

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

Rightmove

Hottest ever competition to buy a home and highest ever prices

"National average asking prices of newly marketed properties have risen by 0.3% this month to hit a new all-time high of £338,462. Despite the traditional summer holiday lull, fierce competition continues among buyers for the record low number of available properties for sale. That competition is hotter than ever, with buyer demand per property for sale more than double that of pre-pandemic levels."

RICS

Demand again softens slightly over the month as new instructions continue to fall

"The lack of available stock on the sales market is frequently mentioned by respondents to be a key factor sustaining strong rates of house price inflation. Indeed, +73% of contributors saw prices increase over the latest survey period. While this has moderated from a recent high of +81% seen back in May/June, the latest reading remains elevated when placed in a historical context."

Nationwide

Annual house price growth slows in September, but remains in double digits

"Annual house price growth remained in double digits for the fifth month in a row in September, though there was a modest slowdown to 10.0%, from 11.0% in August. House prices rose by 0.1% month-on-month, after taking account of seasonal effects. As a result, house prices remain c13% higher than before the pandemic began in early 2020."

Halifax

Average house price rises sharply as stamp duty holiday draws to a close

"UK house prices rose by 1.7% in September, adding more than £4,400 to the value of the average property. This rate of monthly growth was the strongest since February 2007, pushing year-on-year house price inflation up to 7.4%. This also reversed the recent three-month downward trend in annual growth, which had peaked at an annual rate of 9.6% in May. The price of an average house is now as expensive as it has ever been, standing at just over £267,500."

Hometrack

No sign of a cliff-edge in demand after the ending of the tapered stamp duty holiday in England & NI

"Average house prices rose by +1.2% in the three months to the end of August, taking the annual rate of price growth to +6.1%, up from 2.8% in August 2020. The average value of a home across the UK is now £235,000."

Summary of house price indices this month

For every property professional that was hoping now was the time to take a break from the huge number of moves since May 2020, it appears for many, that's still not going to be easy. Although some reports suggest the market may be softening, most are still talking about buyers outstripping sellers and prices are definitely remaining stubbornly high – on average!

	High 2007/08	Low 2009	Jul-21	Aug-21	Sep-21	Annual Change	Annual Average (05 - 21)		
Rightmove	£241,474	£213,570	£338,447	£337,371	£338,462	5.8%	3.7%	Asking prices	E & W
Nationwide	£184,131	£147,746	£244,229	£248,857	£248,742	10.0%	3.1%	Mortgaged only	UK
Halifax	£199,766	£157,767	£261,221	£262,954	£267,587	7.4%	3.1%	Mortgaged only , seasonally adjusted	UK
e.surv	£231,829	£197,145	£328,434	n/a	n/a	5.0%	3.6%	Actual prices, includes cash sales	E & W
UK HPI	£190,032	£154,452	£255,535	n/a	n/a	8.0%	3.4%	Sold prices, includes cash sales and new builds	UK

How does house price growth differ by country?

Prices overall in England are reported as up by 7% compared to Wales (+11.6%) and Scotland (+14.6%). Interestingly, take the growth figures back to 2007 and Scotland's performance is actually best – annual growth topping 4% each year, while Wales is actually still running behind average inflation of 3%, while England is about on par at 3.4%. Northern Ireland looks good year on year at +9%, much needed growth for those who bought back in the 2007/8 crash and are still seeing their property prices well below those they bought at.

Over the long term, performance is good for house prices and the higher year on year growth we are seeing is really having the effect of bringing previously under performers of Wales and Scotland more into line with inflationary rises, while unfortunately Northern Ireland has yet to recover anything like the prices needed to help those before 2007/8.

Property Prices - Countries	Latest month's data Jul 21/ Q2 21	How much higher/ lower are latest prices vs height in 2007/8	Year on year change in price in Jul 21/ Q2 21	Annual average increase since 2005	Annual average increase since 2007/08	Annual average increase since 2000
England	£270,973	39%	7.0%	3.4%	2.4%	6.3%
Wales	£187,960	25%	11.6%	2.6%	1.6%	6.3%
Scotland	£177,166	22%	14.6%	4.0%	1.4%	n/a
Northern Ireland (Q2)	£153,449	-32%	9.0%	2.0%	-2.7%	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?

