

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

Price records in all regions & sectors mark 'full house' for first time since 2007

"The price of property coming to market has surged past last month's record and jumped by an average of 1.8% this month. This is the highest percentage monthly rise at this time of year since October 2015."

RICS

Buyer demand steadies while new instructions remain thin on the ground

"House price growth decelerates somewhat but remains firm right across the UK."

Nationwide

Price of a typical UK home tops quarter of million pounds for first time

"Annual house price growth remained elevated in October at 9.9%, albeit marginally lower than the 10.0% recorded in September."

Halifax

UK house prices hit record high as average property tops £270,000 for the first time

"UK house prices climbed again in October, as the value of the average property grew by 0.9%, an increase of more than £2,500 during the month. With prices rising for a fourth straight month, the annual rate of inflation now sits at 8.1%, its highest level since June."

e.surv

A new normal for house price growth

"House price growth is clearly in retreat in headline terms but there is little evidence of prices stagnating or falling. Indeed, regionally, there are substantial pockets of resistance to overall falls in house price growth."

Hometrack

No sign of 'cliff-edge' in buyer demand; pandemic impact on activity has further to run

"UK house price growth is currently running at 6.6% with all countries and regions of the UK registering growth rates well ahead of the 5-year annual average."

Summary of house price indices this month

The usual mixed bag of reports this month! Rightmove suggesting we have a 'full house' when it comes to price rises in all regions. Nationwide won the hearts of journalists by stating average property prices were over £250,000 for the first time, this is despite the fact that pretty much every other index, bar Hometrack, has been saying that for years. Meanwhile, some more sensible reports such as Hometrack and e.surv suggested property inflation was running more at 3-4% rather than the double digit growth everyone is mostly 'used' to hearing now.

Far more interesting is the impact that this has had when you look at prices over time - as a year on year measure is pretty poor. We can see that, despite the huge increases reported each year by many, in reality, since 2005, on average, property price rises range between 3-4%, so pretty much in line with inflation.

This suggests that many of the reports that say property prices are now 'unaffordable' continue to be wrong, in fact they have risen in line with inflation and, according to Nationwide, first time buyer affordability (from a mortgage perspective) remains at the long term average - around 36% of take home pay is spent on the mortgage.

So, although some are using the growth over the last year as a 'guarantee' that there will now be a crash, price growth slowing still remains the most likely scenario for 2022.

	High 2007/08	Low 2009	Aug-21	Sep-21	Oct-21	Annual Change	Annual Average (05 - 21)		
Rightmove	£241,474	£213,570	£337,371	£338,462	£344,445	6.5%	3.8%	Asking prices	E & W
Nationwide	£184,131	£147,746	£248,857	£248,742	£250,311	9.9%	3.1%	Mortgaged only	UK
Halifax	£199,766	£157,767	£262,954	£267,587	£270,027	8.1%	3.2%	Mortgaged only , seasonally adjusted	UK
e.surv	£231,829	£197,145	£324,671	£328,610	n/a	3.6%	3.6%	Actual prices, includes cash sales	E & W
Zoopla	£239,063	n/a	£235,000	£236,900	n/a	6.6%	n/a	Sold prices, mortgage valuations and agreed sales	UK
UK HPI	£190,032	£154,452	£264,244	n/a	n/a	10.6%	3.6%	Sold prices, includes cash sales and new builds	UK

How does house price growth differ by country?

Wales and Scotland take a rare 'staring role' when it comes to house prices year on year - up 12.5% and 16.9% versus 2020 for Q2. What's interesting is, this shows that the end of the Land Tax holiday in March for Scotland hasn't really impacted on the market, in fact quite the opposite, it's still remained pretty robust.

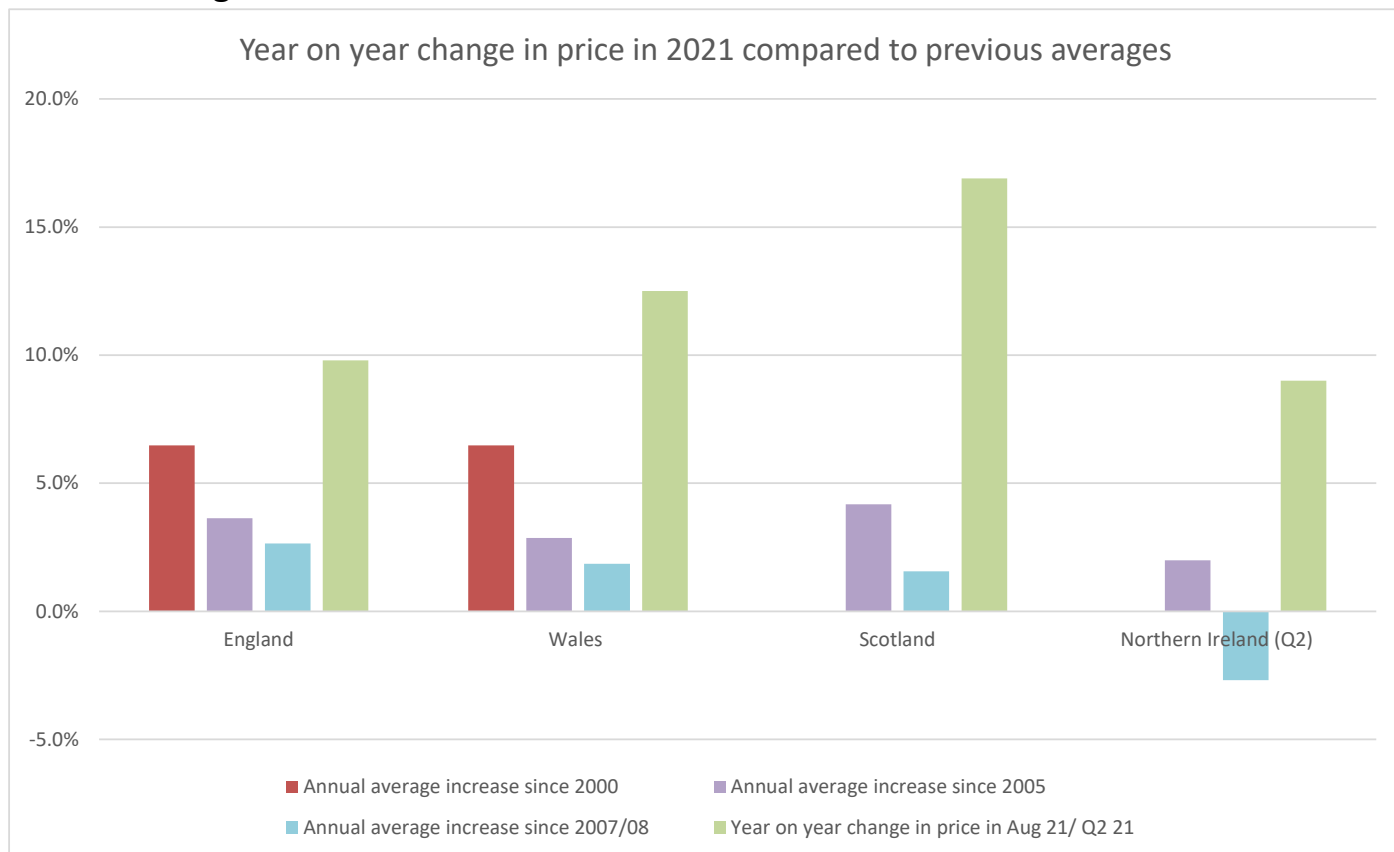
And, taking the e.surv Scottish report, prices were still up by 12% in August YoY. According to John Tindale, Acadata Senior Housing Analyst, "This increase in the rate of annual growth in house prices comes as something of a surprise - we had assumed that since the ending of the LBTT holiday in March 2021 prices would begin to fall gently. However, it would appear that the shift in housing preferences for larger properties - with space for home working - rather than commuting to places of work, continues to influence strongly the current housing market."

