

December 2021

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

Biggest price drop since January as sellers tempt bargain-hunting pre-Xmas buyers

"The price of property coming to market drops by an average of 0.6% compared to last month, the largest monthly fall since January."

RICS

Lack of stock continues to hold back activity

"House prices continue to rise across the UK."

Nationwide

House price growth edges back into double digits in November

"Annual house price growth remained strong in November at 10.0%, marginally higher than the 9.9% recorded in October. Prices rose 0.9% in month-on-month terms, after taking account of seasonal effects. As a result, house prices are now almost 15% above the level prevailing in March last year when the pandemic struck the UK."

Halifax

House prices rise for fifth straight month – with growth now at 15-year high

"UK house prices rose again in November, with the value of the average property increasing by another 1%, tipping the annual rate of inflation up to 8.2%. This is the fifth straight month that average house prices have risen, with typical values up by almost £13,000 since June, and more than £20,000 since this time last year."

e.surv

Prices continue to climb, but at a slowing pace

"The average price of all completed sales funded by both mortgages and cash grew at an annual rate of 4.1% in October. This is just 0.2% lower than the rate of 4.3% recorded in September, but is a significant reduction of 4.0% from the 8.1% growth in prices seen in June."

Hometrack

UK house price inflation at +6.9%

"Average UK annual house price growth was +6.9% in October, up from +3.5% in October last year."

Summary of house price indices this month

Goodness me, how on earth is it Christmas already! So far this year, we've seen one of the most active property markets from a transaction and price perspective, with sales expecting to reach 1.5mn and prices still rising. All this when many predicted the market would 'fall off a cliff' post the SDLT holiday ending.

2022 will be an incredibly helpful year in knowing whether buyers' and sellers' behaviour has changed. Rather than try to time the market, 'hoping' for a fall – reasons previously given were Brexit, the election, then the pandemic – but despite everything thrown at it, the property market has continued to rise, bar some areas, so I think people may now just realise the best time to buy is when it suits them and they find a property they love, or can at least afford.

However, 2021 may still throw up another behaviour change, will, based on Rightmove's statistic *"The number of people browsing properties on Rightmove during the post-Christmas Day festive period has been increasing every year, with visits on Boxing Day last year 54% higher than the previous year"* encourage sellers to get their property on the market before Xmas rather than wait for January?

Meanwhile, most of the price indices report rises from 4% (e.surv) through the Land Registry's 11.8%, apart from Rightmove which has the usual December 'lull'. The fact that prices are still rising is incredible, especially when they saw such a big jump last year. But it shows that rather than property being 'unaffordable' as is often quoted in the press, the reality is very different – the property market is affordable, sadly it's just not affordable for all those that want to buy and that's a very different story!

	High 2007/08	Low 2009	How much did prices fall?	Latest price vs 2007/08 high	Sep-21	Oct-21	Nov-21	Annual Change	Annual Average (05 - 21)		
Rightmove	£241,474	£213,570	13.1%	41.8%	£338,462	£344,445	£342,401	6.3%	3.8%	Asking prices	E & W
Nationwide	£184,131	£147,746	24.6%	37.2%	£248,742	£250,311	£252,687	10.0%	3.2%	Mortgaged only	UK
Halifax	£199,766	£157,767	26.6%	35.2%	£267,587	£270,027	£272,992	8.2%	3.2%	Mortgaged only, seasonally adjusted	UK
e.surv	£231,829	£197,145	17.6%	44.6%	£328,610	£335,325	n/a	4.1%	3.7%	Actual prices, includes cash sales	E & W
Zoopla	£178,128	£153,449	16.1%	34.6%	£239,563	£239,796	n/a	6.9%	n/a	Sold prices, mortgage valuations and agreed sales	UK
UK HPI	£190,032	£154,452	23.0%	42.1%	£269,945	n/a	n/a	11.8%	3.7%	Sold prices, includes cash sales and new builds	UK