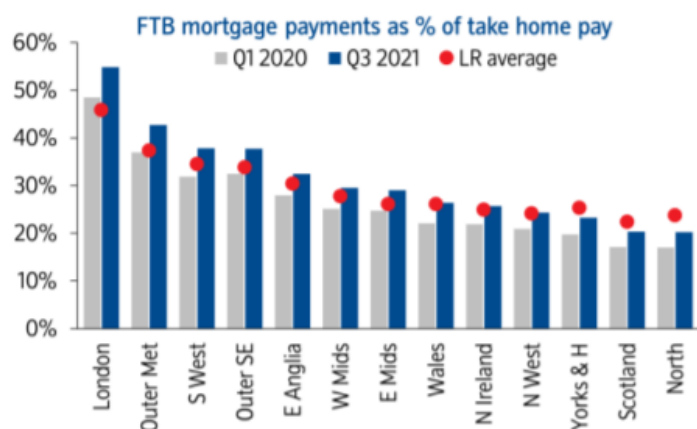
The table below is different to the one we normally do. What it shows is the latest average price per region, according to the Land Registry, the year on changes, and then taking the average price in 2021 versus 2005, the annual increase for each region.

The huge double digit growth seen over the last 12 months does seem to be finally slowing. However, this is mostly because we are starting to see house prices today compared to growing house prices this time last year, as opposed to comparing them to a weaker market at the start of 2020 or lockdown. This should mean the ‘scary headlines’ should start to abate, and we should may be run a book on which paper will run the headline ‘is the property market about to crash’? It’s certainly a much asked question on property investor/landlord online chats. The reality is, unless there is some further ‘shock’ to the market, demand is remaining high and the headline ‘property prices are unaffordable for many’ continues to be inaccurate as buyers continue to compete property prices upwards.

The issue isn’t that property prices are ‘unaffordable’ – clearly if they were, people wouldn’t buy, the issue is they are unaffordable for some who would have traditionally been able to afford a property in the past. This is a different problem and until it’s recognised, we won’t be able to create housing policies which help people to afford a property sustainably into the future.

And, while talking about affordability, although that last jump has definitely made affordability more difficult for some, according to Nationwide, bar those in the South, are still paying a similar amount of percentage of take home pay they have been over the long term – which is around 30%. And, despite London not performing as well over the last year, mortgage payments are still taking up around 50% of FTBs pay.

What will be interesting over next year is whether FTBs as well as other home movers will be able to move to cheaper areas if they don’t ‘have’ to be as near to work as they may have been in the past. To date, despite some research saying this is happening, I’m still struggling to find any data that really suggests this is actually happening on the ground.



Source: Nationwide, ONS, UKF

Property Prices - Regions	Latest month's data Jul-21	Changes since 2007 peak	Year on year change in price in Jul 21	Annual average increase since 2005	Annual average increase since 2007
North East	£144,935	4%	10.8%	1.7%	0.3%
North West	£185,171	21%	8.1%	2.8%	1.4%
Yorkshire & The Humber	£180,324	20%	6.9%	2.6%	1.3%
East Midlands	£214,169	34%	6.9%	2.9%	2.1%
West Midlands	£220,759	33%	8.5%	2.9%	2.1%
South West	£277,178	30%	5.2%	2.9%	1.9%
East	£312,076	49%	6.8%	3.7%	2.9%
South East	£354,278	48%	8.8%	3.8%	2.9%
London	£494,673	66%	2.2%	4.8%	3.7%

Source: [UK HPI](#)

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

Nationwide

“Our regional house price data is produced quarterly and showed a mixed picture across the country in Q3 (the three months to September). While price growth accelerated in Wales, Northern Ireland and Scotland, most English regions recorded a slowdown. Wales was the strongest performing region with house prices up 15.3% year-on-year – the highest rate of growth since 2004. Price growth remained elevated in Northern Ireland at 14.3%. House price growth in Scotland picked up to 11.6% in Q3, in contrast to the previous quarter when it was the weakest performing part of the UK (at 7.1%). England saw a slowing in annual house price growth to 8.5%, from 9.9% in Q2.

“Price growth in northern England (North, North West, Yorkshire & Humberside, East Midlands and West Midlands) continued to exceed that in southern England (London, Outer Metropolitan, Outer South East, East Anglia and South West). Yorkshire & Humberside was the strongest performing English region for the second quarter in a row, with prices up 12.3% year-on-year, followed by the North West, which saw an 11.4% rise. London was the weakest performer, with annual growth slowing to 4.2% from 7.3% last quarter. The surrounding Outer Metropolitan region, which includes places such as Luton, Watford, Sevenoaks and Woking, also saw a softening to 6.8%, down from 8.2% in Q2.”

Halifax

“Wales continues to record the strongest house price inflation of any UK region or nation, with annual growth of 11.5% in September. Scotland also continues to outperform the UK national average, with growth of 8.3%. Note that in both nations, the equivalent stamp duty holidays came to an end at an earlier date. The South West remains the strongest performing region in England, with annual house price growth of 9.7%. The weakest performing regions in terms of annual house price inflation are all to be found in the South and East of England, though it should be highlighted that these are also the areas with the highest average house prices. Eastern England has seen annual growth of 7.2% while in the South East it's 7%. Greater London remains the outlier, with annual growth of just 1%, and was again the only region or nation to record a fall in house prices over the latest rolling three-monthly period (-0.1%).”