But overall, each country is doing well, although, as ever, Northern Ireland 14 years on from the last market peak, is still seeing property prices, on average, substantially lower than 2007.

Property Prices - Countries	Latest month's data Aug 21/ Q2 21	How much higher/ lower are latest prices vs height in 2007/8	Year on year change in price in Aug 21/ Q2 21	Annual average increase since 2005	Annual average increase since 2007/08	Annual average increase since 2000
England	£280,921	44%	9.8%	3.6%	2.7%	6.5%
Wales	£194,575	29%	12.5%	2.9%	1.9%	6.5%
Scotland	£180,832	24%	16.9%	4.2%	1.6%	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?

Although many regions are doing well - and even seeing double digit growth year on year - perhaps the 'best performance' is the uptick in prices in London, up by 7.5%, rather than property prices being very much in the doldrums during the pandemic, suggesting that this market may have turned.

However, forecasters are still suggesting that 2022 won't be a great year for Londoners due to the affordability buffer they are hitting, so price rises of 1-3% on an annual basis over the next few years.

Property Prices - Regions	Latest month's data Aug-21	Changes since 2007 peak	Year on year change in price in Aug 21	Annual average increase since 2005	Annual average increase since 2007
North East	£149,042	7%	13.3%	1.8%	0.5%
North West	£194,821	28%	12.4%	3.1%	1.8%
Yorkshire & The Humber	£185,968	24%	8.8%	2.8%	1.5%
East Midlands	£221,693	39%	10.3%	3.1%	2.4%
West Midlands	£228,593	38%	11.0%	3.1%	2.3%
South West	£288,658	36%	8.9%	3.1%	2.2%
East	£324,510	55%	9.6%	3.9%	3.2%
South East	£358,070	50%	8.7%	3.9%	2.9%
London	£525,893	76%	7.5%	5.2%	4.1%

Source: [UK HPI](#)

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

RICS

"All parts of the UK continue to exhibit strong house price inflation, with Northern Ireland, Wales and the West Midlands all seeing exceptionally firm rates according to the latest feedback."

Halifax

"Wales remains the strongest performing nation or region with annual house price inflation of 12.9%, while Northern Ireland has recorded its strongest growth in four months (11.3%). House prices also continue to rise in Scotland, with the average property now up 8.6% year on year. In England, the North West has returned to being the strongest performing region (10.4%), which is also a four-month high. London remains by far the weakest performing area of the UK: annual inflation of just 0.8%, from an increase of 1.0% in September, is the lowest year-on-year rise in prices seen since February 2020."