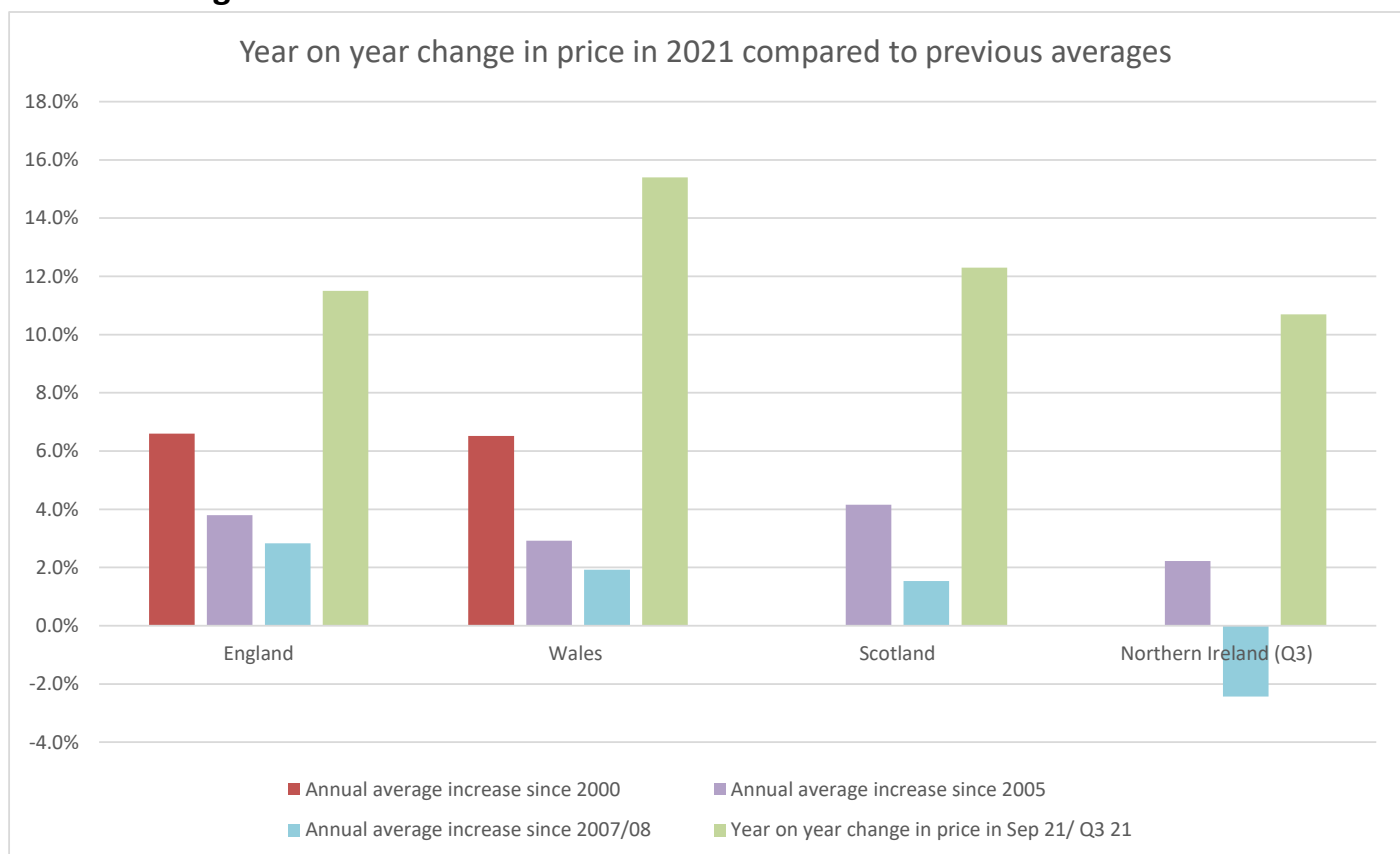
How does house price growth differ by country?

Country stats continue to see the likes of Wales especially seeing huge rises year on year, but as you can see, this increase over time just means that since 2005, prices have risen in line with inflation, while England still exceeds it (mostly due to London, the East and the South) while Northern Ireland is seeing good growth, prices remain -29% lower than their height in 2007/8.