Which cities and towns are performing well or struggling?

Despite spending most of our time chatting about double digit price growth, the table below shows a very eclectic geographical mix of areas that aren't performing as well. In the past, we have always seen a 'ripple effect' with London falling, followed by the home counties and then this spreads to the rest of the UK. However, although the Midlands, Wales and the North are performing better than the South currently (playing catch up), London is definitely lagging behind – but still in positive growth – but so is Southampton, Cambridge, Norwich and, weirdly Bradford, one of the few northern areas not seeing huge double digit growth.

And although Liverpool is topping the charts for price growth at nearly 16% YoY, the L1 postcode, covering the centre of Liverpool, is actually not performing well at all – according PropCast.

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	15.7%	2.8%	Same	Norwich	1.3%	3.1%	Yes
Oxford	15.3%	4.4%	Yes	Southampton	2.2%	2.5%	No
Glasgow	14.3%	3.2%	Yes	London	2.2%	4.8%	Yes
Manchester	13.7%	5.1%	Yes	Cambridge	3.9%	4.7%	Yes
Cardiff	12.9%	3.0%	Same	Bradford	4.9%	2.5%	No

Source: [UK HPI](#)

London has typically been reported as not doing so well during the pandemic and this is typically true with the likes of Lambeth, Newham and the City of Westminster seeing year on year falls, while outer lying areas such as Enfield, Waltham Forest and Brent are seeing the double digit growth, no doubt the extra space and value for money these areas offer is pushing up prices.

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
Enfield	12.7%	5.4%	Yes	Lambeth	-4.7%	6.2%	Yes
Waltham Forest	10.2%	5.1%	Yes	Newham	-3.1%	3.7%	Yes
Brent	10.2%	6.0%	Yes	City of Westminster	-3.1%	6.7%	Yes

Source: [UK HPI](#)

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

At a more granular town and city area, we are seeing the lowest of 1.3% growth from Norwich and the highest in Liverpool at 15.7% in an incredible spread of house price rises across the country.

Overall, according to our tracking of 27 cities/towns, since 2005, property prices movements:-

Percentage of *UK cities/towns - exceeded, matched or fell below the annual rate of inflation since 2005	Jul-21 %
Exceeded	59%
Matched	26%
Below	15%

* This is based on the 27 UK cities/towns we track on a monthly basis, see below

When we look at the areas that have outperformed inflation of 3%, we aren't looking at the previous 6% annual rises over time since 2000, more like 3-5% rises.

The question for now is how long this will carry on for – will it remain as strong into the new year, or will it be something like a simple choice of having a proper Christmas this year after the disastrous one of 2020 rather than shopping for property which reduces demand substantially and quickly? If it leads to headlines of the market stalling/falling, this may 'stop' the market in its tracks, rather than allow it to slow over time and for demand/supply to start matching again.