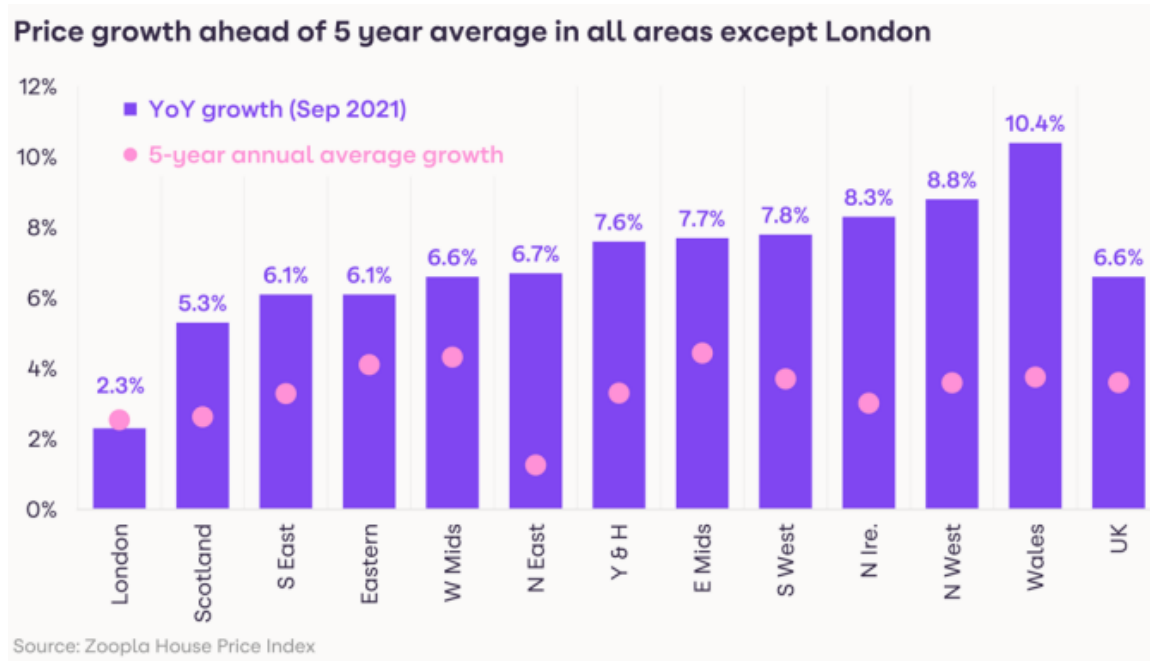
e.surv

"In general terms, all areas - except for Wales and Greater London - have seen their annual rates of growth halve over the three months, being a consequence of the ending of the stamp duty holiday for high value properties in June, since when the housing market in England has been rebalancing."

"The largest fall in the annual rate of growth was in the North East, down by 6.3%, from 9.5% to 3.2% over the month. The North East was followed by Yorkshire and the Humber, down by 5.6% from 10.6% to 5.0% over the period. In fact, 79 of the 87 unitary authorities in England, excluding London Boroughs, or 91%, saw prices fall in the month."

Hometrack

“London is registering the lowest price inflation (2.3%) and is the only regions where growth is below the 5-year average with the demand for homes in the capital hit hardest by the pandemic.”



Which cities and towns are performing well or struggling?

High and low growth areas are pretty much swapping on a monthly basis! Liverpool struggled to recover its prices post the last recession but has been one of the top performers through the pandemic, however, it's important to see over time, prices are just matching inflation. That means for anyone that has owned their property since 2005 with cash, 'on average' it's worth no more than it was when they bought it.

Meanwhile, Reading, which has been in the doldrums for a little while has now jumped up into one of the top five performers, while Oxford has gone into reverse.

Property prices used to be fairly uniform and run on a ripple effect, going up for a while, being static and then falling, currently they are all over the place, making it more important than ever before for buyers and sellers to consult their local agent to understand what on earth is happening to property prices in their area!

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
Glasgow	15.2%	3.3%	Yes	Oxford	1.0%	3.9%	Yes
Liverpool	14.7%	2.9%	Same	Southampton	4.0%	2.6%	No
Sheffield	12.7%	3.3%	Yes	Bristol	4.1%	4.4%	Yes
Cardiff	12.4%	3.1%	Same	Brighton and Hove	4.7%	4.2%	Yes
Reading	12.2%	3.9%	Yes	Manchester	5.7%	5.0%	Yes

Source: [UK HPI](#)

London is as complex property price performance as the whole of the rest of the UK. With some areas in double digits, such as Tower Hamlets, while nearby Newham is hardly seeing any growth at all. The idea that all of London is suffering throughout the pandemic is wrong, many Boroughs have seen the double digit growth that other parts of the UK have experienced, and areas like Camden are seeing average annual increases, since 2005, almost in double digits, with a 9.6% growth rate, followed closely by Hammersmith and Fulham at 8%.

For all those landlords that 'left' London to invest 'in the North' I'm not so sure that in the long term this will have proved to be a great idea!

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
Tower Hamlets	20.5%	5.3%	Yes	Lambeth	-9.3%	6.0%	Yes
Hammersmith and Fulham	15.0%	8.0%	Yes	Harrow	-0.2%	5.2%	Yes
Camden	13.6%	9.6%	Yes	Newham	1.6%	3.9%	Yes

Source: [UK HPI](#)

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

The data below is incredibly useful and rarely used by the media. If you are investing, this is the kind of analysis you should be doing on your property - has it beaten inflation or is it struggling to keep up?

With interest rate rises leading to forecast mortgage rises, holding a property in cash rather than with a mortgage can severely dent your ability to make money versus other financial investments, especially when you consider the costs in, the costs out and higher taxation.

And with mortgage rates already on the up, now is the time to talk to a broker to see if you are missing a trick in terms of securing the best returns, such as:

- [Coreco](#)
- [Brooklands Commercial Finance](#)
- [Ash-Ridge](#)

The biggest impact of the pandemic? It's not necessarily the price 'rises' as many are just still 'recovering' from the last crash. The main impact is that we are now seeing only four towns/cities from our monthly report which are still struggling to see average prices keep up to date with inflation.

This month it includes:-

- Belfast – only achieving an annual increase of 2% each year since 2005
- Newcastle upon Tyne – recording just a 1.6% increase
- Nottingham – my home town! Almost there, but not quite, with a 2.8% increase
- Southampton – a surprise perhaps that somewhere 'down south' has only achieved 2.6% growth rate

Top performers are, not surprisingly, London and Cambridge at +5.2% while Manchester has done extremely well, with a 5% increase. Oxford, which usually sees prices perform in a similar way to Cambridge is only just beating inflation with 3.9%. These cities are definitely diverging from a property performance perspective.

Check out how your properties are performing in comparison!

