

## 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 a strong market, but also report signs of weakening
- NAEA suggest there are 20 buyers for every property available for sale
- Country wise, Wales is the clear winner year on year from a house price growth perspective  
*(Source: Land Registry)*
- Regional performances continue to vary, with the North East finally topping property price growth at +16.9% YoY, while London only manages a +3.3% growth - although by Borough, price changes vary significantly. *(Source: Land Registry)*
- Top town performance this month goes to Liverpool, seeing nearly +19% growth year on year – but beware, one Liverpool postcode is topping the charts for being one of the coldest markets, according to TheAdvisory service. The worst results are coming from Reading, which while still positive, only achieved +3.3% growth YoY.
- Hometrack continues to predict we'll hit 1.5mn transactions in 2021

#### Rightmove

##### **Market still frenetic but early signs of slowing due to record prices and lack of choice**

*"Price of property coming to market rises by a relatively modest 0.8% this month, though still the largest rise at this time of year since 2015, and prices are now at a record in all countries and regions of Britain."*

#### RICS

##### **Solid demand and a shortfall of new instructions continues to drive house prices higher**

*"There has been no sign of house price inflation losing any steam up to now and a fourth successive month in which upward pressure on house price has seemingly intensified. All parts of the UK continue to display strong feedback regarding house price growth, with exceptionally sharp readings being posted in Northern Ireland, the South West and North West of England, as well as in Wales."*

#### Nationwide

##### **Annual house price growth accelerates above 13% in June, with all UK regions recording a pickup in Q2**

*"Annual house price growth accelerated to 13.4% in June, the highest outturn since November 2004. While the strength is partly due to base effects, with June last year unusually weak due to the first lockdown, the market continues to show significant momentum. Indeed, June saw the third consecutive month-on-month rise (0.7%), after taking account of seasonal effects. Prices in June were almost 5% higher than in March."*

#### Halifax

##### **Average house price dips for the first time since January as stamp duty holiday winds down**

*"The average UK house price slipped by -0.5% in June, the first monthly fall since January. As a result, annual house price inflation also eased back slightly from May's 14-year high of +9.6% to stand at +8.8% in June. It is important to put such a moderate decrease in context, with average prices still more than £21,000 higher than this time last year, following a broadly unprecedented period of gains."*

## Property price and market indices summary – cont'd

### e.surv

#### **House price growth rates continue to climb strongly in England and Wales**

*“Over the last twelve months, the average price of a home sold in England and Wales has increased by 13.4%. This is the highest annual rate achieved since December 2004, giving a sense of how the housing market is significantly outperforming the wider economy. However, some of this month’s increase is related to the -0.8% fall in prices seen twelve months earlier.”*

### Hometrack

#### **Annual house price growth is at 4.7%, up from 2.2% a year ago**

*“Average house prices rose by 1.1% in the three months to May, taking the annual rate of growth to 4.7%, matching that in February – which was the highest level of growth since the beginning of 2017. Prices are being supported by elevated levels of demand – despite a recent moderation approaching the end of the initial stamp duty holiday on June 30th.”*

## Summary of house price indices this month

House price averages ranging from £245,432 (Nationwide mortgage prices) to £336,073 (Rightmove asking prices), a variation of 37% between actual prices paid and the price of properties marketed.

	High 2007/08	Low 2009	Apr-21	May-21	Jun-21	Annual Change	Annual Average (05 - 21)		
<b>Rightmove</b>	£241,474	£213,570	£327,797	£333,564	£336,073	7.5%	3.7%	Asking prices	E & W
<b>Nationwide</b>	£184,131	£147,746	£238,831	£242,832	£245,432	13.4%	3.4%	Mortgaged only	UK
<b>Halifax</b>	£199,766	£157,767	£258,204	£261,743	£260,358	9.5%	3.0%	Mortgaged only , seasonally adjusted	UK
<b>e.surv</b>	£231,829	£197,145	£335,796	£333,523	£336,247	13.4%	3.9%	Actual prices, includes cash sales	E & W
<b>UK HPI</b>	£190,032	£154,452	£250,772	n/a	n/a	8.9%	3.2%	Sold prices, includes cash sales and new builds	UK