Property Prices Towns/Cities <i>England, Wales, Scotland & NI</i>	Latest month's data Jul 21/ Q2 21	Year on year change in price in Jul 21/ Q2 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 (Q2)	£145,337	7.2%	2.0%	-58.9%	N/A	-33.3%	No
Glasgow	£158,450	14.3%	3.2%	-26.3%	5 yrs 4 months	15.3%	Yes
Edinburgh	£309,227	8.4%	4.1%	-18.9%	6 yrs 0 months	26.6%	Yes
Cardiff	£240,320	12.9%	3.0%	-18.1%	5 yrs 3 months	33.4%	Same
Newcastle upon Tyne	£175,973	9.3%	1.6%	-19.3%	7 yrs 9 months	5.5%	No
Bradford	£146,037	4.9%	2.5%	-20.4%	5 yrs 6 months	10.6%	No
Liverpool	£162,259	15.7%	2.8%	-20.4%	5 yrs 3 months	20.4%	Same
Leeds	£214,925	11.7%	3.0%	-19.4%	7 yrs 1 months	31.2%	Same
Sheffield	£185,750	10.7%	3.0%	-17.0%	6 yrs 2 months	32.3%	Same
Manchester	£207,625	13.7%	5.1%	-20.5%	6 yrs 5 months	50.3%	Yes
Lincoln	£172,024	7.7%	3.1%	-17.6%	5 yrs 6 months	33.3%	Yes
Nottingham	£172,498	12.2%	2.8%	-21.3%	6 yrs 5 months	35.8%	Same
Norwich	£210,330	1.3%	3.1%	-25.7%	5 yrs 4 months	27.7%	Yes
Peterborough	£216,713	10.8%	3.1%	-20.8%	6 yrs 5 months	30.5%	Yes
Birmingham	£205,974	6.5%	2.8%	-17.4%	6 yrs 1 months	39.6%	Same
Leicester	£202,344	8.2%	3.5%	-18.7%	6 yrs 6 months	49.8%	Yes
Milton Keynes	£286,797	10.8%	3.8%	-24.1%	5 yrs 2 months	41.2%	Yes
Oxford	£459,973	15.3%	4.4%	-23.0%	3 yrs 5 months	56.0%	Yes
Cambridge	£460,188	3.9%	4.7%	-20.7%	2 yrs 8 months	63.1%	Yes
Bournemouth, Christchurch & Poole	£309,741	8.0%	3.5%	-20.5%	5 yrs 9 months	48.9%	Yes
Southampton	£217,346	2.2%	2.5%	-20.2%	5 yrs 5 months	30.0%	No
Portsmouth	£226,069	5.5%	2.9%	-22.9%	5 yrs 10 months	36.2%	Same
Brighton and Hove	£404,763	9.9%	4.5%	-21.4%	4 yrs 2 months	57.7%	Yes
Reading	£315,305	10.6%	3.7%	-18.8%	5 yrs 1 months	41.3%	Yes
Tunbridge Wells	£408,486	10.4%	3.6%	-22.2%	4 yrs 2 months	49.3%	Yes
Bristol	£316,873	8.8%	4.6%	-21.3%	5 yrs 0 months	62.5%	Yes
London	£494,673	2.2%	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

“As has been the case for six months, Wales is recording the highest level of price growth at +9.8%, followed by Northern Ireland (+8.4%) and the North West of England (+8%). Price growth in Liverpool continues to be the highest among the UK’s major cities, with average prices up +9.8% in the 12 months to September. Manchester and Sheffield are also registering high levels of growth, at +8.1% and +7.6% respectively. Bringing up the rear in terms of house price growth is London, with average values up 2.2% on the year, below inflation.”

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) 91% of the properties on the market are under offer and W1 in London 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 Brighton, Aldeburgh, Walsall and Bristol having some of the busiest markets, with London and L1 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	%	Oct 21
BN42	91	Brighton
IP5	88	Aldeburgh
WS8	88	Walsall
BS7	88	Bristol
BS5	88	Bristol
BS32	88	Bristol
BA21	87	Yeovil
BS3	87	Bristol
CF82	87	Hengoed
BH17	87	Poole

Top 10 cold markets - buyer demand

Postcode	%	Oct 21
W1	9	London
SW10	10	London
EC2	12	London
WC1	13	London
NW8	13	London
L1	13	Liverpool
SW5	14	London
W2	14	London
WC2	15	London
SW3	15	London

Source: [TheAdvisory](#)

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

Buyer behaviour is the key to the market over the next six months. Will buyers still continue to drive demand or will they take a breath? Currently, the reports are all saying they are still forging ahead and, from my perspective, seeing an incredibly busy show for first time buyers in London in September, the number of people still keen to get on the ladder is still very strong and will mean buyers continue to buy into the New Year as opposed to 'holding off'.

Hometrack

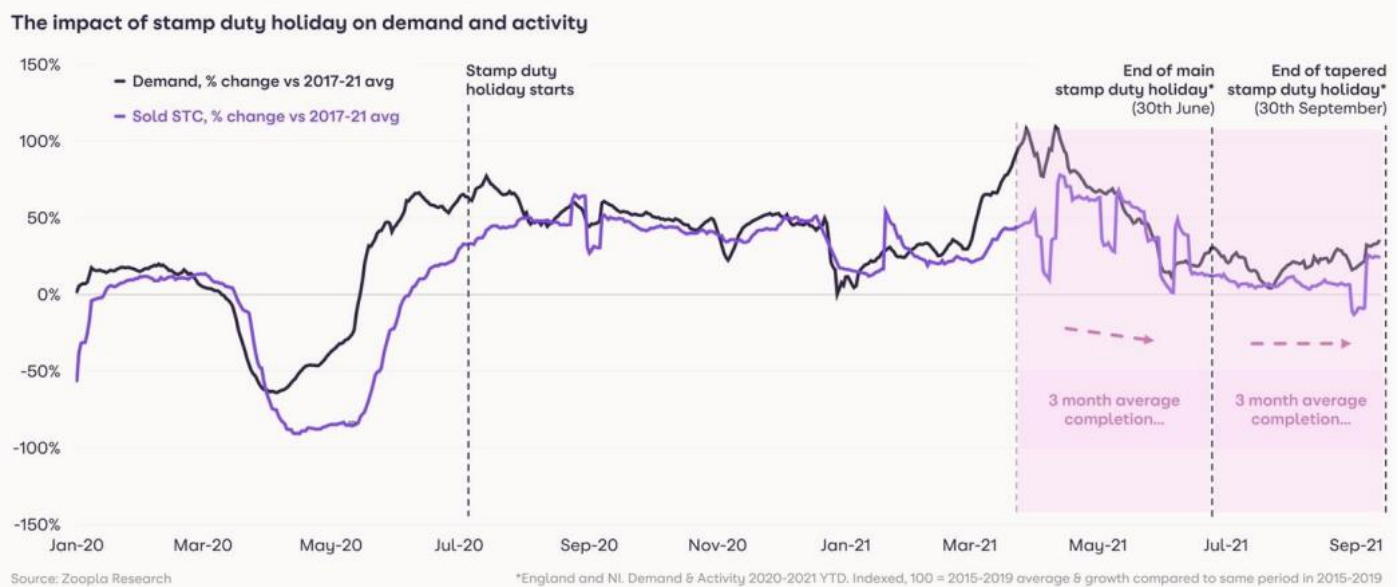
Limited impact of tapered stamp duty holiday ending