Property Prices Towns/Cities <i>England, Wales, Scotland & NI</i>	Latest month's data Aug 21/ Q2 21	Year on year change in price in Aug 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	£162,081	15.2%	3.3%	-26.3%	5 yrs 4 months	15.3%	Yes
Edinburgh	£314,042	10.6%	4.2%	-18.9%	6 yrs 0 months	26.6%	Yes
Cardiff	£241,321	12.4%	3.1%	-18.1%	5 yrs 3 months	33.4%	Same
Newcastle upon Tyne	£177,877	8.6%	1.6%	-19.3%	7 yrs 9 months	5.5%	No
Bradford	£156,076	7.0%	2.9%	-20.4%	5 yrs 6 months	10.6%	Same
Liverpool	£164,550	14.7%	2.9%	-20.4%	5 yrs 3 months	20.4%	Same
Leeds	£216,580	10.6%	3.0%	-19.4%	7 yrs 1 months	31.2%	Same
Sheffield	£192,236	12.7%	3.3%	-17.0%	6 yrs 2 months	32.3%	Yes
Manchester	£203,835	5.7%	5.0%	-20.5%	6 yrs 5 months	50.3%	Yes
Lincoln	£169,115	6.2%	3.0%	-17.6%	5 yrs 6 months	33.3%	Same
Nottingham	£171,762	9.3%	2.8%	-21.3%	6 yrs 5 months	35.8%	No
Norwich	£222,853	8.9%	3.5%	-25.7%	5 yrs 4 months	27.7%	Yes
Peterborough	£214,586	9.5%	3.1%	-20.8%	6 yrs 5 months	30.5%	Same
Birmingham	£209,176	8.7%	2.9%	-17.4%	6 yrs 1 months	39.6%	Same
Leicester	£206,498	10.2%	3.6%	-18.7%	6 yrs 6 months	49.8%	Yes
Milton Keynes	£291,347	10.8%	3.9%	-24.1%	5 yrs 2 months	41.2%	Yes
Oxford	£428,298	1.0%	3.9%	-23.0%	3 yrs 5 months	56.0%	Yes
Cambridge	£493,297	11.7%	5.2%	-20.7%	2 yrs 8 months	63.1%	Yes
Bournemouth, Christchurch & Poole	£313,983	7.9%	3.6%	-20.5%	5 yrs 9 months	48.9%	Yes
Southampton	£220,826	4.0%	2.6%	-20.2%	5 yrs 5 months	30.0%	No
Portsmouth	£227,590	6.1%	3.0%	-22.9%	5 yrs 10 months	36.2%	Same
Brighton and Hove	£388,764	4.7%	4.2%	-21.4%	4 yrs 2 months	57.7%	Yes
Reading	£325,230	12.2%	3.9%	-18.8%	5 yrs 1 months	41.3%	Yes
Tunbridge Wells	£418,114	9.4%	3.8%	-22.2%	4 yrs 2 months	49.3%	Yes
Bristol	£307,523	4.1%	4.4%	-21.3%	5 yrs 0 months	62.5%	Yes
London	£525,893	7.5%	5.2%	-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 CF82 (Hengoed) 90% 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 Hengoed, Studley, Ipswich and Brighton 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	%	Nov 21
CF82	90	Hengoed
B80	90	Studley
IP5	89	Ipswich
BN42	88	Brighton
BS3	88	Bristol
BS32	88	Bristol
BS7	87	Bristol
BN41	87	Brighton
B45	87	Birmingham
SS14	87	Basildon

Top 10 cold markets - buyer demand

Postcode	%	Nov 21
W1	10	London
SW10	11	London
NW8	13	London
EC2	13	London
L1	14	Liverpool
WC2	15	London
WC1	15	London
SW5	15	London
SW3	15	London
W2	16	London

Source: [TheAdvisory](#)

I mentioned earlier the importance of talking to local agents to make sure you really know what's happening locally and the 'cold markets' reported by TheAdvisory show why this is so important. We have seen that 'on average' London' price performance isn't great, but when you dig down into the Boroughs and postcodes, we can see that some areas really aren't seeing much growth and may even be still experiencing falls.

The one that stands out though is L1 in Liverpool. Despite the fact that, overall, Liverpool is one of the best performing cities, there is still at least one postcode which might not be seeing growth.

Whether you are a buyer, seller or investor, the first thing you have to understand is what's happening in your local market - are prices going up, down or staying the same. And with property prices varying so much, you need to check this out for individual property types on specific roads.

Fail to do this and your sale, purchase or investment journey will be 10x harder than it should be.

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

Transactions are at the heart of what's been happening to property prices over the last 18 months. Prices have been pushed up for those upsizing and downsizing thanks to great levels of equity or owning a property outright and being able to compete prices upwards for their next 'forever home'.

When the pandemic started and there was a lot of doom and gloom, it was thought sales in the UK could halve - heading down to 600,000 instead of the average 1.2mn. In fact, we still managed to sell 1mn homes, even though we lost around two months of selling/buying during lockdown.

With this year's transactions likely to hit 1.5 million, the industry should be congratulated for pushing through so many sales since the market opened in May 2020. It's an incredible achievement. No, we haven't suffered like the NHS and we aren't 'heroes', but credit where it's due, everyone has worked their socks off to get people moved during the pandemic and, done so safely.

And when you look at the average sales of 1.2mn per year, taking into account the 1mn we did in 2020, the 1.5mn we are expected to do this year, it's not a surprise that the forecasters are feeling buoyant for 2022.

UK Transactions forecast 2021 & 2022	2021	2022	2023	2024
Savills				
New transaction forecast (<i>Jul 21</i>)	1,620,000	1,230,000	1,200,000	1,200,000
Hamptons International				
Transactions forecast (<i>Oct 21</i>)	1,500,000	1,250,000	1,300,000	1,300,000
JLL				
Transactions forecast (<i>Nov 20</i>)	1,000,000	1,100,000	1,200,000	1,300,000

For me, I can't believe that there won't be some sort of slowdown, so I'm going to be bold and go for 1mn transactions.