## How does house price growth differ by country?

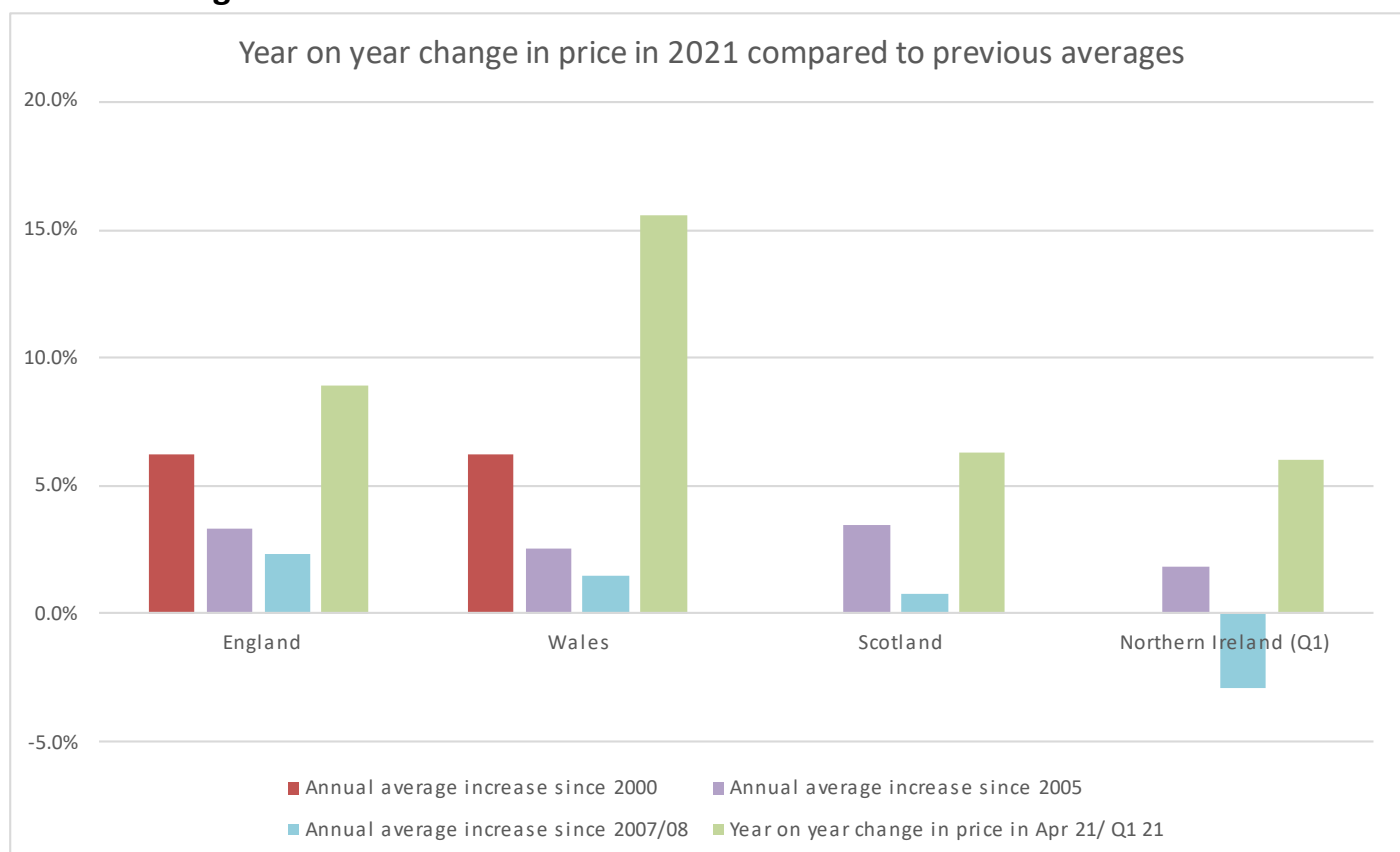
With Scotland and Wales lagging behind England house price growth since the last recession, it's interesting to see where the stamp duty holiday was extended – in Wales and England since March – Wales has shown some incredibly strong growth of 15.6% year on year, England way behind with 8.9% growth and Scotland, whose Land and Buildings Transaction Tax (LBTT) holiday ended in March, just 6% growth. However, that is still a pretty strong performance year on year and over time, since 2005, Scottish annual average inflation matches that of England and beats Wales.

Northern Ireland property price performance continues to be positive, but still shows an enormous lag versus the height of the market in 2007/8 for prices to be 34% lower than where they were in 2007/8, 14 years ago!

Property Prices - Countries	Latest month's data Apr 21/ Q1 21	How much higher/ lower are latest prices vs height in 2007/8	Year on year change in price in Apr 21/ Q1 21	Annual average increase since 2005	Annual average increase since 2007/08	Annual average increase since 2000
England	£268,380	38%	8.9%	3.3%	2.3%	6.2%
Wales	£185,041	23%	15.6%	2.5%	1.5%	6.2%
Scotland	£161,401	11%	6.3%	3.4%	0.7%	n/a
Northern Ireland (Q1)	£149,178	-34%	6.0%	1.8%	-2.9%	n/a

Source: [UK HPI](#)

### Chart showing the data from the table above:



Source: [UK HPI](#)

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

In the past, property prices have risen in London, this growth has ‘rippled out’ across the country, then when overheating, London is usually the first to fall and everywhere else follows. This ‘ripple’ effect, in my view, broke back in 2005. Instead, the success of the local economy is now key to what happens to house price growth.

Over the last year we are hearing of double digit house price growth – mostly caused by upsizers and downsizers moving who typically have bigger budgets than first time buyers. Although some are reporting that this is harming affordability, in fact it hasn’t been too damaging due to low interest rates and people being able to save a lot harder for a deposit since the first lockdown in March 2020.

Although the double digit rises in the North East and West, Yorkshire and Humber and West Midlands look ‘scary’, what’s actually happening is that prices have underperformed in these regions since the last recession and are effectively just ‘catching up’. As the annual average price growth since 2005 shows, overall, property prices are growing, even after these big rises year on year, by around 3% per year for the last 16 years, in other words, just in line with inflation.

What’s also interesting is the effect of the government’s mortgage restrictions in 2014. Areas which have grown in excess of inflation – and people’s wages – haven’t seen the huge growth over the last 12 months. London is lagging in the house price growth charts, seeing only a 3.3% increase, the South East 5% and the East still doing well at 8% YoY, but growth is definitely muted, suggesting there is now a ‘cap’ on house prices which hasn’t existed since lenders would only lend at 3.5x income before 2000.

