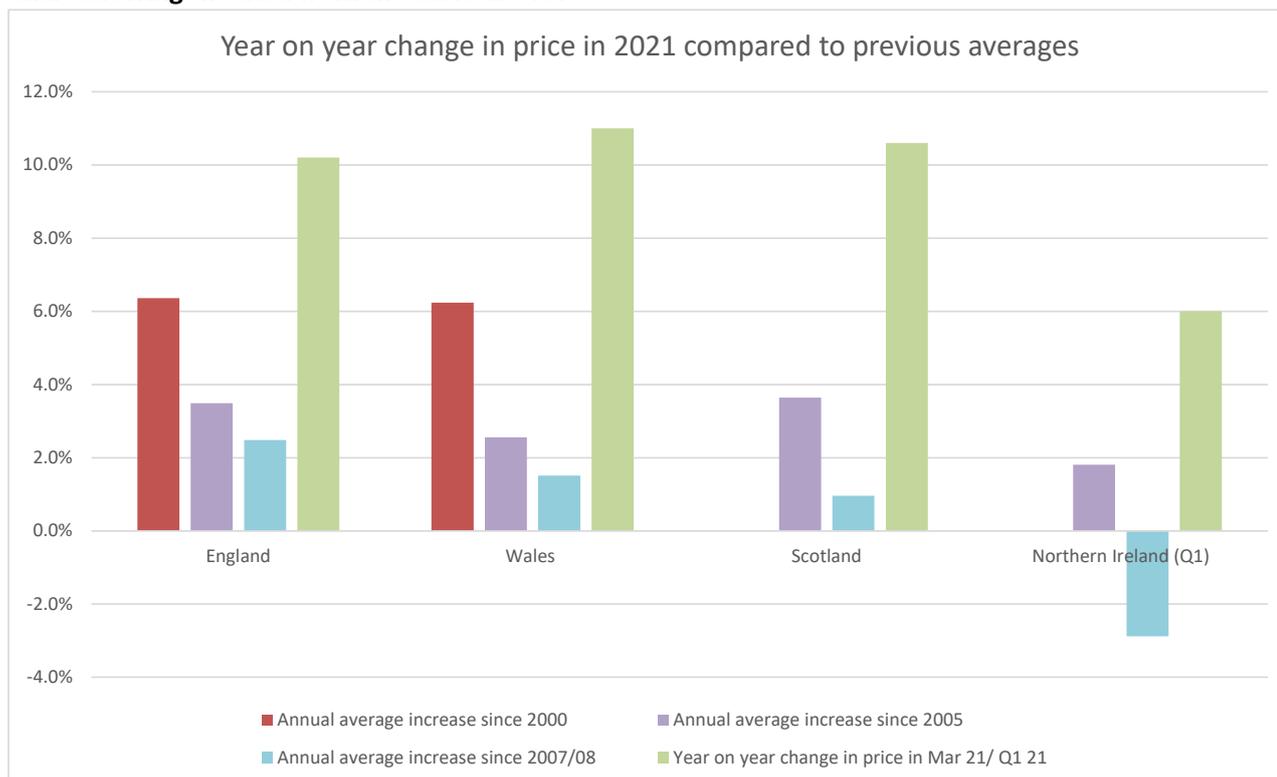
Each country in the UK has different levels of economic activity and wage changes, all of which impact on the amount people can afford to pay for a property.

Currently, the table and chart below show that year on year, Welsh property prices are up 11%, while Northern Ireland is up just 6%, almost half the growth of other areas.

As with the UK growth, it's important to be aware that annual average increases since 2005 are just in line with inflation for England and Scotland, below for Wales, and prices are still struggling to recover to 2007 levels in Northern Ireland, having fell an astonishing 50% in the last credit crunch.

Property Prices - Countries	Latest month's data Mar 21/ Q1 21	How much higher/ lower are latest prices vs height in 2007/8	Year on year change in price in Mar 21/ Q1 21	Annual average increase since 2005	Annual average increase since 2007/08	Annual average increase since 2000
England	£274,615	41%	10.2%	3.5%	2.5%	6.4%
Wales	£185,431	23%	11.0%	2.6%	1.5%	6.2%
Scotland	£166,566	14%	10.6%	3.6%	1.0%	n/a
Northern Ireland (Q1)	£149,178	-34%	6.0%	1.8%	-2.9%	n/a

Chart showing the data from the table above:



## How does house price growth differ by region in England?

Breaking down the Land Registry data to each region, we can see that the usual drivers of price growth: London, South East and East Anglia, due to affordability issues, are lagging behind property price growth seen around the rest of the country.

The top performer this month is Yorkshire & Humber, up a staggering 14% year on year. However, as with the different country data, this doesn't mean that all properties are less affordable than last year, yes they will cost more, but as you can see, the level of growth was 26% higher than 2007.

For prices to have kept up with inflation, they would need to be £267,567 a lot higher than the current £188,575 average. In comparison, in London, property prices have exceeded inflation, which would mean an average price of £423,676 as opposed to topping the half a million mark.