Property Prices - Countries	Latest month's data Sep 21/ Q3 21	How much higher/ lower are latest prices vs height in 2007/8	Year on year change in price in Sep 21/ Q3 21	Annual average increase since 2005	Annual average increase since 2007/08	Annual average increase since 2000
England	£287,895	48%	11.5%	3.8%	2.8%	6.6%
Wales	£196,216	31%	15.4%	2.9%	1.9%	6.5%
Scotland	£180,334	24%	12.3%	4.2%	1.5%	n/a
Northern Ireland (Q3)	£159,109	-29%	10.7%	2.2%	-2.4%	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?

Regional property price reports show the 'Northern Powerhouse' to be the 'winner' in September, according to the Land Registry. Although prices are showing as up by 16.8% for the North West, it's important to cross check these figures with the Hometrack/Zoopla data which shows Manchester is up by 5.8%, so no where near as high, suggesting the double-digit rises are over exaggerating the actual price increase, but still pretty healthy!

Apart from the North East, all regions since 2005 are now matching or exceeding inflation. Good news for the 50%+ people that own property with cash, up until the last year, many had actually lost money without realising it on their property.

And, the government's restrictions on mortgage finance do appear to be holding back London prices with growth of only 2.8%, when normally London would lead the house price charge. Having said that, both the South West and East are doing well, perhaps due to price growth being artificially high as it's mostly expensive houses driving this growth. Again, cross checking with Hometrack, key cities such as Cambridge are only tracking at 4.4% growth with Bristol at 6.1%, and Portsmouth and Bournemouth rising at 7% and 7.7% respectively.

However, some good news for those worried about rising prices from Hometrack: *"In a sign that growth is easing across the country, quarterly price growth has also dipped compared to the late summer in all regions"*. As you can see from their chart below, they are recording much lower rises than any other index due to their price changes taking into account the different transaction mix throughout the pandemic.

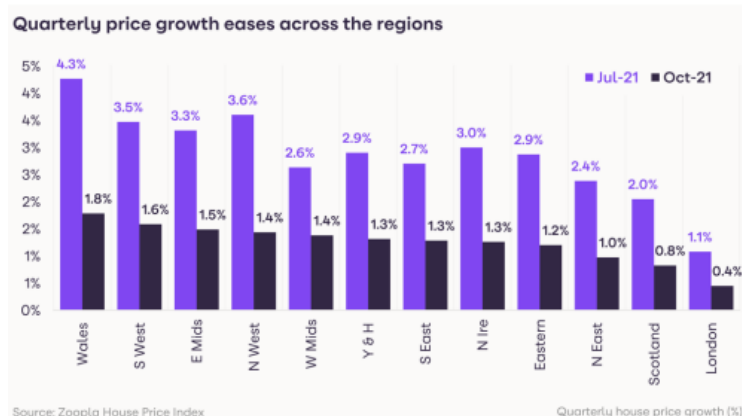
Property Prices - Regions	Latest month's data Sep-21	Changes since 2007 peak	Year on year change in price in Sep 21	Annual average increase since 2005	Annual average increase since 2007
North East	£152,776	10%	13.3%	2.0%	0.7%
North West	£203,661	34%	16.8%	3.4%	2.1%
Yorkshire & The Humber	£192,354	28%	11.9%	3.1%	1.8%
East Midlands	£231,318	45%	14.7%	3.4%	2.7%
West Midlands	£231,501	40%	11.7%	3.2%	2.4%
South West	£301,327	42%	11.7%	3.4%	2.5%
East	£327,982	56%	9.3%	4.0%	3.2%
South East	£370,886	55%	11.7%	4.1%	3.2%
London	£507,253	70%	2.8%	5.0%	3.9%

Source: [UK HPI](#)

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

Hometrack

"Wales continues to register the highest rate of house price growth across the regions, at +10.8%, followed by the North West at +9%. The market in London, which was most affected by the pandemic and subsequent lockdowns, is registering price growth of +2.3%. In a sign that growth is easing across the country, quarterly price growth has also dipped compared to the late summer in all regions."