Property Prices - Regions	Latest month's data Apr-21	Changes since 2007 peak	Year on year change in price in Apr 21	Annual average increase since 2005	Annual average increase since 2007	Annual average increase since 2000
North East	£144,032	3%	16.9%	1.6%	0.2%	5.4%
North West	£183,299	20%	11.8%	2.7%	1.3%	6.3%
Yorkshire & The Humber	£179,408	19%	12.0%	2.6%	1.3%	6.2%
East Midlands	£213,308	34%	9.3%	2.9%	2.1%	6.4%
West Midlands	£216,973	31%	11.2%	2.8%	1.9%	6.0%
South West	£279,951	32%	9.1%	2.9%	2.0%	6.1%
East	£313,964	50%	8.0%	3.7%	2.9%	6.5%
South East	£341,358	43%	5.0%	3.5%	2.6%	5.8%
London	£491,687	65%	3.3%	4.8%	3.6%	6.5%

Source: [UK HPI](#)

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

### Nationwide

*“There was a considerable pick up in overall UK annual house price growth in Q2 and all regions saw an increase in their annual growth rate. Northern Ireland was the strongest performing region, with prices up 14% year-on-year, the highest rate of growth since 2007. Wales also saw a significant acceleration in annual house price growth to 13.4%, the largest rise since 2005.*

*“England saw annual house price growth increase to 9.9%, from 6.4% in the first quarter of the year. Within England, Yorkshire & Humberside was the strongest performing region, with prices up 13.0% year-on-year. This is the strongest price growth seen in the region since 2005 and pushed average prices to a record high of £183,982. Both the East and West Midlands saw annual price growth rise to 12.2% in Q2. Meanwhile in the North, prices were up 11.2% year-on-year. London was the weakest performing English region, though still saw a pickup in annual price growth to 7.3%, from 4.8% last quarter.*

## How does house price growth differ by region in England? – cont’d

“The surrounding Outer Metropolitan region, which includes places such as Luton, Watford, Sevenoaks and Woking, saw annual price growth rise to 8.2%. Meanwhile, house price growth in the Outer South East region, which includes cities such as Brighton & Hove, Oxford, Winchester and Southampton, increased to 10.9%, the first time the region has seen double digit growth since 2014.

“And in the South West region, annual house price growth reached its highest level since 2010, with prices up 10.4% year-on-year.”

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

Top growth areas this month, year on year, are in the Midlands and the North, with Liverpool, Sheffield, Nottingham, Newcastle and Manchester seeing growth of 15% or more, but as mentioned above, this only pushes three of the cities into price growth slightly above inflation during this time.

In contrast, it’s cities in the South, bar Peterborough, that are struggling to perform at the levels we are seeing around the rest of the country, to the point that Southampton is now seeing property price growth below inflation (on average) since 2005.

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	18.7%	2.7%	Same	Reading	3.3%	3.4%	Yes
Sheffield	15.6%	3.3%	Yes	London	3.3%	4.8%	Yes
Nottingham	15.3%	2.8%	Yes	Southampton	3.7%	2.5%	No
Newcastle upon Tyne	15.0%	1.6%	No	Milton Keynes	3.8%	3.5%	Yes
Manchester	14.9%	5.0%	Yes	Peterborough	4.9%	2.8%	Yes

Source: [UK HPI](#)

## London has 32 boroughs, all of which have different markets. Some are up substantially, some down.

It’s crazy really to look at London figures and coming to conclusions about what’s happening in the ‘market’, just as it is basing decisions at regional or country level.

With much talk of demand falling in London and people moving out of the capital city, anecdotally yes there are stories that can back this up, but it’s clear that areas such as Harrow, Lewisham and Waltham Forest, are doing just fine, continuing exceptional growth. The premium markets such as Kensington and Chelsea tend to be much more volatile and prices are certainly looking weak with double digit falls. Another reason why a lot of ‘average property price’ data is not much use to those buying and selling.

It’s also worth noting that even with these huge falls, since 2005, property prices have still risen above inflation since 2005, proving that over a reasonable amount of time, property appears to remain a good investment.

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
Harrow	11.0%	4.3%	Yes	Kensington and Chelsea	-16.7%	5.5%	Yes
Lewisham	10.7%	5.7%	Yes	City of Westminster	-11.1%	5.4%	Yes
Waltham Forest	8.9%	5.8%	Yes	Camden	-5.9%	5.5%	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 the 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, there are many more facts and figures that are much more useful.

For example, in London the average property price is: £500,000. Most people who live there can't afford to pay 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 £80,000 for a one bed flat in the Royal Docks, E16. The deposit needed can be topped up by 25% through the Government Lifetime ISA Scheme (*subject to T&Cs and various conditions*).

Looking at the data below, we can see which areas are 'hot' and 'not' by comparing the YoY price change to the annual average increase since 2005. Annual growth rates since 2005 range from 1.9% per annum in Belfast, through to 5.3% in Cambridge, however, with inflation during this period of time being 2.9%, it's clear that some properties are managing to retain their real value whereas others are struggling – bad news for the 50% plus people that own their homes outright.