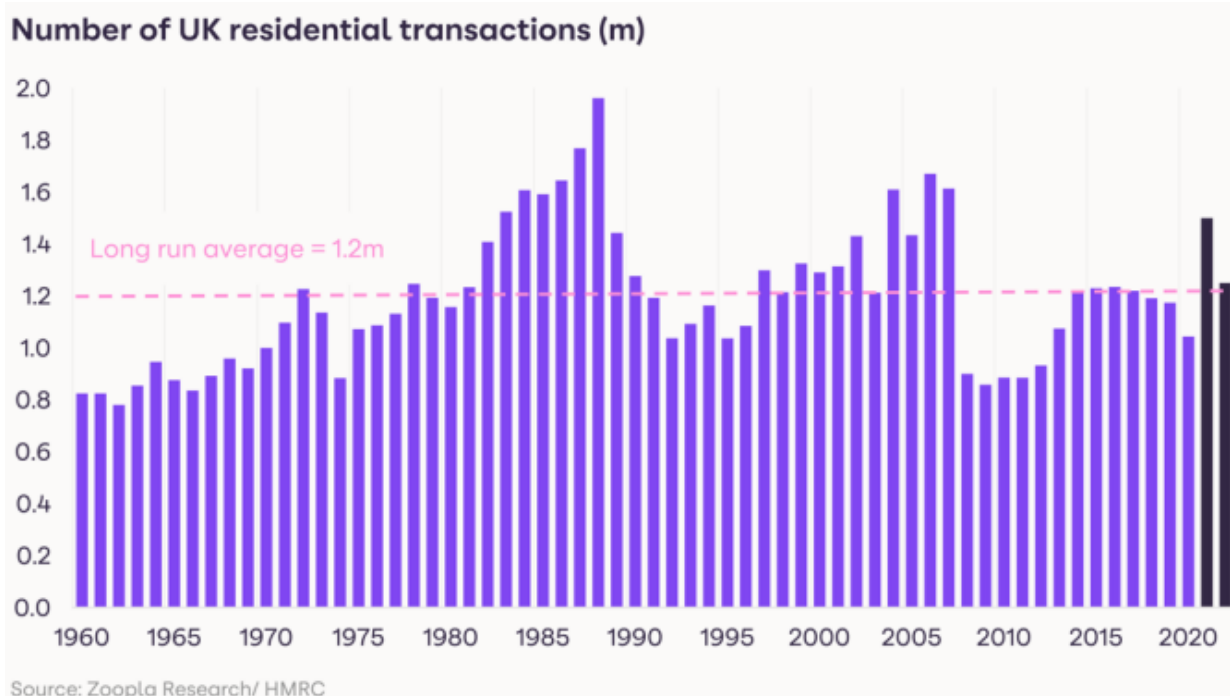
Hometrack

"The strength of market conditions are not a result of the stamp duty holiday alone and much bigger forces are shaping the market. This is evidenced by the fact that there has been no sign of any cliff edge in demand for homes which has been running 30% above the 5-year average since the summer. Demand looks set to end the year more strongly than last year and we expect this to carry into 2022.Q4."

Pandemic impact on market has further to run

"In hindsight it is now clear that the impact of a global pandemic on the UK housing market was not going to be short lived. We believe the impact of the pandemic has further to run into 2022, supporting market activity and sales volumes. The primary catalysts will be an ongoing re-evaluation of housing needs, increased housing equity and moves in parts of the labour force to more hybrid working."

"After a record year for sales in 2021 we expect UK housing transactions to decline by 20% to 1.2m in 2022. This is in line with the long run average but still relatively high compared to sales volumes over the last decade. We do not see any important regional or country variations with sales tending to track in line with the national average."



Rightmove

“The number of sales being agreed was up by 15.2% in September compared to the same period in 2019, which is the best ‘normal market’ comparison. This high level of demand is stalling a recovery in the depleted available stock for sale despite a continuing upward trend in properties coming to market. The latest weekly snapshot shows that the number of new sellers coming to market is still marginally down on the same period in 2019, but only by 3.2% as opposed to 9.3% for the period as a whole. This continuing imbalance, with demand outstripping supply and leading to record prices, presents an opportunity for owners looking to sell and cash out if they are downsizing or not needing to buy another property.”

NAEA Propertymark

“The average number of sales agreed per estate agent branch increased by 22 per cent from August 2021. August saw 9 sales agreed per branch and September saw that figure reach 11 per branch despite the Stamp Duty holiday end in sight.

“Sales to first-time buyers remained steady and made up 27 per cent of sales; a marginal fall from 28 per cent in August. Sales to buy to let investors fell from 11 per cent in August to 9 per cent in September.

RICS

“Nationally, the new buyer enquiries indicator posted a net balance of zero during September. This is up from -13% last month and is now indicative of a generally stable demand backdrop. The volume of newly agreed sales did slip back for a third month in succession, evidenced by -15% of respondents citing a decline (compared to -17% previously). Sales activity appears to have greater impetus at present relative to the national averages in the North East of England and Wales, where net balances of +26% and +18% were returned respectively.

“With regards to supply, the recent decline in new listings coming onto the market shows little sign of abating. The September new instructions registered a figure of -35% (compared to -36% last time) and has now been in negative territory in each of the last six months. In another indication of the constrained supply picture, respondents also report that the number of appraisals undertaken during September was below the rate seen twelve months prior, with the net balance slipping to -26% from -10% back in August.”

TwentyCi

“The momentum within the residential property market has continued to deliver a significant volume of activity since the reopening of the residential property market in May 2020 and the introduction of the Stamp Duty holiday. We have forgone a comparison with 2020 due to the turmoil that the pandemic delivered, instead we have compared Q3 2019 with Q3 2021 to provide a base that reflects “near normal” market conditions pre-Covid.

“As with our most recent reports we continue to see a high level of sales agreed and exchanged as the surge first experienced post lockdown #1 continues. In part the activity in Q3 2021 will have been driven by the conclusion of the Stamp Duty holiday at the end of the quarter and it remains to be seen whether Q4 will see a re-calibration to levels seen pre-Covid.

“Price changes and withdrawn is also significantly down due largely to the lack of new properties coming to the market with new instructions down by nearly 9% compared to 2019, providing for a strong sellers’ market. With demand exceeding supply there is less requirement for discounting whilst less stock encourages buyers to remain in a transaction rather than looking for an alternative.”