RICS

“Virtually all regions/countries of the UK continue to see sharply rising house prices.”

Halifax

“Wales remains by far the strongest performing nation or region in the UK with annual house price inflation of 14.8%. Northern Ireland also continues to record double-digit annual growth of 10.0%, and house prices also continue to rise in Scotland, with the average property now up 8.5% year-on-year. In England, the North West remains by far the strongest performing region (+11.4%), which is its highest rate of growth since 2005. London continues to lag the rest of UK in its rate of house price growth, with annual inflation of just 1.1%, though this was up slightly from October.”

e.surv

“While Wales continues its strong performance annually, regional annual house price performance in England has revealed that the north-west, and within it specifically Blackpool at a staggering 16.9%, has comfortably outperformed the rest of the country. This means that for five of the last eight months the North West has been at the top of our regional league table in terms of having the highest rates of annual house price growth and it continues to have the highest rate of growth of the nine regions in England.”

Which cities and towns are performing well or struggling?

Looking at the tables below, the five biggest increases for towns and cities show the huge difference across the country, ranging from Cambridge up to Scotland - Glasgow and Edinburgh - over to Wales (Cardiff) and the North West (Liverpool).

Meanwhile, those that have the lowest performance - Brighton and Hove and London - are seeing price rises under 3%, but when the lowest price increases are 5.1% in Bristol through to 7.1% in Bournemouth, they can hardly be considered as 'low growth'!

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
Cambridge	15.4%	5.4%	Yes	Brighton and Hove	2.4%	4.1%	Yes
Liverpool	15.4%	2.9%	Same	London	2.8%	5.0%	Yes
Glasgow	15.1%	3.5%	Yes	Bristol	5.1%	4.5%	Yes
Edinburgh	14.5%	4.3%	Yes	Bradford	6.5%	3.0%	Same
Cardiff	13.3%	3.2%	Yes	Bournemouth, Christchurch & Poole	7.1%	3.6%	Yes

Source: [UK HPI](#)

The London data beautifully shows how useless average price reports are. 'On average' London is up by 2.8%. However, this table clearly shows that is made up of areas like Tower Hamlets being 7% down year on year while Haringey is up by 14%!

It really is time for property prices to be reported in a much more useful fashion. We have all this great data, but we aren't helping consumers better understand how individual property prices are in today's market. All that does is create a rod for our own back!

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
Haringey	14.0%	6.8%	Yes	Tower Hamlets	-7.0%	3.8%	Yes
Redbridge	13.0%	4.3%	Yes	Wandsworth	-4.7%	5.7%	Yes
Hammersmith and Fulham	12.9%	7.7%	Yes	Newham	-1.1%	3.6%	Yes

Source: [UK HPI](#)

Hometrack

"Among the UK's largest cities, Liverpool, Manchester and Sheffield continue to show the highest rates of growth, at 10.6%, 8.7% and 7.9% respectively. The only large city registering price falls is Aberdeen, where average values edged down 0.2% on the year."

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

Property prices in the towns and cities we track are, quite frankly, all over the place! The lowest reported is London at 2.8%, but we've already shown this is a truly useless stat! Brighton and Hove is rising year on year below inflation at 2.4%, and Liverpool increasing the highest at 15.4%, an incredible difference in price growth! All the other cities and towns are 'in between'.

And I expect when agents look at their own individual properties in their areas, it's a similar picture within these towns and cities, especially as houses are seeing much bigger rises than most flats. I can't emphasise enough that anyone buying and selling needs to speak to their local agent to get an idea not just of what their property is worth, but also what their individual property inflation is for properties they want to buy and sell as the variety in property performance is the biggest, I think I've ever seen.