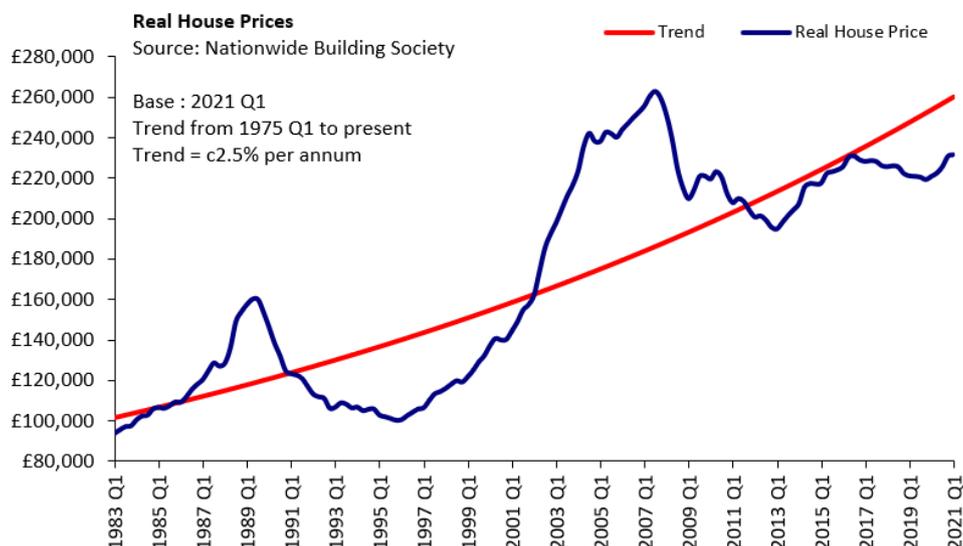
Property Prices - Regions	Latest month's data Mar-21	Changes since 2007 peak	Year on year change in price in Mar 21	Annual average increase since 2005	Annual average increase since 2007	Annual average increase since 2000
North East	£145,893	5%	13.7%	1.7%	0.3%	5.5%
North West	£187,924	23%	12.8%	2.9%	1.5%	6.4%
Yorkshire & The Humber	£188,575	26%	14.0%	2.9%	1.6%	6.5%
East Midlands	£219,950	38%	12.4%	3.1%	2.3%	6.5%
West Midlands	£220,982	33%	10.7%	2.9%	2.1%	6.1%
South West	£287,650	35%	10.9%	3.1%	2.2%	6.2%
East	£315,059	50%	9.4%	3.7%	3.0%	6.5%
South East	£348,615	46%	7.9%	3.7%	2.7%	5.9%
London	£500,310	68%	3.7%	4.9%	3.8%	6.6%

Source: [UK HPI](#)

*(See charts with different property price growth by region in the Appendix)*

According to Nationwide, in real terms, taking into account inflation, real house price growth has been 2.5% per annum since 1975, but since the 2007 crash, we are not seeing the huge booms and busts we saw in the early 90s nor from 2000-2009.

The question is, will the market rise as it has before, or have government's restrictions on lending now put a 'cap' on house price rises?



## Which cities and towns are performing well or struggling?

The top cities this month are all in the North eg Liverpool and Manchester while those that are still up year on year, but by less than 5%, include some usually big property price growers such as Edinburgh, Cambridge and of course, London. What this shows is the high growth areas year on year are mostly those where prices have lagged behind inflation since 2005, whereas those with the lowest year on year growth have typically exceeded general inflation.

Five high growth areas YoY towns/cities	YoY %	Annual average increase since 2005	Exceeded annual inflation since 2005	Five low growth areas YoY towns/cities	YoY %	Annual average increase since 2005	Exceeded annual inflation since 2005
Liverpool	18.1%	2.5%	No	Norwich	3.1%	3.2%	Yes
Manchester	16.2%	5.3%	Yes	London	3.7%	4.9%	Yes
Leeds	13.4%	2.9%	No	Cambridge	4.0%	4.8%	Yes
Bradford	13.3%	2.8%	No	Edinburgh	4.1%	3.6%	Yes
Newcastle upon Tyne	13.0%	1.5%	No	Milton Keynes	5.2%	3.5%	Yes

Source: [UK HPI](#)

### In London we are seeing some pretty big rises versus falls year on year:-

Individual performance of different London boroughs shows that the 'huge exodus' currently being reported may be affecting a few areas in London, but certainly not all, with Hammersmith and Fulham, Haringey and Waltham Forest all seeing double digit price growth year on year, despite the fact that their annual price inflation since 2005 is double that of general inflation.

Three high growth areas YoY London	YoY %	Annual average increase since 2005	Exceeded annual inflation since 2005	Three low growth areas YoY London	YoY %	Annual average increase since 2005	Exceeded annual inflation since 2005
Waltham Forest	12.6%	6.0%	Yes	City of Westminster	-8.1%	5.5%	Yes
Haringey	11.9%	5.8%	Yes	Camden	-6.1%	5.4%	Yes
Hammersmith and Fulham	11.7%	5.6%	Yes	Wandsworth	-2.0%	5.0%	Yes

Source: [UK HPI](#)

## How is your town or city performing year on year versus long term growth? What's the risk to property prices in your area if they fall? How long will it take for prices to recover?

The data in table below shows what the current average house price is for your town or city and how much property prices have grown year on year. Although this data is useful when comparing one city or town to another, perhaps also for investment purposes or working out where is affordable to move to, it's important to be aware they are just averages. There are still lots of properties being sold for less than the 'average' and indeed for more.

What is more interesting from an industry professional, buyer or seller's perspective is if you buy now, are you buying in a busy or slow market versus the long term?