### Are properties in your area rising above or below inflation? See the last column.

Property Prices Towns/Cities <i>England, Wales, Scotland &amp; NI</i>	Latest month's data Apr 21/ Q1 21	Year on year change in price in Apr 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	£150,129	13.9%	2.8%	-26.3%	5 yrs 4 months	15.3%	Yes
Edinburgh	£292,447	7.7%	3.7%	-18.9%	6 yrs 0 months	26.6%	Yes
Cardiff	£229,504	9.7%	2.7%	-18.1%	5 yrs 3 months	33.4%	Same
Newcastle upon Tyne	£177,821	15.0%	1.6%	-19.3%	7 yrs 9 months	5.5%	No
Bradford	£151,970	13.5%	2.7%	-20.4%	5 yrs 6 months	10.6%	Same
Liverpool	£159,660	18.7%	2.7%	-20.4%	5 yrs 3 months	20.4%	Same
Leeds	£211,228	14.5%	2.9%	-19.4%	7 yrs 1 months	31.2%	Yes
Sheffield	£192,258	15.6%	3.3%	-17.0%	6 yrs 2 months	32.3%	Yes
Manchester	£203,169	14.9%	5.0%	-20.5%	6 yrs 5 months	50.3%	Yes
Lincoln	£167,478	7.1%	2.9%	-17.6%	5 yrs 6 months	33.3%	Yes
Nottingham	£172,540	15.3%	2.8%	-21.3%	6 yrs 5 months	35.8%	Yes
Norwich	£215,448	6.9%	3.3%	-25.7%	5 yrs 4 months	27.7%	Yes
Peterborough	£206,329	4.9%	2.8%	-20.8%	6 yrs 5 months	30.5%	Yes
Birmingham	£207,523	12.2%	2.9%	-17.4%	6 yrs 1 months	39.6%	Yes
Leicester	£204,208	12.0%	3.5%	-18.7%	6 yrs 6 months	49.8%	Yes
Milton Keynes	£271,641	3.8%	3.5%	-24.1%	5 yrs 2 months	41.2%	Yes
Oxford	£439,740	12.0%	4.1%	-23.0%	3 yrs 5 months	56.0%	Yes
Cambridge	£498,370	13.2%	5.3%	-20.7%	2 yrs 8 months	63.1%	Yes
Bournemouth, Christchurch & Poole	£300,899	8.4%	3.3%	-20.5%	5 yrs 9 months	48.9%	Yes
Southampton	£217,646	3.7%	2.5%	-20.2%	5 yrs 5 months	30.0%	No
Portsmouth	£225,219	7.4%	2.9%	-22.9%	5 yrs 10 months	36.2%	Yes
Brighton and Hove	£400,060	11.1%	4.4%	-21.4%	4 yrs 2 months	57.7%	Yes
Reading	£297,944	3.3%	3.4%	-18.8%	5 yrs 1 months	41.3%	Yes
Tunbridge Wells	£414,218	5.7%	3.7%	-22.2%	4 yrs 2 months	49.3%	Yes
Bristol	£306,482	7.4%	4.4%	-21.3%	5 yrs 0 months	62.5%	Yes
London	£491,687	3.3%	4.8%	-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)

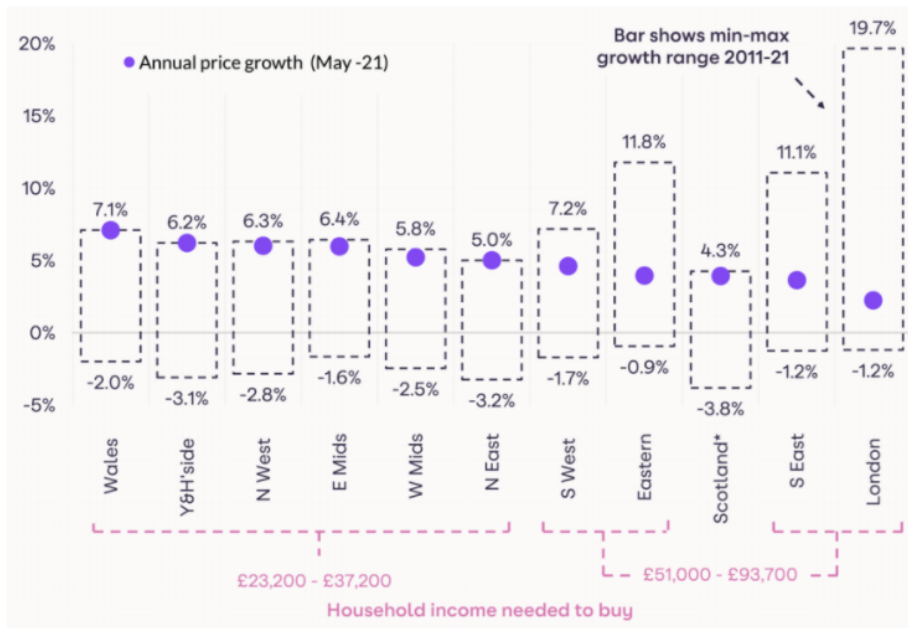
## Hometrack

“The spread of house price growth across the country continues to widen however, with annual price rises reaching a 10-year high in Wales, Yorkshire & the Humber and the North East. Meanwhile London is lagging at 2.2% growth, the seventh month that this region has registered the lowest level of growth across the country.

“Liverpool (+7.9%) and Manchester (+7.2%) continue to record the highest levels of price growth among the largest UK cities, while Rochdale (+9.9%), Bolton (+8.7%) and Hastings (+8.2%) top the charts in the 65 cities and towns monitored in this index. These cities are united in having some of the most accessible housing markets in terms of affordability, with the household income needed to buy a property – assuming a 15% deposit and a mortgage at 4.5 x income – at between £25,100 and £35,500, below the UK average of £43,300.

“The exception is Hastings, where household income needed to buy is £47,100, although this is at a significant discount to the £71,000 needed to buy down the coast in Brighton.”

### Prices rising fastest in most affordable regions



### Zoopla House Price Index

## 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 TR27 (Hayle) 91% of the properties on the market are under offer and although Liverpool tops the charts for house price growth as a city, L2 is one of the worst performers according to this index, showing that 'average property prices' can mislead buyers and sellers.