Property Prices Towns/Cities <i>England, Wales, Scotland & NI</i>	Latest month's data Sep 21/ Q3 21	Year on year change in price in Sep 21/ Q3 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 (Q3)	£150,267	9.6%	2.2%	-58.9%	N/A	-33.3%	No
Glasgow	£165,725	15.1%	3.5%	-26.3%	5 yrs 4 months	15.3%	Yes
Edinburgh	£321,166	14.5%	4.3%	-18.9%	6 yrs 0 months	26.6%	Yes
Cardiff	£244,895	13.3%	3.2%	-18.1%	5 yrs 3 months	33.4%	Yes
Newcastle upon Tyne	£178,638	7.3%	1.7%	-19.3%	7 yrs 9 months	5.5%	No
Bradford	£157,209	6.5%	3.0%	-20.4%	5 yrs 6 months	10.6%	Same
Liverpool	£165,940	15.4%	2.9%	-20.4%	5 yrs 3 months	20.4%	Same
Leeds	£211,437	7.1%	2.9%	-19.4%	7 yrs 1 months	31.2%	Same
Sheffield	£186,485	7.3%	3.1%	-17.0%	6 yrs 2 months	32.3%	Yes
Manchester	£209,881	8.1%	5.2%	-20.5%	6 yrs 5 months	50.3%	Yes
Lincoln	£170,602	10.5%	3.0%	-17.6%	5 yrs 6 months	33.3%	Same
Nottingham	£172,052	9.0%	2.8%	-21.3%	6 yrs 5 months	35.8%	Same
Norwich	£224,131	9.2%	3.5%	-25.7%	5 yrs 4 months	27.7%	Yes
Peterborough	£213,965	8.6%	3.1%	-20.8%	6 yrs 5 months	30.5%	Yes
Birmingham	£208,731	7.4%	2.9%	-17.4%	6 yrs 1 months	39.6%	Same
Leicester	£204,820	9.7%	3.5%	-18.7%	6 yrs 6 months	49.8%	Yes
Milton Keynes	£297,016	11.1%	4.0%	-24.1%	5 yrs 2 months	41.2%	Yes
Oxford	£467,236	9.0%	4.5%	-23.0%	3 yrs 5 months	56.0%	Yes
Cambridge	£512,494	15.4%	5.4%	-20.7%	2 yrs 8 months	63.1%	Yes
Bournemouth, Christchurch & Poole	£313,756	7.1%	3.6%	-20.5%	5 yrs 9 months	48.9%	Yes
Southampton	£229,777	8.6%	2.8%	-20.2%	5 yrs 5 months	30.0%	Same
Portsmouth	£234,281	8.7%	3.1%	-22.9%	5 yrs 10 months	36.2%	Yes
Brighton and Hove	£381,401	2.4%	4.1%	-21.4%	4 yrs 2 months	57.7%	Yes
Reading	£319,867	9.7%	3.8%	-18.8%	5 yrs 1 months	41.3%	Yes
Tunbridge Wells	£424,862	8.8%	3.9%	-22.2%	4 yrs 2 months	49.3%	Yes
Bristol	£312,195	5.1%	4.5%	-21.3%	5 yrs 0 months	62.5%	Yes
London	£507,253	2.8%	5.0%	-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 IP5 (Ipswich) 92% of the properties on the market are under offer and EC2 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 Ipswich, Dronfield and Bristol having some of the busiest markets, and London and L1/2 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	%	Dec 21
IP5	92	Ipswich
S18	92	Dronfield
BS7	89	Bristol
CF38	89	Pontypridd
BS3	89	Bristol
SS14	88	Rayleigh
BN41	88	Worthing
BS5	88	Bristol
BA14	88	Trowbridge
CF82	88	Hengoed

Top 10 cold markets - buyer demand

Postcode	%	Dec 21
EC2	10	London
W1	12	London
NW8	14	London
SW10	14	London
L1	16	Liverpool
L2	17	Liverpool
SW7	18	London
SW5	18	London
WC2	18	London
W2	19	London

Source: [TheAdvisory](#)

The Advisory shows that 'average data' for towns and cities really isn't good enough for those looking at individual properties. Liverpool has topped the year on year price growth over the last few months, but as their data shows, anyone in L1 and L2 ie the city centre, will be seeing a very different picture. Meanwhile, although Bristol isn't topping the charts, for those in BS7 - Bristol - this is one of the top performing postcodes along with nearby Easton.