	Q3 2019	Q3 2021	YOY CHANGE
New Instruction	423,921	385,866	-8.98% ↓
Sale Agreed	308,560	359,430	16.49% ↑
Exchanged	254,101	298,762	17.58% ↑
Fallen Through	76,793	87,063	13.37% ↑
Price Changed	244,411	134,902	-44.81
Withdrawn	202,707	142,993	-29.46

Source: [TwentyCi](#)

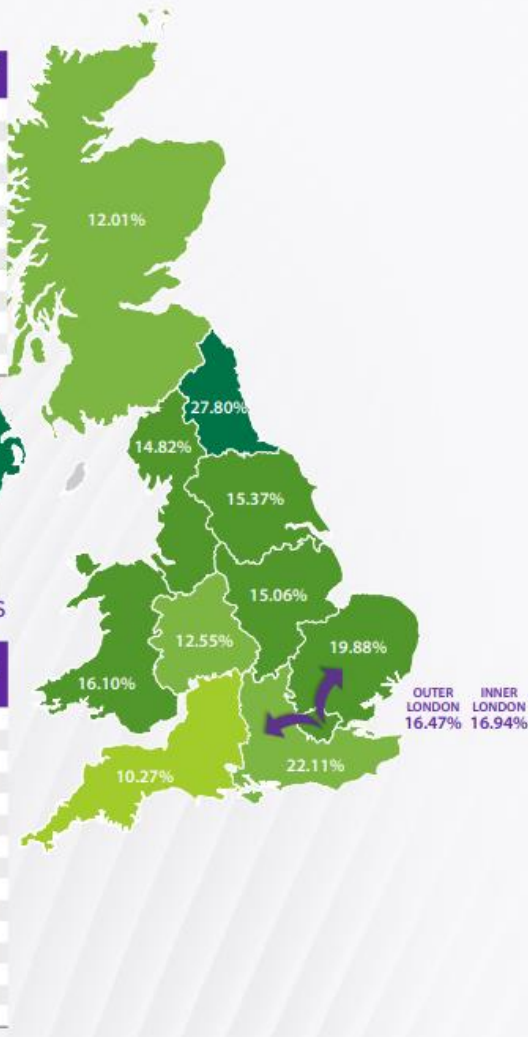
THE OWNER OCCUPIED PROPERTY MARKET

SALES AGREED BY REGION

UK REGION	GROWTH FROM Q3 2019
North East	27.80%
Northern Ireland	23.18%
South East	22.11%
East of England	19.88%
Inner London	16.94%
Outer London	16.47%
Wales	16.10%
Yorkshire and The Humber	15.37%
East Midlands	15.06%
North West	14.82%
West Midlands	12.55%
Scotland	12.01%
South West	10.27%

SALES AGREED BY MAJOR CITIES

UK CITIES	GROWTH COMPARED TO Q3 2019
Peterborough	25.44%
Newcastle upon Tyne	23.86%
Southampton	21.53%
Inner London	16.94%
Birmingham	14.39%
Sheffield	13.47%
Cardiff	13.06%
Norwich	11.24%
Leeds	10.59%
Plymouth	8.07%
Nottingham	7.87%
Bristol	6.20%
Manchester	4.30%
Glasgow	3.78%
Edinburgh	0.41%



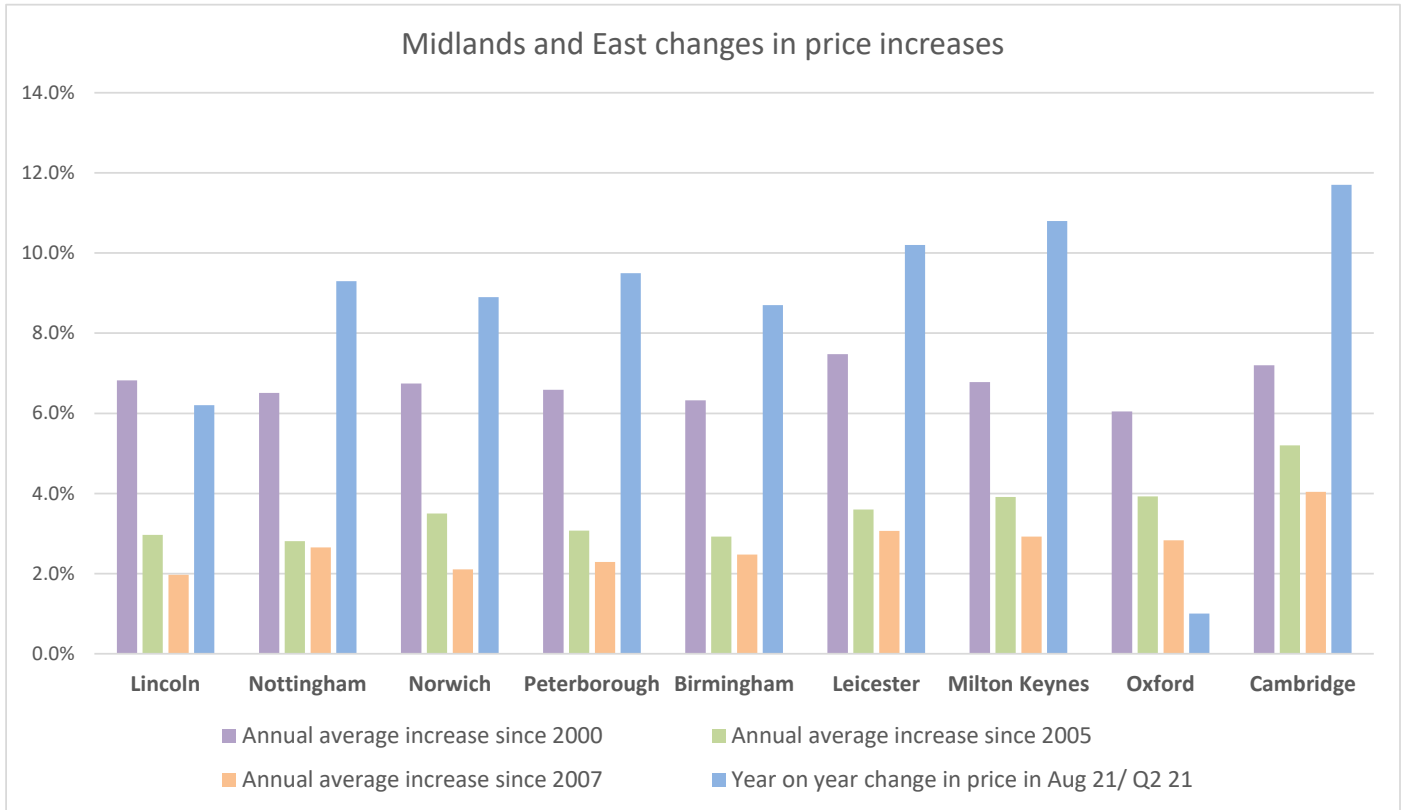
Source: [TwentyCi](#)