From PropCast's perspective, the hot markets at postcode level don't necessarily track the overall increases and decreases seen even at town and city levels, with Hayle, Newton-le-Willows 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
TR27	91	Hayle
WA12	90	Newton-Le-Willows
BH17	90	Poole
CF82	89	Hengoed
NN18	88	Corby
SS14	88	Basildon
BS15	88	Bristol
BS7	88	Bristol
SS8	87	Canvy Island
BN12	87	Worthing

### Top 10 cold markets - buyer demand

Postcode	%	June 21
W1	10	London
WC2	15	London
SW10	16	London
L2	16	Liverpool
NW8	16	London
SW5	16	London
SW1	18	London
WC1	18	London
EC2	18	London
SW3	18	London

Source: [TheAdvisory](#)

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

Critical to buyers and sellers understanding the property market is what's happening to supply and demand for the property they are selling and the property they are buying. In the past, it was pretty much a given that the local market would work the same way for both, so if a hot market, they would sell easily but find a lot of competition to buy and vice versa.

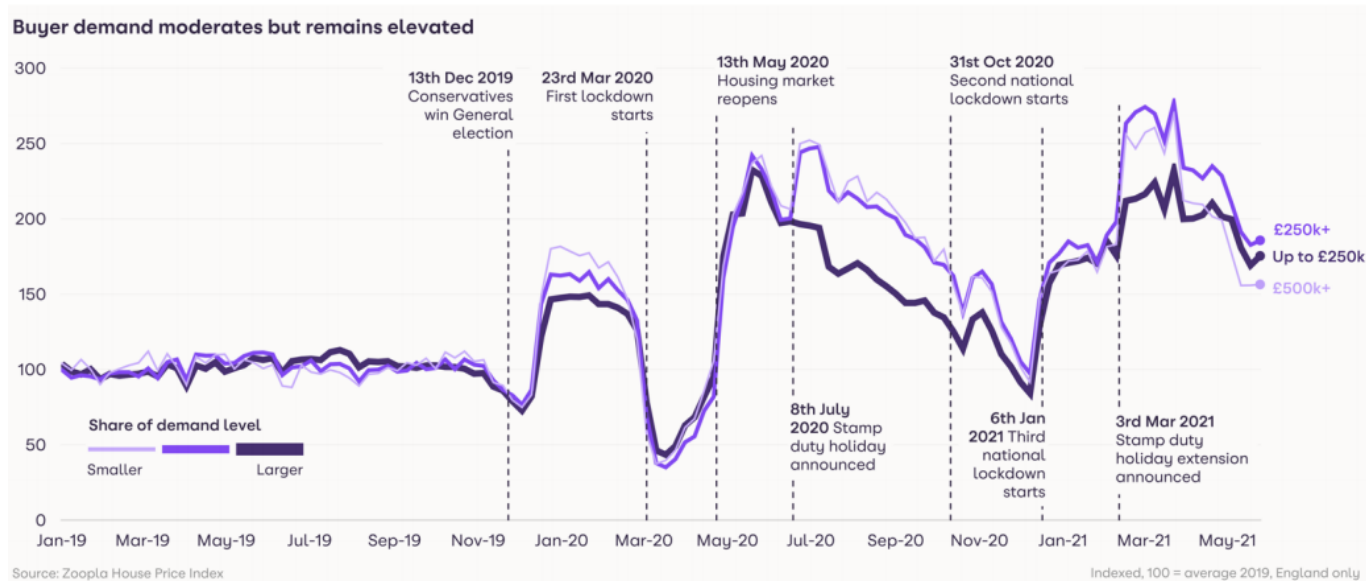
However, just as we have different markets based on the local economy, within a local area, demand and supply can be very different for a sale and for a purchase.

Currently, according to the NAEA, "The number of properties available per member branch stood at 25 in May, falling from 27 in April. This figure is the lowest recorded since December 2002 when there were also 25 properties available per branch. This means there is an average of 20 buyers for every available property on the market." and "The average number of house hunters registered per estate agent branch stood at 506 in May, which is an increase from 427 in April, and the highest figure ever on record for May, beating the previous record of 421 in May 2004."

So it's clear that, in the main, there are far too many buyers chasing far too few properties coming onto the market and it's that, that's helping to drive some truly staggering offers for properties which is driving property price inflation. However, it is important that buyers and sellers know that this is 'on average' and not every property on every street is rising in price and selling like hot cakes!



*“Buyer demand levels have been elevated compared to more ‘normal’ market conditions (2017-2019) since the housing market reopened during the first lockdown last year. As the chart below shows, this demand was boosted by the introduction of the stamp duty holiday in July last year, and its subsequent extension.*



*“Demand has moderated from the unsustainable highs of April, but remains elevated. This demand is being fuelled by several factors, not least the stamp duty savings still on offer for buyers of homes worth up to £250,000.*

*“In addition, there is more activity among first-time buyers who have a wider range of mortgages to choose from, and who will still benefit from stamp duty savings up to £300,000 beyond June or September. The ‘search for space’ among buyers is still evident, and some homeowners, typically with higher levels of equity, have been prompted by the pandemic and subsequent lockdowns to change to their lifestyle – and their home.*

*“As the full re-opening of the economy approaches, many office based workers are also receiving guidance on how companies will operate when offices fully reopen. Where companies are shifting to more flexible working, some workers will now have the certainty to make a move for additional space or to a different location if daily commuting is less of a consideration.*

*“The supply of homes for sale remains constrained, and may limit potential activity in some areas, yet we expect activity will remain buoyant in H2, in line with our forecast for 1.5 million sales this year.”*