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

The Hometrack data shows us just how many homes have changed hands this year - rising from 1:20 to 1:16 being sold. However, with demand remaining high, we really need stock to catch up if property prices are ever to stop rising.

Interestingly, they do highlight how much transactions feed into house prices, with houses for sale being down by 50% and flats by 15% (five-year average), hence why flat prices are appearing to be a lot more 'flat' (sorry!) than house prices!

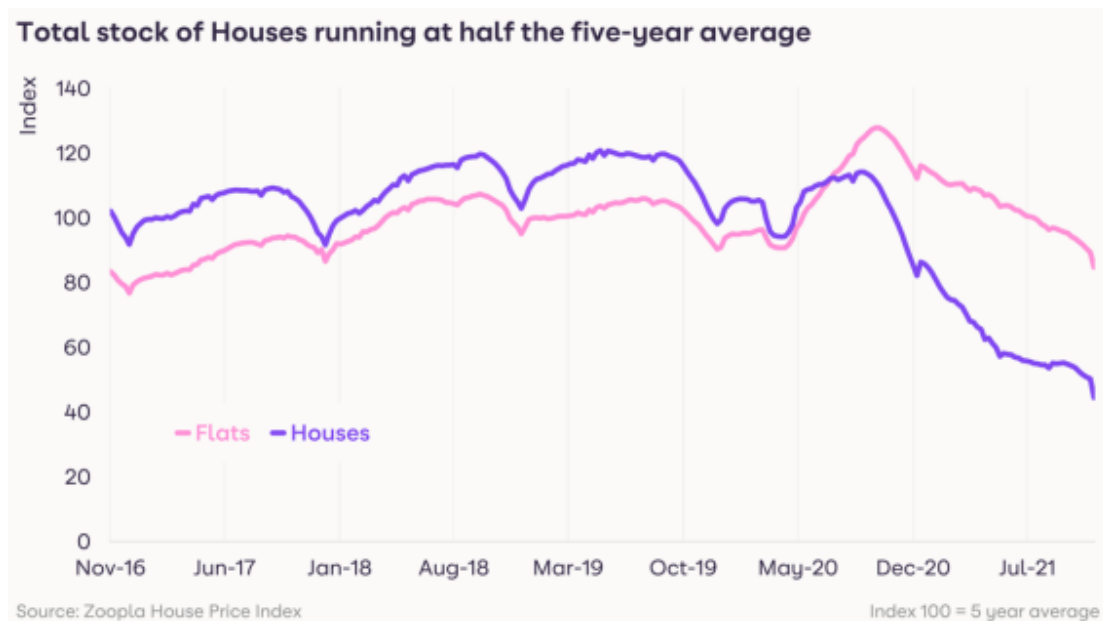
Hometrack

Supply most constrained for houses

"One in 16 privately owned homes has changed hands this year, compared to one in 20 in 2019. Buyer demand remains higher than usual levels - continuing to run +28% higher than the five-year average.

"The new supply of homes being listed for sale has been running 5% to 10% below typical levels seen in 2017-2019 for most of this year. However, the total stock of homes for sale is down more than 40% on the five-year average.

"When we look at the data in more detail, the trends on stock starts to diverge between houses and flats. The number of houses available for sale is down more than 50% compared to the average levels over the last five years. The stock of flats for sale is also down, but by a more moderate 15% compared to the five-year average."



NAEA PropertyMark

"The average number of sales agreed per estate agent branch decreased by 32 per cent from September 2021. September saw 11 sales agreed per branch and September saw that figure decrease to 8 per branch which is line with pre-pandemic seasonal figures.

"Sales to first-time buyers remained steady but took a slight decrease in October and made up 25 per cent of sales; a fall from 27 per cent in September. Sales to buy to let investors increased from 9 per cent in September to 13 per cent in October."