Sales volumes by region and major cities

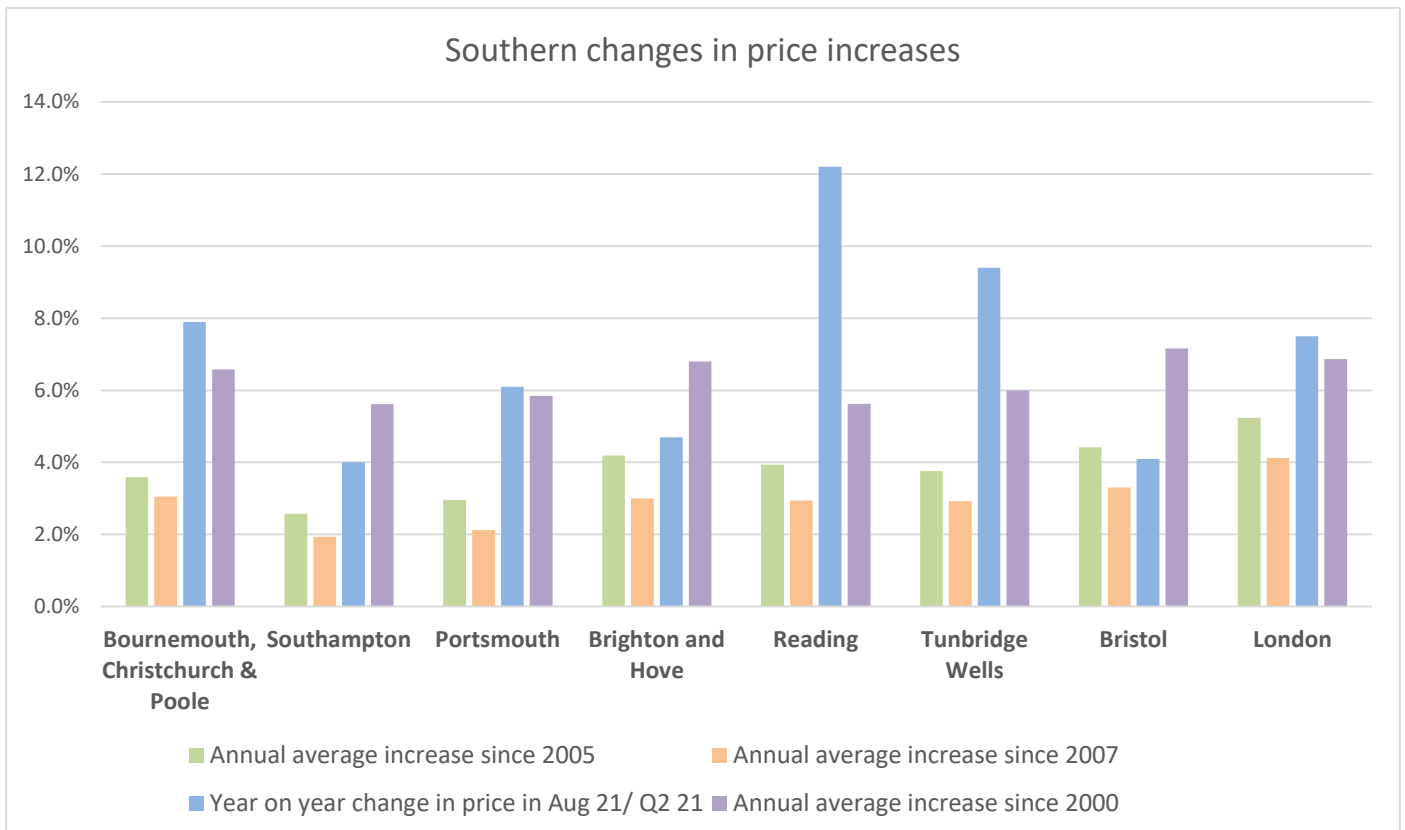
“Sales Agreed across the whole of the United Kingdom are now on average 17% greater than in Q3 2019 with double digit growth being experienced in all regions, with both Inner & Outer London re-bouncing significantly compared to the more recent picture. All key cities show growth albeit with Scotland lagging somewhat behind the rest of the UK. However, with the momentum being shared nationally, the economic recovery of the whole of the UK will continue to be assisted by the expenditure generated by homemovers (c3% of GDP per annum).”