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

### Rightmove

*“Buyer demand continues to outstrip supply, and the market’s size is constrained until supply picks up again. This chronic shortage of choice of property to buy means that the number of sales agreed is bound to diminish unless that supply is replaced. While the number of sellers coming to market picked up in March and April, this uptick in new supply has failed to continue in recent weeks, with the number of properties coming to market now down by 17% on the comparable period in 2019.*

*“Demand is particularly high in the top-of-the-ladder sector (typically made up of detached properties with four bedrooms or more) whose buyer wealth profile remains more insulated from the mass-market’s stretched affordability. This is despite buyers knowing they were certain to miss out on the maximum stamp duty saving that comes to an end in June. Another cash-rich segment of the market is those who are relocating from more expensive areas, and their activity is also fuelling prices in the fastest-rising regions. Prices of newly marketed properties in Wales are up by 14.6% since March 2020, the biggest rise in Britain. The second-largest price rise is in the South West, up by 11.4%.”*

### NAEA PropertyMark

*“The average number of sales agreed per estate agent branch stood at 12 in May, which is the same as April. Year-on-year, this figure is the highest for the month of May in 17 years, 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 May, which is the same as in both March and April.*

### RICS

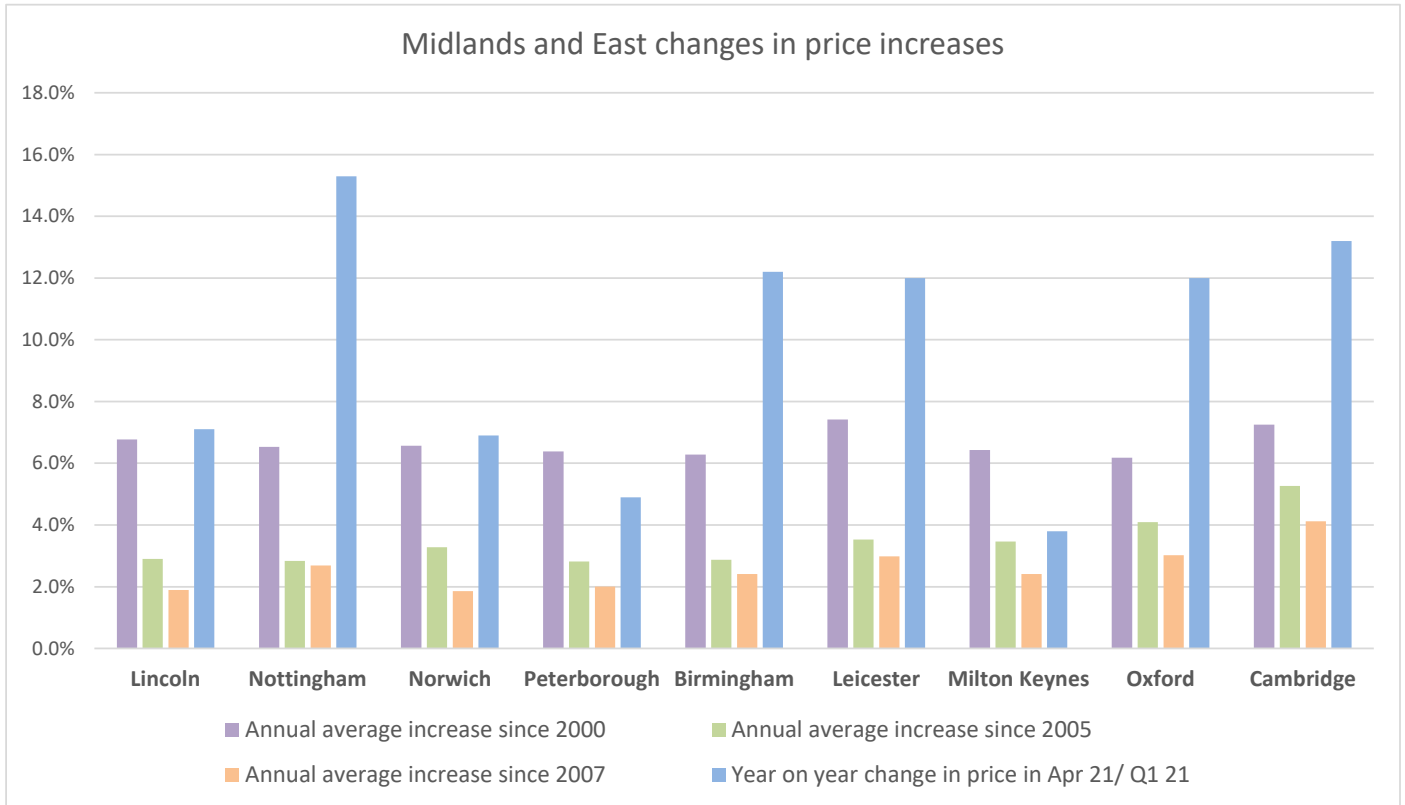
*“The May 2021 RICS UK Residential Survey results point to a widening disparity between demand and supply within the market, with the flow of new listings deteriorating over the month while buyer enquiries rose at a solid rate. As such, these dynamics continue to exert a considerable amount of upward pressure on house prices, as respondents across all parts of the UK reported a strong pick-up once again.*

*“Across the UK as a whole, +32% of survey participants noted an increase in new buyer enquiries during May, marking the third successive positive monthly reading for this indicator. Although the latest figure has eased slightly compared to +45% last time round, it remains consistent with a solid uptick in demand nonetheless.*