"As the chart below shows, the impact of the first 'main' stamp duty holiday ending at the end of June had an impact on demand and sales (sold subject to contract) levels. The fall in both metrics can be seen around March/April time, when buyers would have had to agree a sale in order to complete their purchase by the end of June and take advantage of the stamp duty savings of up to £15,000.

"Even though buyer demand receded in Q2, it still stayed high compared to historical norms, albeit at more sustainable levels. However, looking at late June/July for the potential impact of the withdrawal of the 'tapered' stamp duty holiday at the end of September – there is little evidence of a change to buyer behaviour.

"Buyers agreeing a sale from July onwards are unlikely to benefit from the savings of up to £2,500 available for completions made by September 30th due to the time taken to complete a sale. Yet the data shows the looming deadline had little impact on demand around this time. Buyer demand is still some 35% higher than average levels recorded since 2017.

"This indicates that the smaller stamp duty savings on offer have not been the primary driver of demand in the market. This underlines the importance of some wider trends in the market – namely the pandemic-driven re-evaluation of home and the resulting 'search for space' – trends that we believe have further to run into Q4."



Rightmove

"Despite the traditional summer holiday lull, fierce competition continues among buyers for the record low number of available properties for sale. That competition is hotter than ever, with buyer demand per property for sale more than double that of pre-pandemic levels. Nevertheless, as we enter the busy autumn period, there are early signs of more properties coming to market, which may help to slowly rebuild buyer choice."

NAEA Propertymark

“The average number of sales agreed per estate agent branch fell slightly to 9 in August. Looking back over the past 6 years, since August 2016 this figure is average.

“The number of sales made to FTBs rose to 28%. Seasonally, this is the highest figure for August since August 2016 when it was also 28%.”