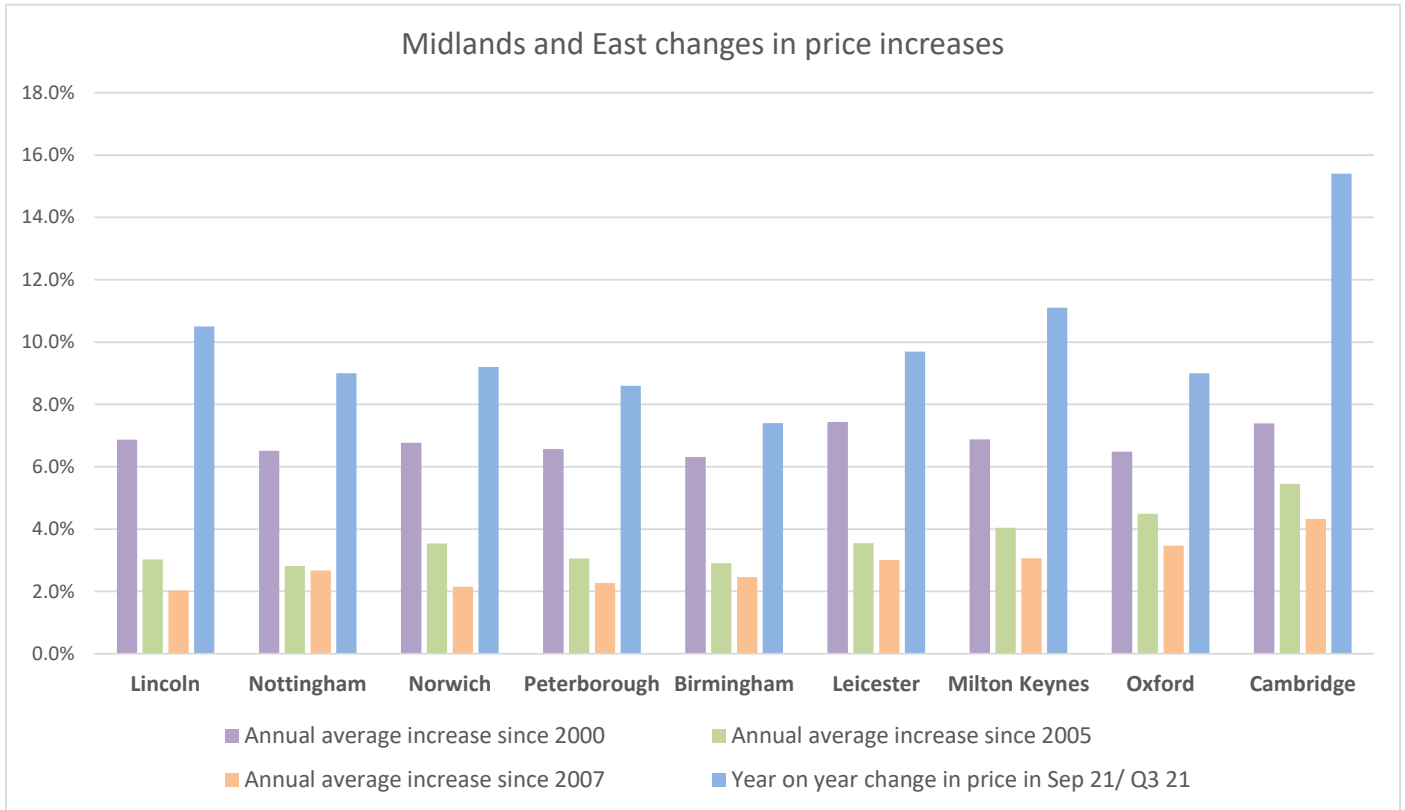
RICS

“At the headline level, 10% more of our contributors noted an improvement in new buyer enquiries over the latest survey period. This is up from a reading of just 1% previously and signals the first outright rise in buyer demand (albeit modest) since June 2021. Although buyer enquiries picked up, this has yet to translate into an upturn in sales. Nationally, 9% less of respondents reported a reduction in agreed sales during October.