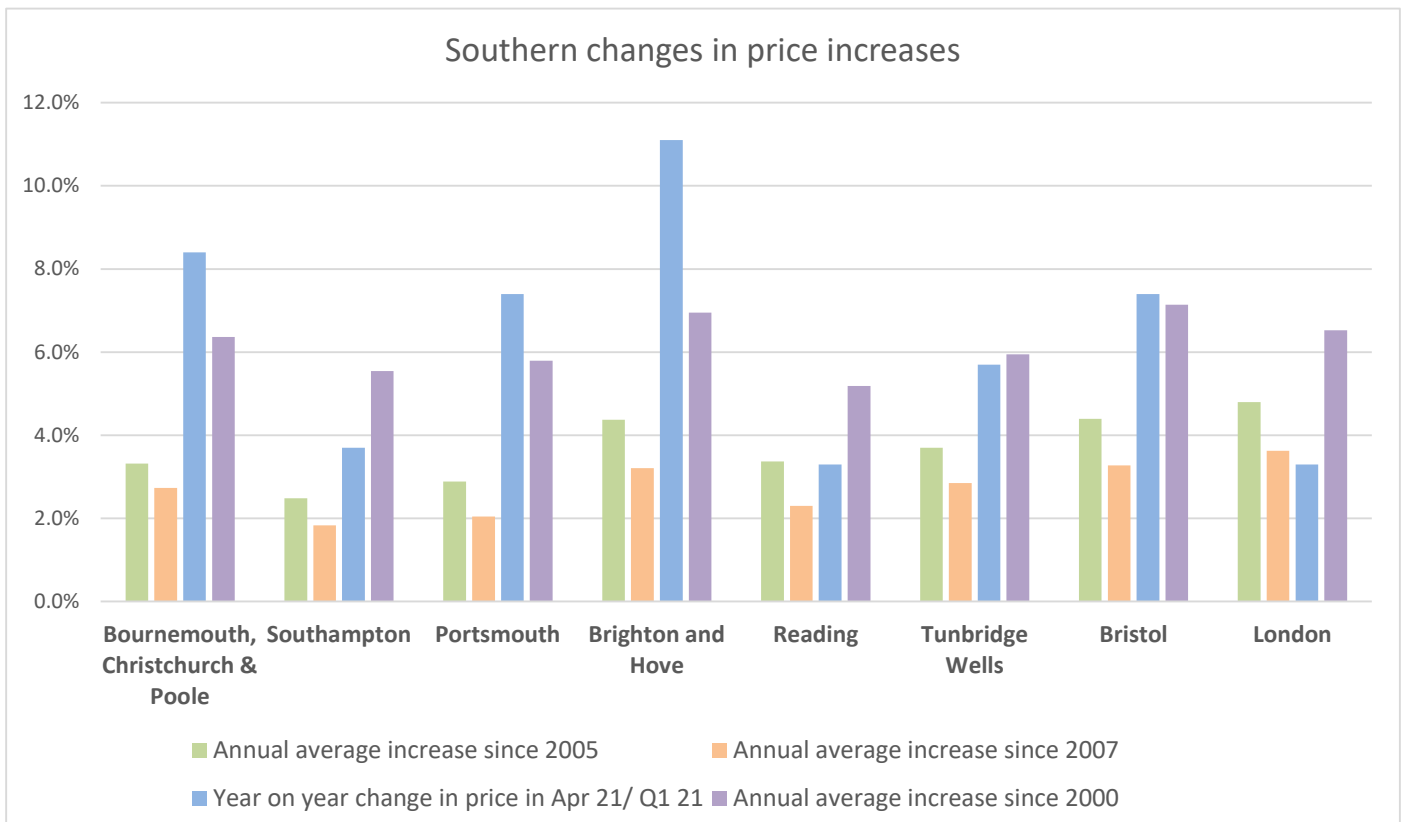
*“Alongside this, newly agreed sales also rose over the month, evidenced by +30% of contributors reporting an increase. Again, this measure has cooled slightly compared to a return of +47% posted two months prior, but is still signalling strong momentum behind sales at present.”*