RICS

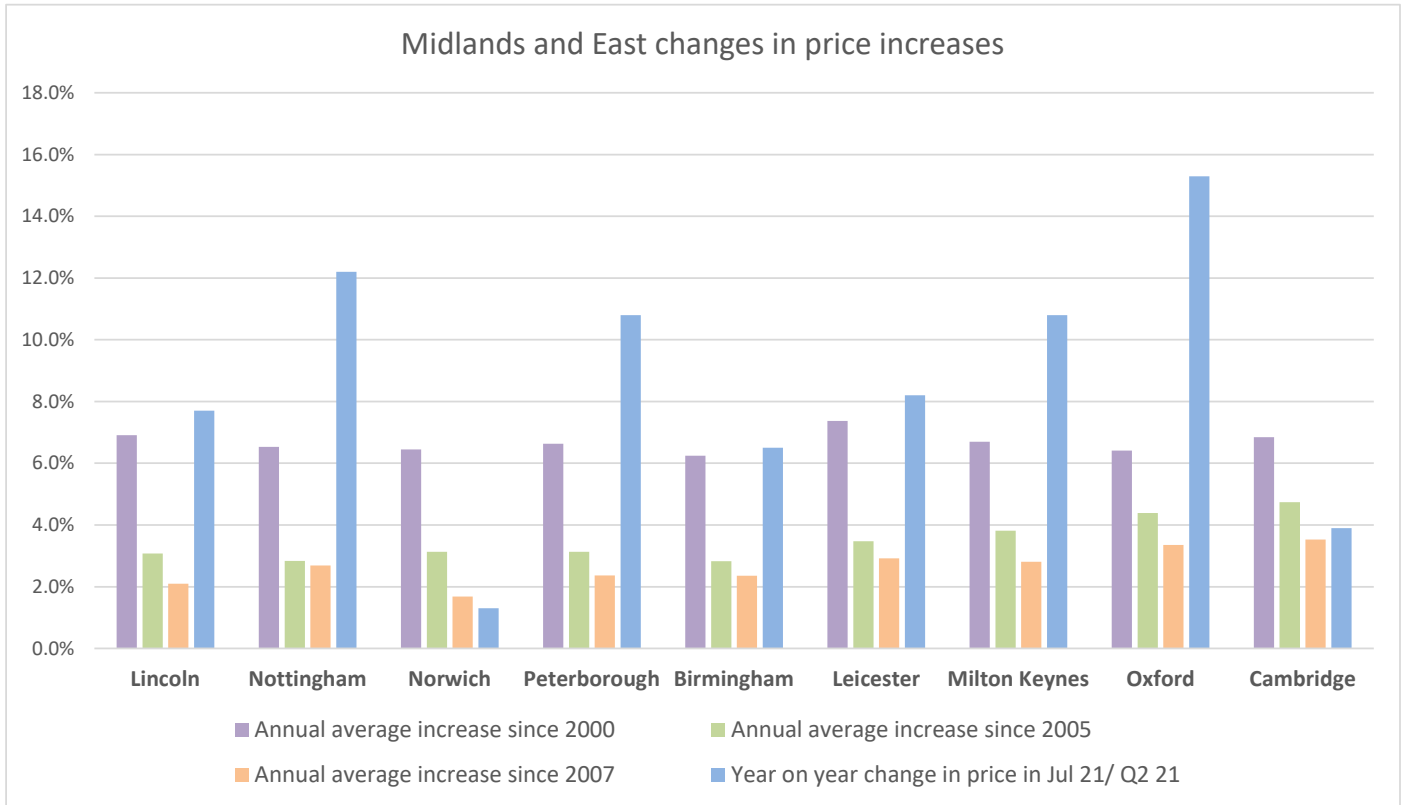
“At the national level, new buyer enquiries fell for a second month in succession, with the latest report showing the balance slipping a little deeper into negative territory. When disaggregated, demand trends were either flat or negative across virtually all parts of the UK over the month. At the same time, agreed sales also declined for a second consecutive report.

“Looking at the supply backdrop, new listings were once again reported to have declined at the headline level. As such, this indicator has now been in negative territory in eight of the past nine months, albeit the latest figure is marginally less.