## How to use the town/city data when buying or selling or assessing your own property market as a professional

The data below shows the 'average' property price. This on its own isn't that useful and in fact can be misleading.

For example, in London the average property price is: £500,000. Most people who live there can't afford this amount, but what the indices won't tell you is that you can still become a home owner via shared ownership. [This property is available](#) in London for under £70,000 for a two bedroom flat in Chingford, near Walthamstow. It requires a deposit of less than £7,000, 25% of which can be topped up by the government Lifetime ISA Scheme (subject to T&Cs and various conditions).

## How to use the town/city data when buying or selling or assessing your own property market as a professional – cont'd

What the data below shows though is what's the current market for London (on average)? At the moment, despite its high price tag, the market is potentially a good one for buyers as house prices are rising year on year by 3.7%. This means the market is fairly slow versus its long term annual average increase of 4.9%.

Other things to think about is what's the risk of buying in London if there is a property price crash and prices fall? In the last recession they fell by -18% and it took prices around three years to recover. Since then they have recovered incredibly well, with property prices rising by 68%, way in excess of the average cost of goods (ie inflation) rise of 40%.

In comparison, Belfast averages are £142,394, prices have risen by 6% year on year, suggesting the market is busy at the moment versus the long term average annual increase of 1.9%. In the last recession, property prices collapsed dramatically – by nearly 60%. Since 2007, property prices are still -33% lower than they were at the height of the market in 2007.

So currently, Belfast is good value for money, despite a big rise year on year and a busy market, prices are still much lower than they were back in 2007.

Property Prices Towns/Cities <i>England, Wales, Scotland &amp; NI</i>	Latest month's data Mar 21/ Q1 21	Year on year change in price in Mar 21/ Q1 21	Annual average increase since 2005	How much prices fell during last recession	Years property prices took to recover	How much higher/ lower are latest prices vs height in 2007/8	Exceeded annual inflation since 2005
Belfast (Q1)	£142,394	6.0%	1.9%	-58.9%	N/A	-33.3%	No
Glasgow	£150,406	12.8%	2.8%	-26.3%	5 yrs 4 months	15.3%	No
Edinburgh	£285,867	4.1%	3.6%	-18.9%	6 yrs 0 months	26.6%	Yes
Cardiff	£227,435	8.7%	2.7%	-18.1%	5 yrs 3 months	33.4%	No
Newcastle upon Tyne	£173,968	13.0%	1.5%	-19.3%	7 yrs 9 months	5.5%	No
Bradford	£154,500	13.3%	2.8%	-20.4%	5 yrs 6 months	10.6%	No
Liverpool	£156,855	18.1%	2.5%	-20.4%	5 yrs 3 months	20.4%	No
Leeds	£211,818	13.4%	2.9%	-19.4%	7 yrs 1 months	31.2%	No
Sheffield	£191,733	12.8%	3.2%	-17.0%	6 yrs 2 months	32.3%	Yes
Manchester	£211,107	16.2%	5.3%	-20.5%	6 yrs 5 months	50.3%	Yes
Lincoln	£171,574	10.0%	3.1%	-17.6%	5 yrs 6 months	33.3%	Yes
Nottingham	£161,649	8.7%	2.4%	-21.3%	6 yrs 5 months	35.8%	No
Norwich	£212,636	3.1%	3.2%	-25.7%	5 yrs 4 months	27.7%	Yes
Peterborough	£203,886	5.5%	2.7%	-20.8%	6 yrs 5 months	30.5%	No
Birmingham	£207,363	11.1%	2.9%	-17.4%	6 yrs 1 months	39.6%	No
Leicester	£202,770	10.4%	3.5%	-18.7%	6 yrs 6 months	49.8%	Yes
Milton Keynes	£274,840	5.2%	3.5%	-24.1%	5 yrs 2 months	41.2%	Yes
Oxford	£452,297	11.8%	4.3%	-23.0%	3 yrs 5 months	56.0%	Yes
Cambridge	£461,935	4.0%	4.8%	-20.7%	2 yrs 8 months	63.1%	Yes
Bournemouth, Christchurch & Poole	£307,001	9.2%	3.4%	-20.5%	5 yrs 9 months	48.9%	Yes
Southampton	£219,368	5.8%	2.5%	-20.2%	5 yrs 5 months	30.0%	No
Portsmouth	£231,027	9.0%	3.1%	-22.9%	5 yrs 10 months	36.2%	Yes
Brighton and Hove	£405,451	11.9%	4.5%	-21.4%	4 yrs 2 months	57.7%	Yes
Reading	£306,181	6.7%	3.5%	-18.8%	5 yrs 1 months	41.3%	Yes
Tunbridge Wells	£417,066	10.5%	3.7%	-22.2%	4 yrs 2 months	49.3%	Yes
Bristol	£317,210	12.0%	4.6%	-21.3%	5 yrs 0 months	62.5%	Yes
London	£500,310	3.7%	4.9%	-17.8%	3 yrs 0 months	67.6%	Yes

Source: [UK HPI](#)

*(See charts with different property price growth by town/city in the Appendix)*

## What are the current hottest and coldest postcodes?

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) 90% 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, Basildon and Poole having some of the busiest markets, and London/Liverpool having some of the slower ones.

To find out what's happening in your postcode visit the [House Selling Weather Forecast here](#).