## APPENDIX

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

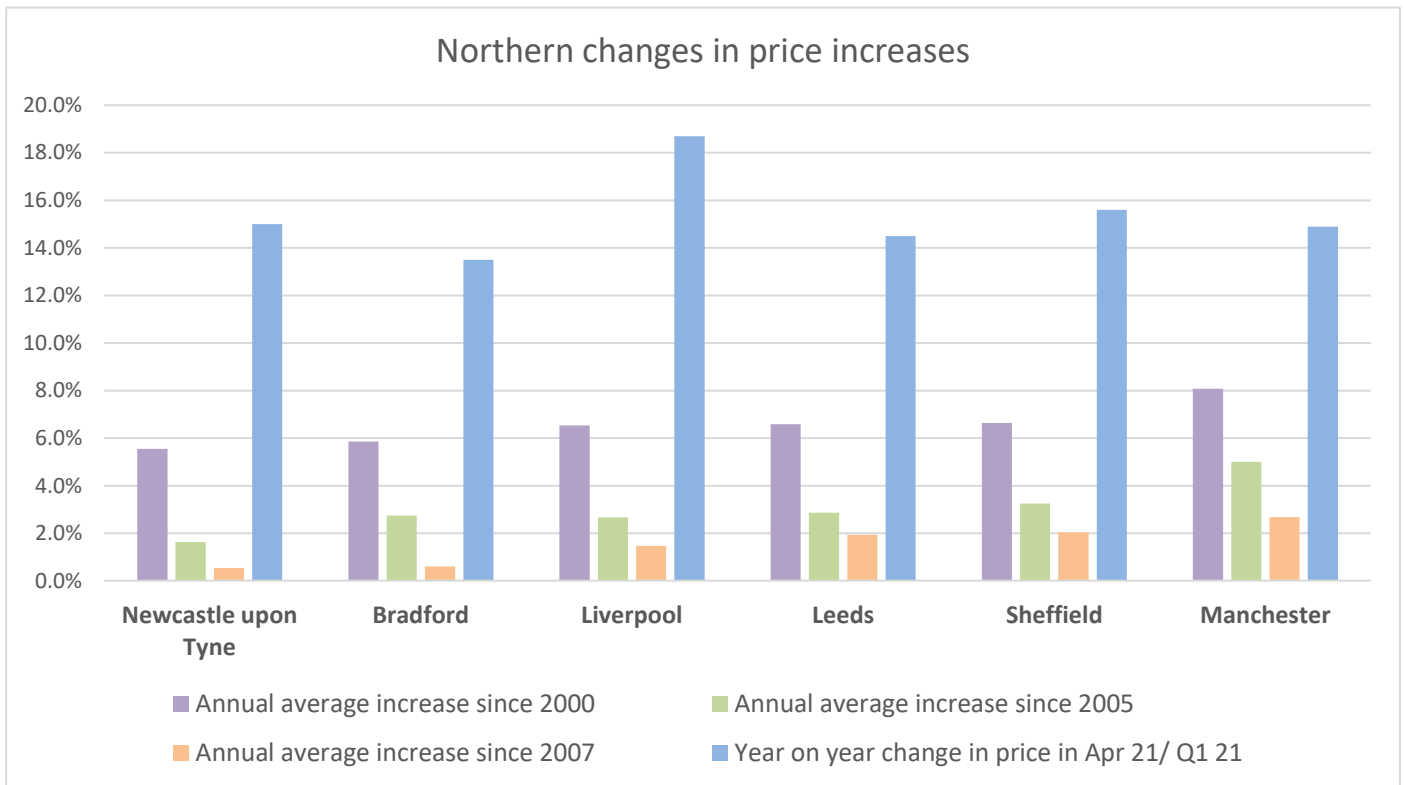


Source: [UK HPI](#)

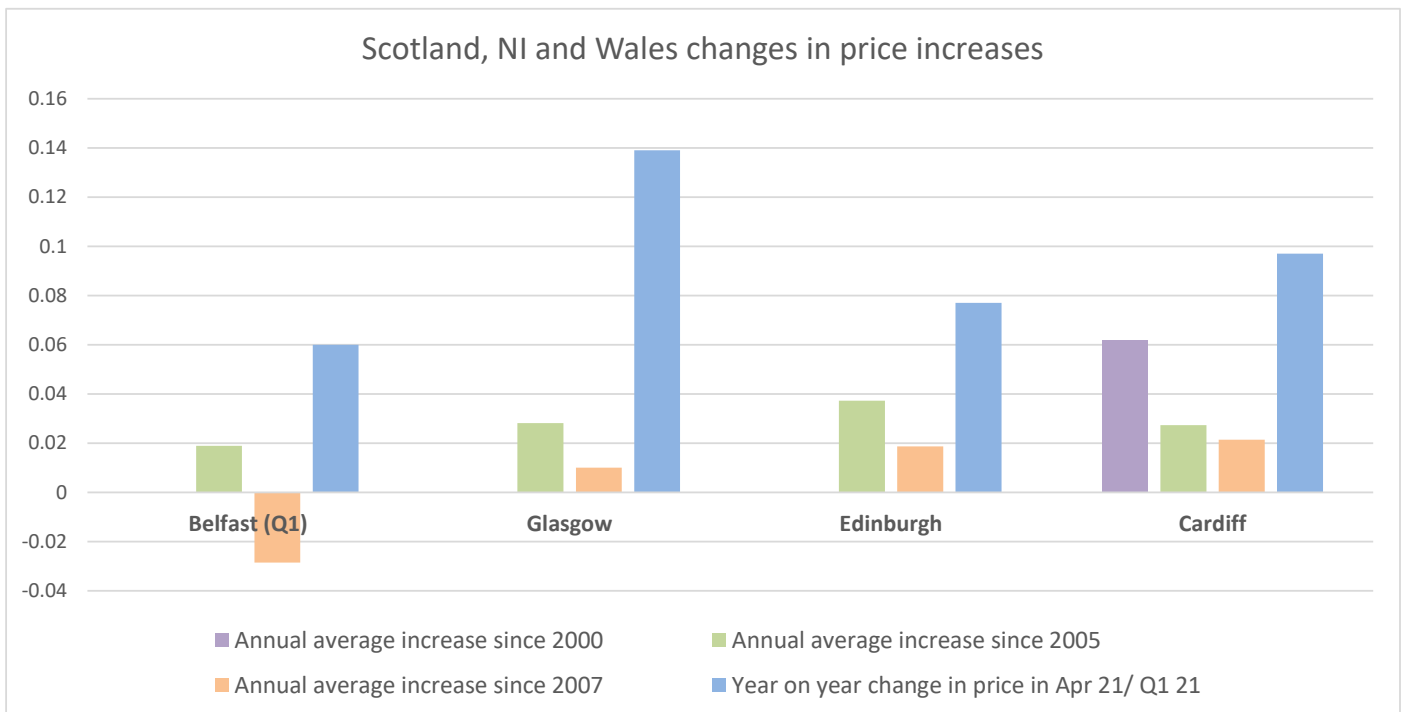


Source: [UK HPI](#)

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Source: [UK HPI](#)



Source: [UK HPI](#)