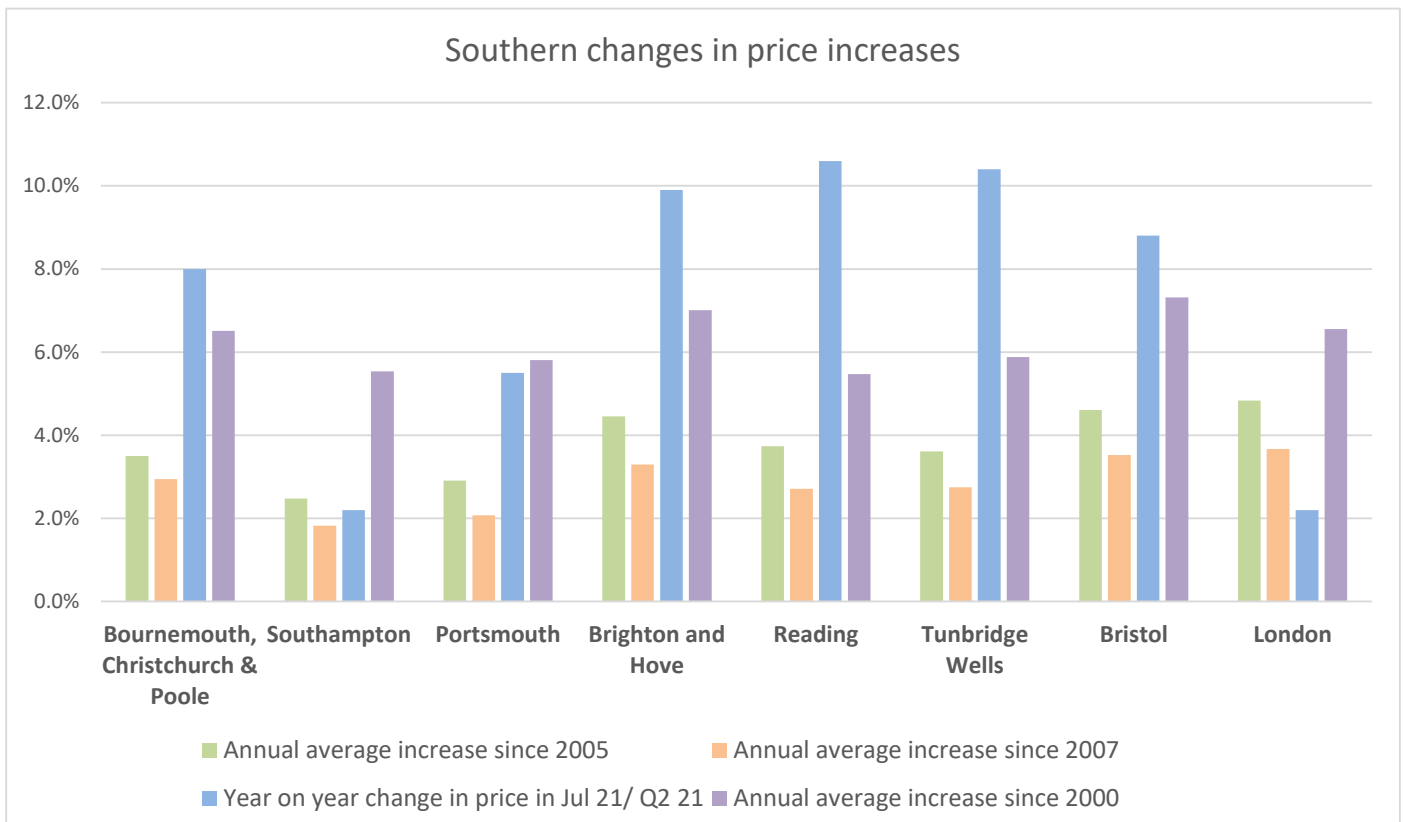
“On the back of this, stock levels on estate agents’ books have dropped from an average of 42 homes per branch at the start of the year, to stand at 38 in August. Meanwhile, the feedback points to market appraisals currently running at a slightly slower pace than the comparable period last year (-10%). The lack of available stock on the sales market is frequently mentioned by respondents to be a key factor sustaining strong rates of house price inflation.”