APPENDIX

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

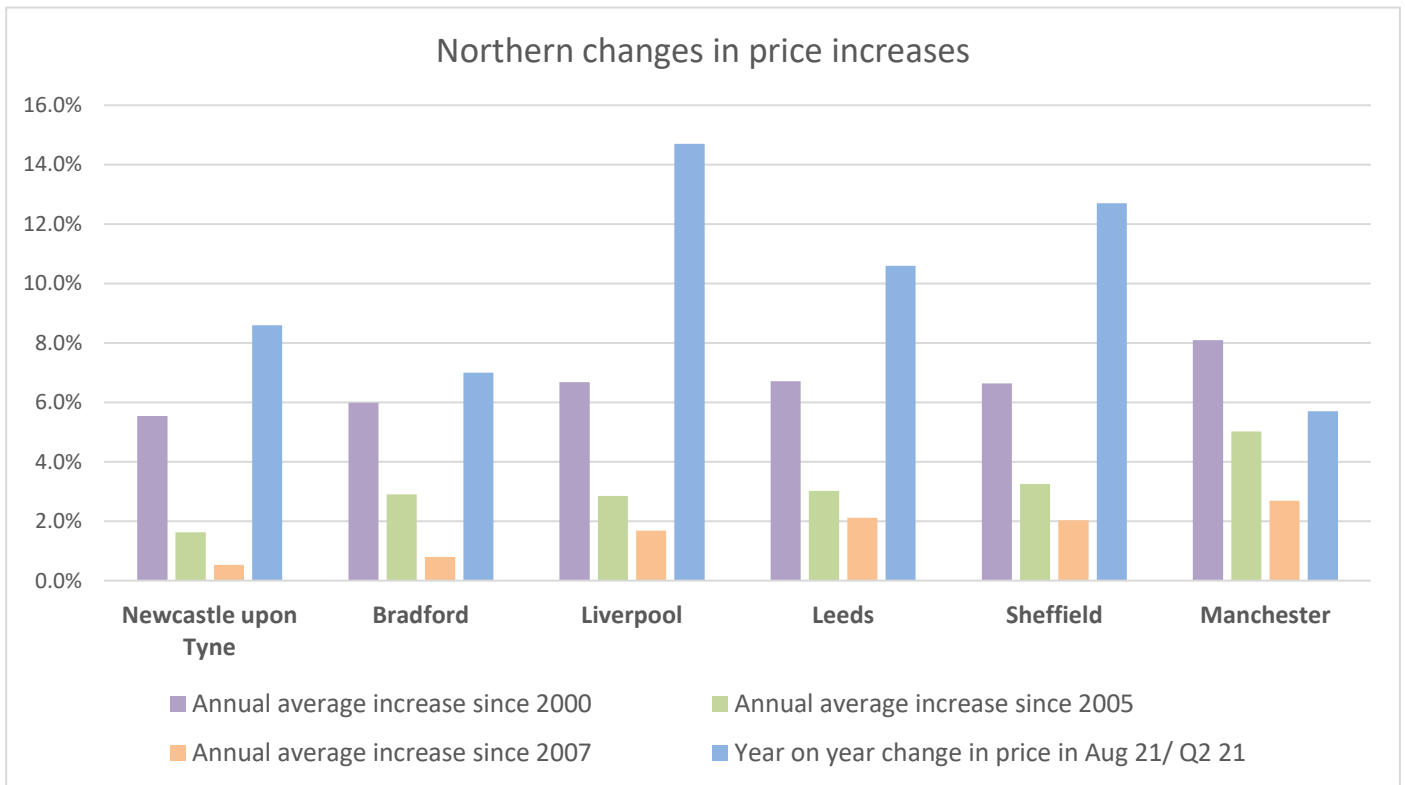


Source: [UK HPI](#)

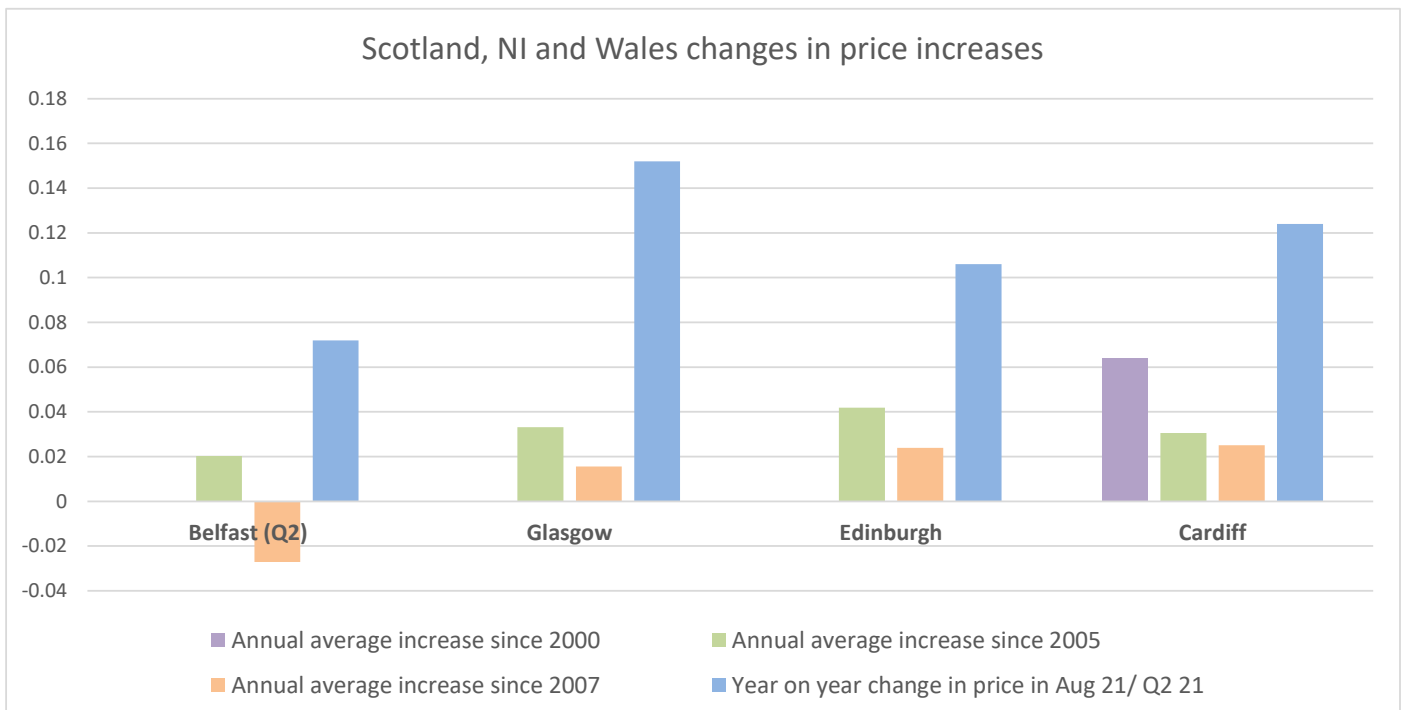


Source: [UK HPI](#)

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



Source: [UK HPI](#)



Source: [UK HPI](#)