### Top 10 hot markets - buyer demand

Postcode	%	June 21
BN42	90	Brighton
SS14	89	Basildon
BH17	88	Poole
IP5	88	Ipswich
BS15	88	Bristol
M46	88	Manchester
SS8	88	Canvy Island
BH18	87	Broadstone
NN18	87	Corby
BS7	86	Bristol

### Top 10 cold markets - buyer demand

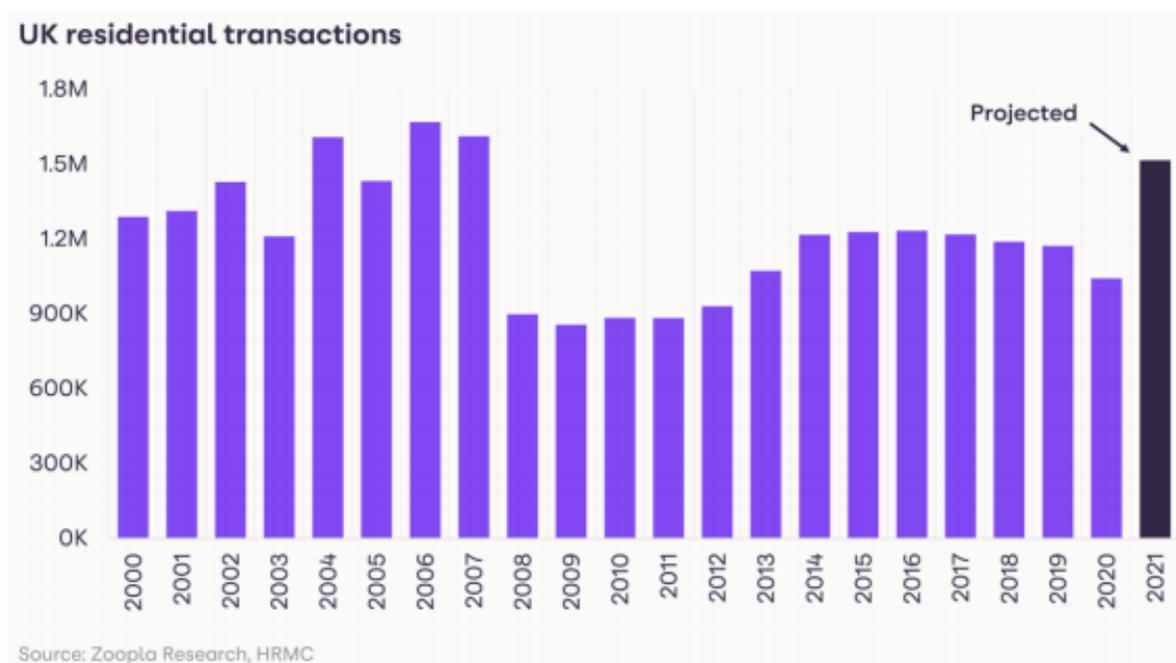
Postcode	%	June 21
W1	11	London
L2	15	Liverpool
WC2	15	London
L1	16	Liverpool
W2	16	London
NW8	16	London
SW10	17	London
SW3	17	London
SW5	18	London
EC2	18	London

Source: [TheAdvisory](#)

## What's happening to property transactions, demand and supply?

Much of the discussion and media reporting about the property market is about house prices, but this misses some of the most important data which influences house prices: transactions, which are driven by demand and supply.

Average and estimated transactions each year since 2014 have run at around 1.2mn transactions.



## Hometrack predict an incredible 1.5mn sales in 2021!

Transactions in excess of 1.5mn sales haven't been seen since prior to the credit crunch which hit in 2007.

Up until now, forecasts from Savills and Hamptons were around 1.2 million:-

UK Transactions forecast 2020 & 2021	2020	2021	2022	2023	2024
<b>Savills</b>					
New transactions forecast (Sep 20)	1,059,000	1,209,000	1,187,000	1,187,000	1,186,000
Previous forecast (Jun 20)	775,000	1,083,000	1,330,000	1,187,000	1,186,000
<b>Hamptons International</b>					
Transactions forecast (Sep 20)	1,100,000	1,150,000	1,200,000	1,300,000	n/a

However, the big news from this month is that transactions are expected to peak at 1.5mn for the first time in 14 years, and even then, since 2000, it's only happened three times before in 2004, 2006 and 2007.

### According to Hometrack:-

*"Buyer demand has been strong since the end of the first lockdown last year as households reassess how and where they are living. For some, the need for more space, especially if working from home is to be a more regular occurrence, has prompted a move. Many older households are also re-evaluating their housing needs and moving for the first time in many years.*

*"First-time buyers are also becoming more active in the market, with better access to mortgage finance.*

*"The stamp duty holiday introduced in July to March, and the subsequent extension to June and tapered extension to the end of September, has provided an added impetus for many to purchase a home.*

*"This demand for homes in the sales market led to a very busy start to the year (as examined in March house price index report) with £149 billion of homes sold subject to contract in the first 15 weeks of the year.*

*"We expect that activity will remain elevated in H2, albeit not as high as towards the end of last year. Even so, we expect total sales completions this year will be 1.52 million. This would mark 2021 as the one of the most active sales markets since the global financial crisis, and as one of the top ten busiest years since 1959."*