APPENDIX

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

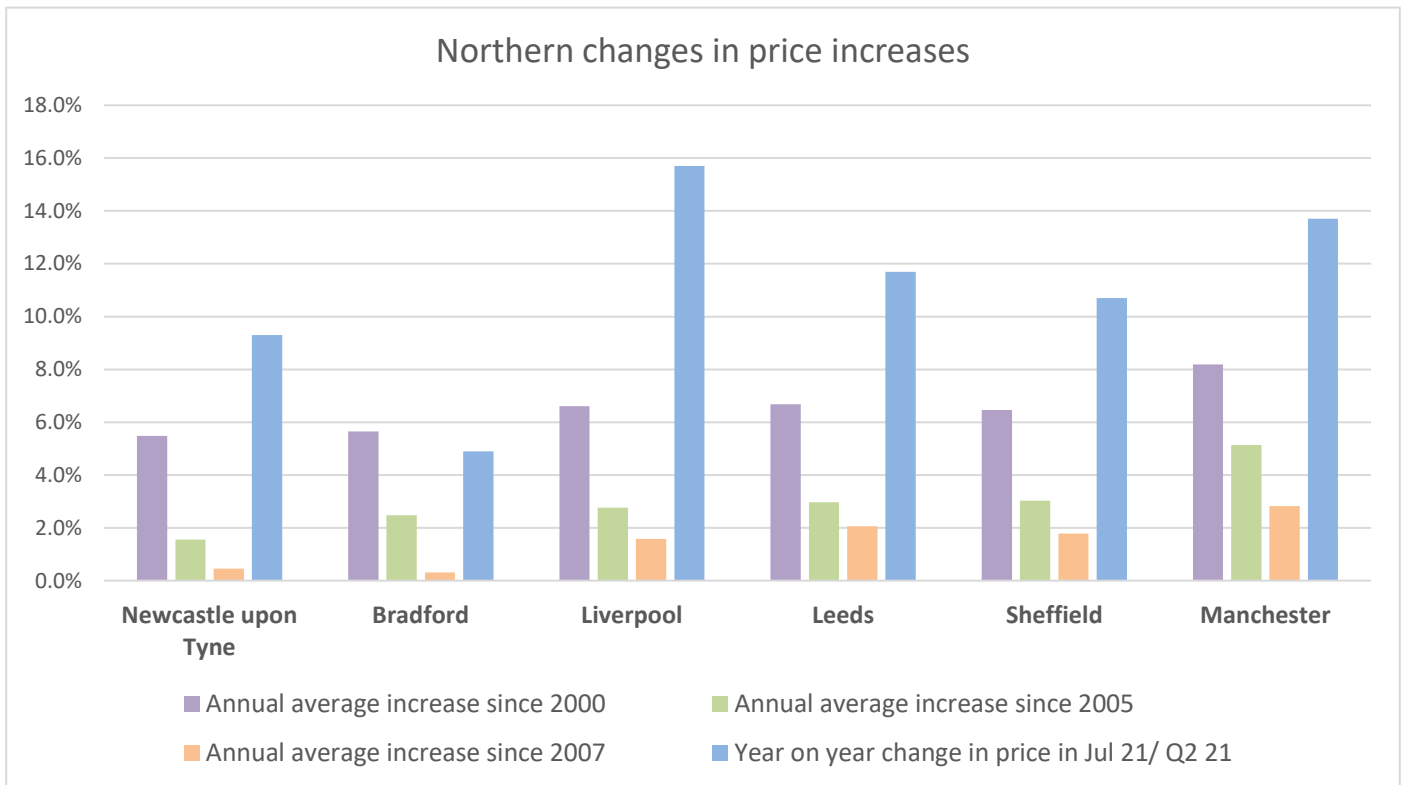


Source: [UK HPI](#)

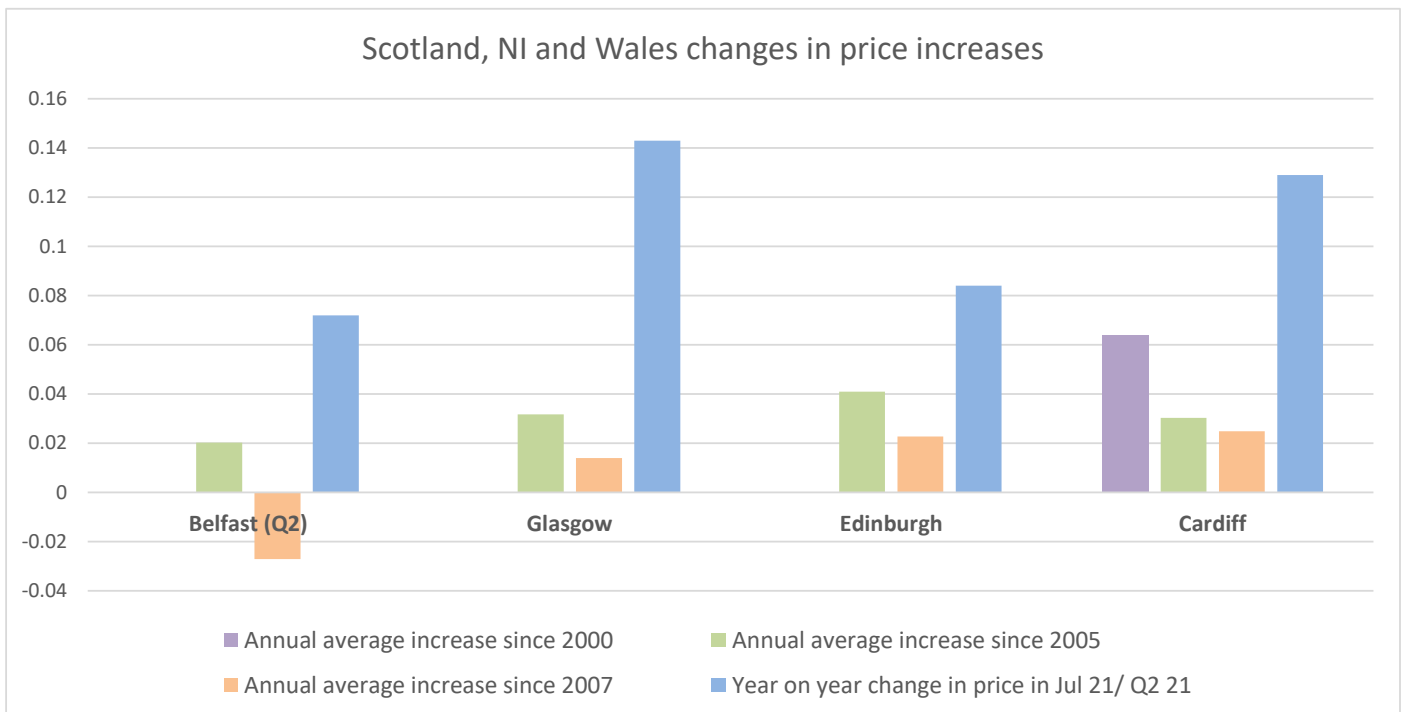


Source: [UK HPI](#)

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



Source: [UK HPI](#)



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