### Other indices commentary on transactions, buyer and seller demand:-

#### Rightmove

*"Buyer demand has soared throughout Great Britain (+52% in April 2021 vs April 2019), with similarly strong levels in London (+48%). But it is the north that is seeing the greater imbalance between demand and supply and this is one of the main factors driving prices to new records in all regions except the capital. This supply shortage is particularly marked for typical family homes with three bedrooms or more, with available stock for sale on agents' books in April down by an average of 50% on the same period in 2019. In contrast, properties with two bedrooms or fewer have availability down by 24%."*

#### NAEA Propertymark

*"The average number of sales agreed per estate agent branch stood at 12 in April, which is the same as March. Year-on-year, this figure is the highest for the month of April since 2007 when the number of sales per branch stood at an average of 13.*

*"The number of sales made to FTBs stood at 27 per cent in April, which is the same as March.*

## Other indices commentary on transactions, buyer and seller demand – cont'd

*“The number of properties available per member branch stood at 27 in April, falling from 31 in March. This figure is the lowest recorded since December 2002 when 25 properties were available per branch. This means there is an average of 16 buyers for every available property on the market.*

*“The average number of house hunters registered per estate agent branch stood at 427 in April, which is an increase from 409 in March, and the highest figure for April since 2004 when there were 487 house hunters registered per branch.”*

### RICS

*“The April 2021 RICS UK Residential Survey results point to buyer demand remaining firm across the market, while the flow of properties being listed for sale has lost impetus of late. As a result, respondents to the survey frequently highlight this mismatch between supply and demand to be a critical factor in driving up house prices, with growth reportedly accelerating further across all parts of the UK.*

*“In terms of new buyer demand, +44% of contributors cited a pick-up in enquiries during April. This is virtually unchanged from a reading of +43% previously and therefore remains indicative of a solid uptick in buyer demand.*

*“What’s more, the new buyer enquiries series is positive, to a greater or lesser degree, across all areas of the UK. Alongside this, newly agreed sales also rose over the month, evidenced by +34% of respondents noting an increase (a slight easing on +48% last time).*

*“A widely cited theme in the comments left by survey participants is that the number of fresh listings arriving on the market is insufficient to match the current levels of demand. Indeed, new instructions fell to -4% in the latest results, down from +21% previously. Moreover, stock levels have dropped in recent months, with the average number of properties on estate agents’ books now at just 40, having briefly stood at 46 back in December.”*

### Nationwide

*“While March’s spike in transactions was driven by the original end date of the stamp duty holiday, a lot of momentum has been maintained. Our research indicates that the extension to the stamp duty holiday is not the key factor, though it is clearly impacting the timing of transactions.*

*“Amongst homeowners surveyed at the end of April that were either moving home or considering a move, three quarters (68%) said this would have been the case even if the stamp duty holiday had not been extended. It is shifting housing preferences which is continuing to drive activity, with people reassessing their needs in the wake of the pandemic.*

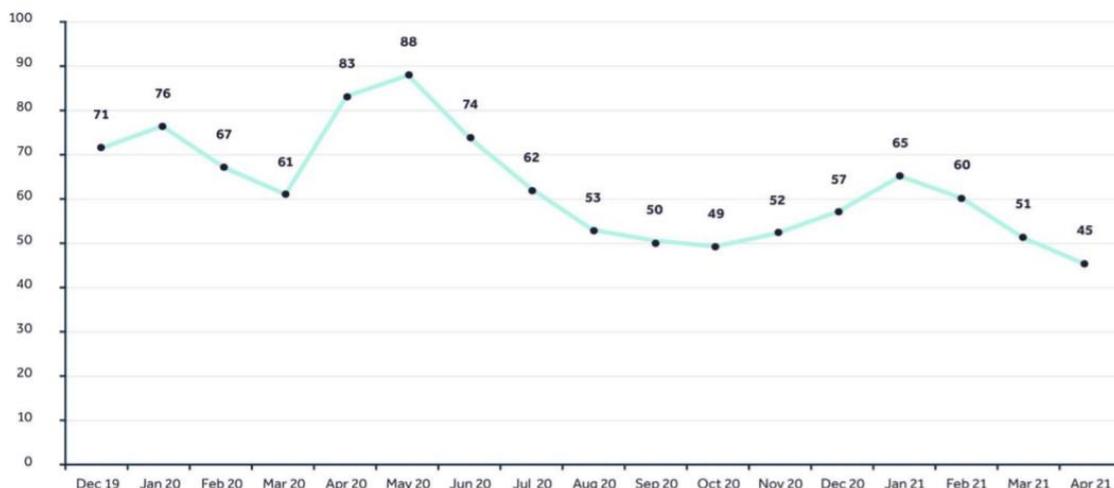
*“At the end of April, 25% of homeowners surveyed said they were either in the process of moving or considering a move as a result of the pandemic, only modestly below the 28% recorded in September last year. Given that only around 5% of the housing stock typically changes hands in a given year, it only requires a relatively small proportion of people to follow through on this to have a material impact.”*

## How long is it taking to buy and sell?

Rightmove's data shows how much more quickly buyers are being secured, taking just 48 days to sell in April/May, but some reports are coming through of agents barely being able to get properties onto the market before offers are being received, so this is certainly a great time to sell.

Meanwhile, buyers will need to get themselves very prepared to move, ensuring they have checked their affordability if requiring a mortgage before making an offer and having a legal company ready to go when an offer is made.

### Average time to secure a buyer (no. days) National



Hometrack's chart on house price growth shows that areas which are seeing more time on the market are mostly restricted to London, while the North East, which has seen little house price or transaction growth in the last 14 years, has suddenly leapt into action!

### Highest price rises in fastest-moving markets



Source: Zoopla House Price Index

TTS = days from listing to SSTC, April 2021 vs April 2017-19 average

## How long is it taking to buy and sell? – cont'd

### According to Hometrack:-

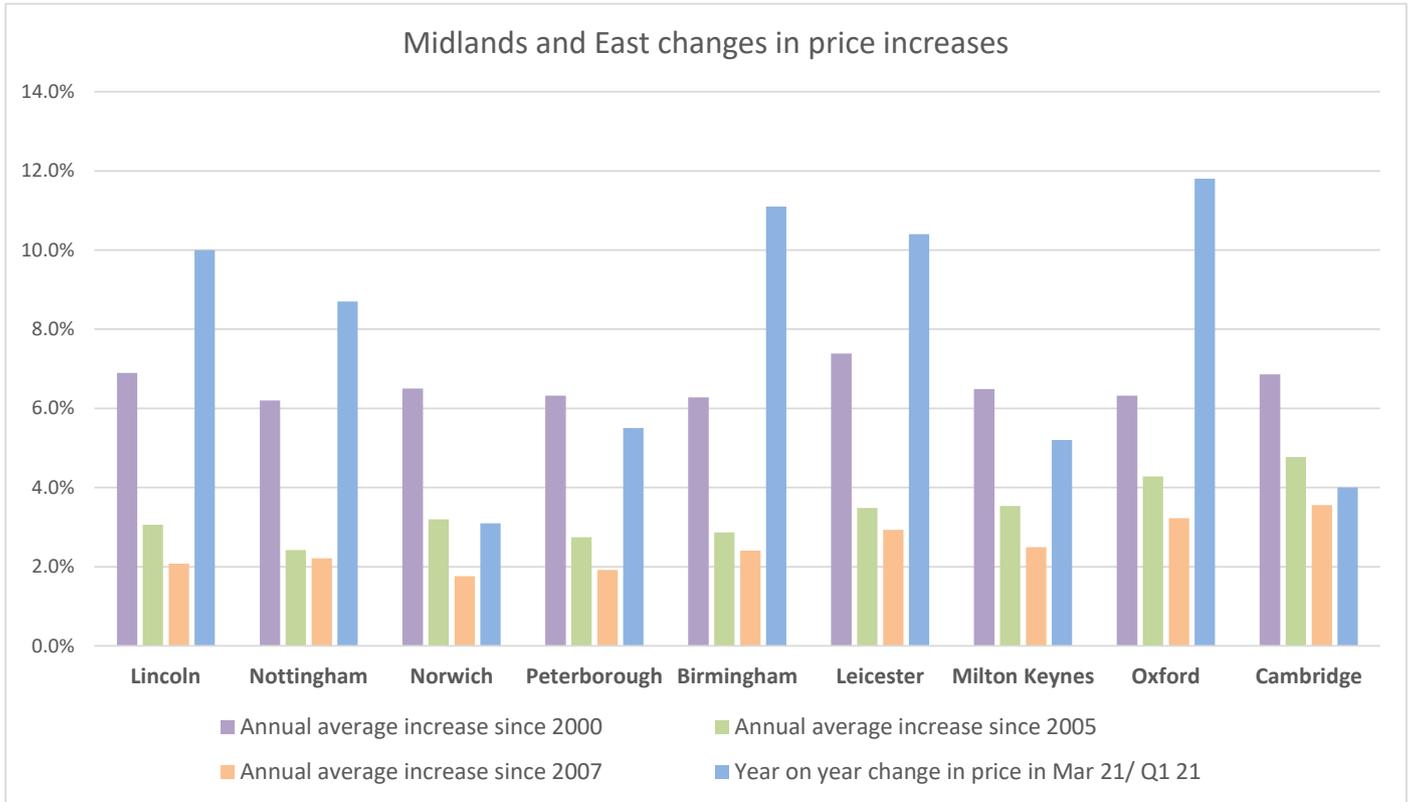
*“Wales, Yorkshire & The Humber and the North West are among those where the market is moving more quickly than the ‘normal’ market conditions in 2017-2019. The time between a listing a property and securing a sale subject to contract (SSTC) has fallen by between 10-15 days in the North West, Wales and Yorkshire & The Humber, and this is accompanied by the highest levels of price growth.*

*“At the other end of the scale, homes are taking just under two months to sell in inner London, two weeks longer than the 2017-2019 average, making it a relatively cooler market. London is a global real estate market, and these areas have been particularly affected by the global shutdown of international business and leisure travel due to the pandemic. Affordability constraints also remain a drag on the wider London market.*

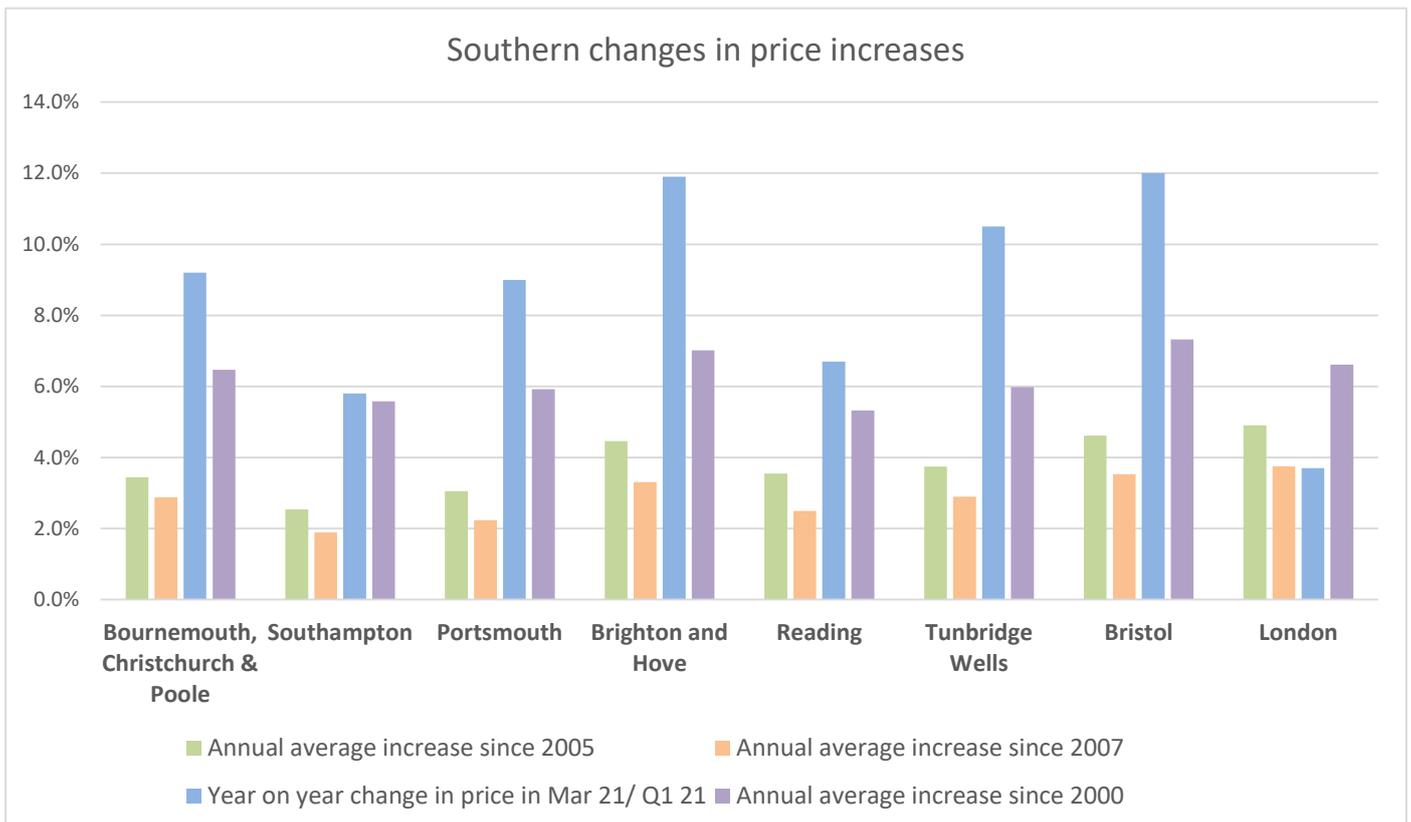
*“The ‘hottest’ city markets, where homes are being sold more quickly and price growth is strongest include Wigan, Blackburn and Burnley where time to sell is down by three weeks or more, and annual price growth is at least 5.8%. Five of the 65 cities monitored for this report have registered an increase in time to sell. Sales are taking longer in Aldershot (+1 day) Southampton (+1 day), Gloucester (+2 days), Edinburgh (+2 days) and Coventry (+8 days) bucking the wider trend of faster moving markets. However, annual price growth remains positive in all these cities.”*

## APPENDIX

### Individual town and city property price change data from 2000, 2005, 2007 and year on year

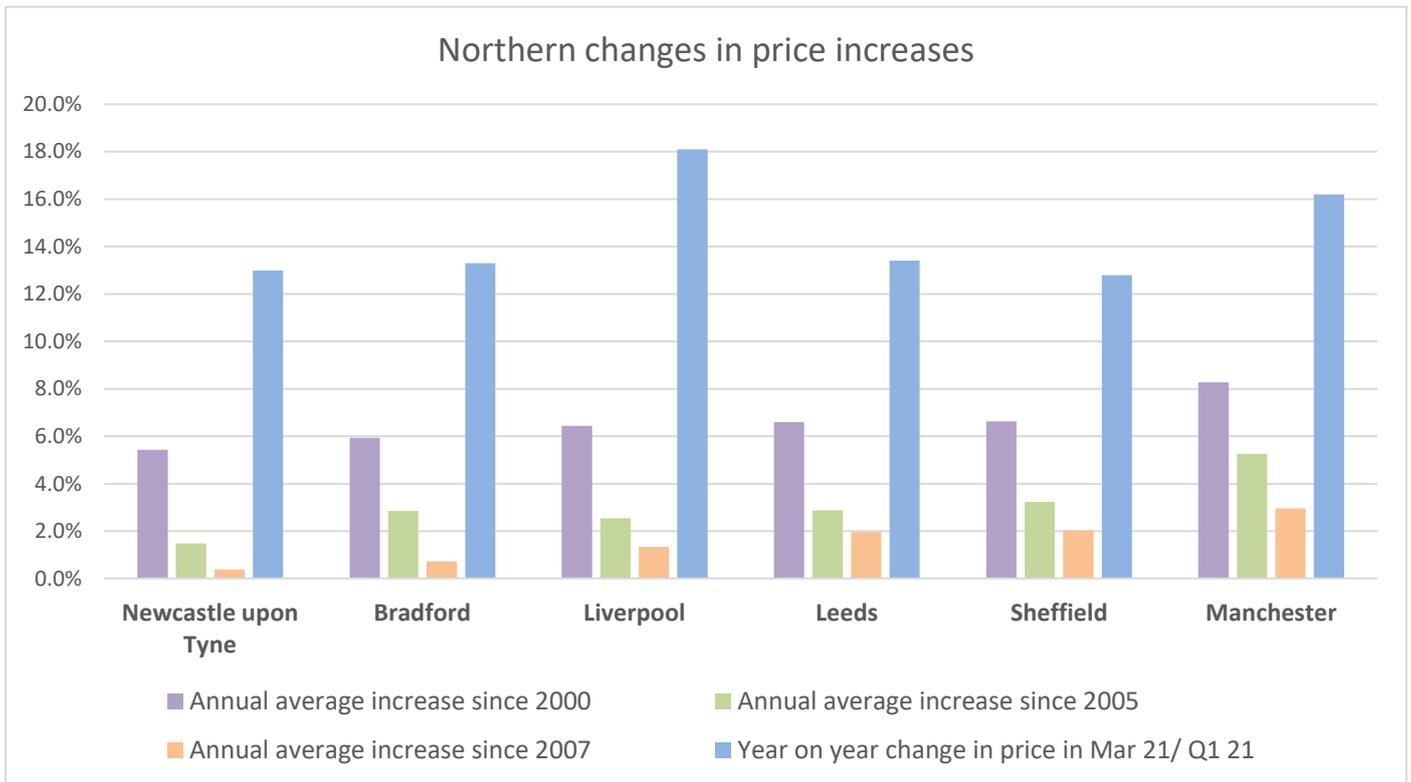


Source: [UK HPI](#)

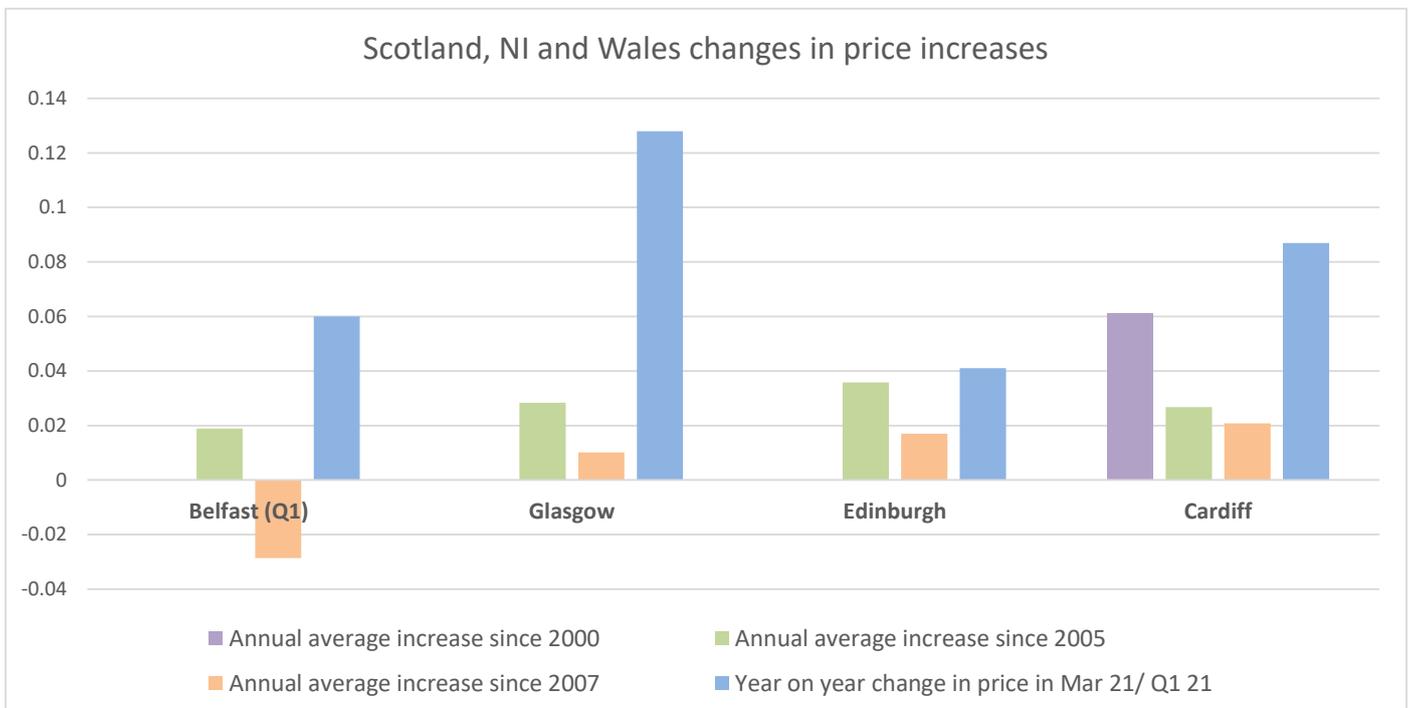


Source: [UK HPI](#)

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Source: [UK HPI](#)



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