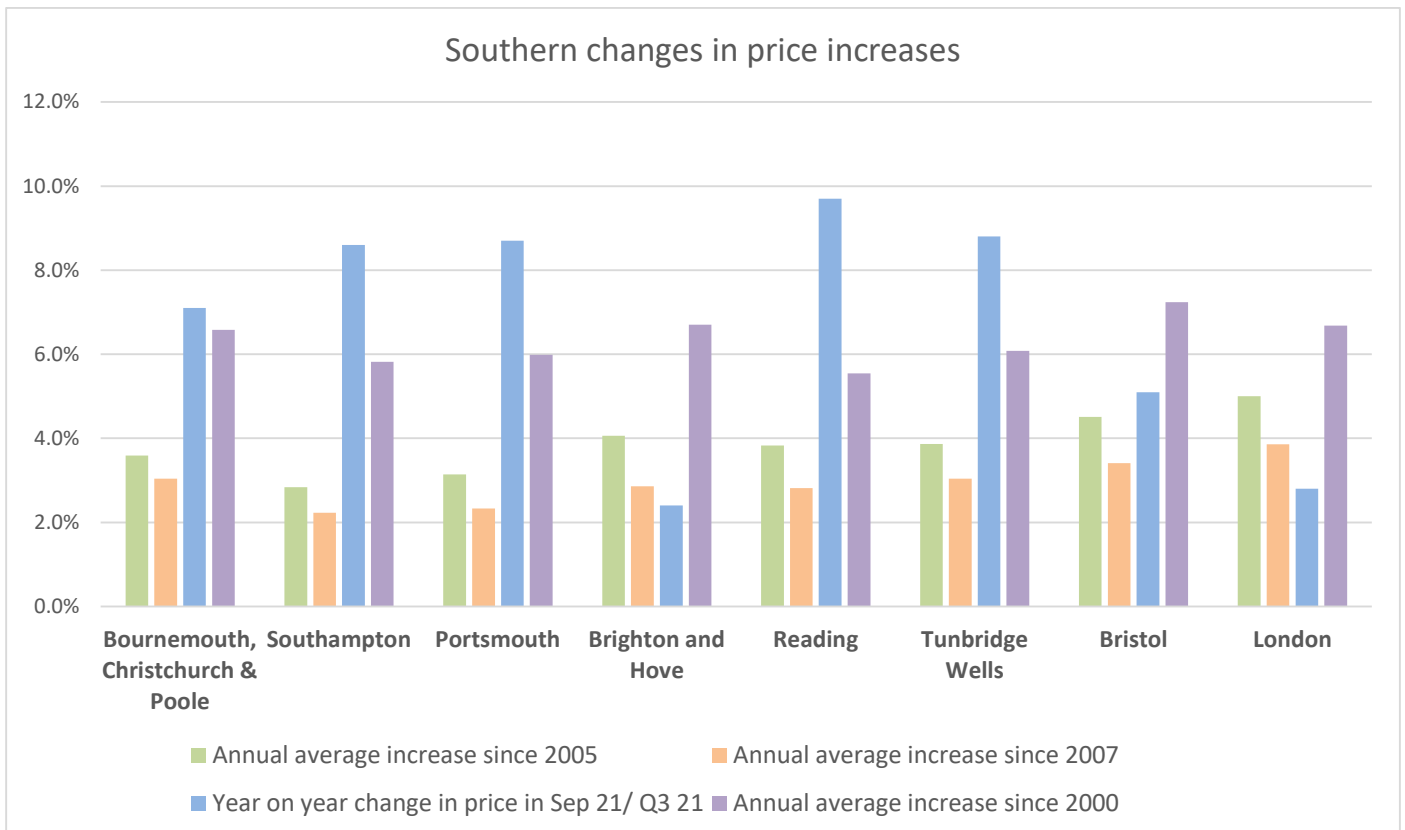
“The depressed flow of new instructions being listed on the market of late remains widely referenced as a factor holding back activity. Indeed, the new instructions series has now been stuck in negative territory for seven months in succession. Given this, average stock levels on estate agents’ books have fallen from close to 42 properties in March to just 37 according to the latest feedback.”

APPENDIX

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

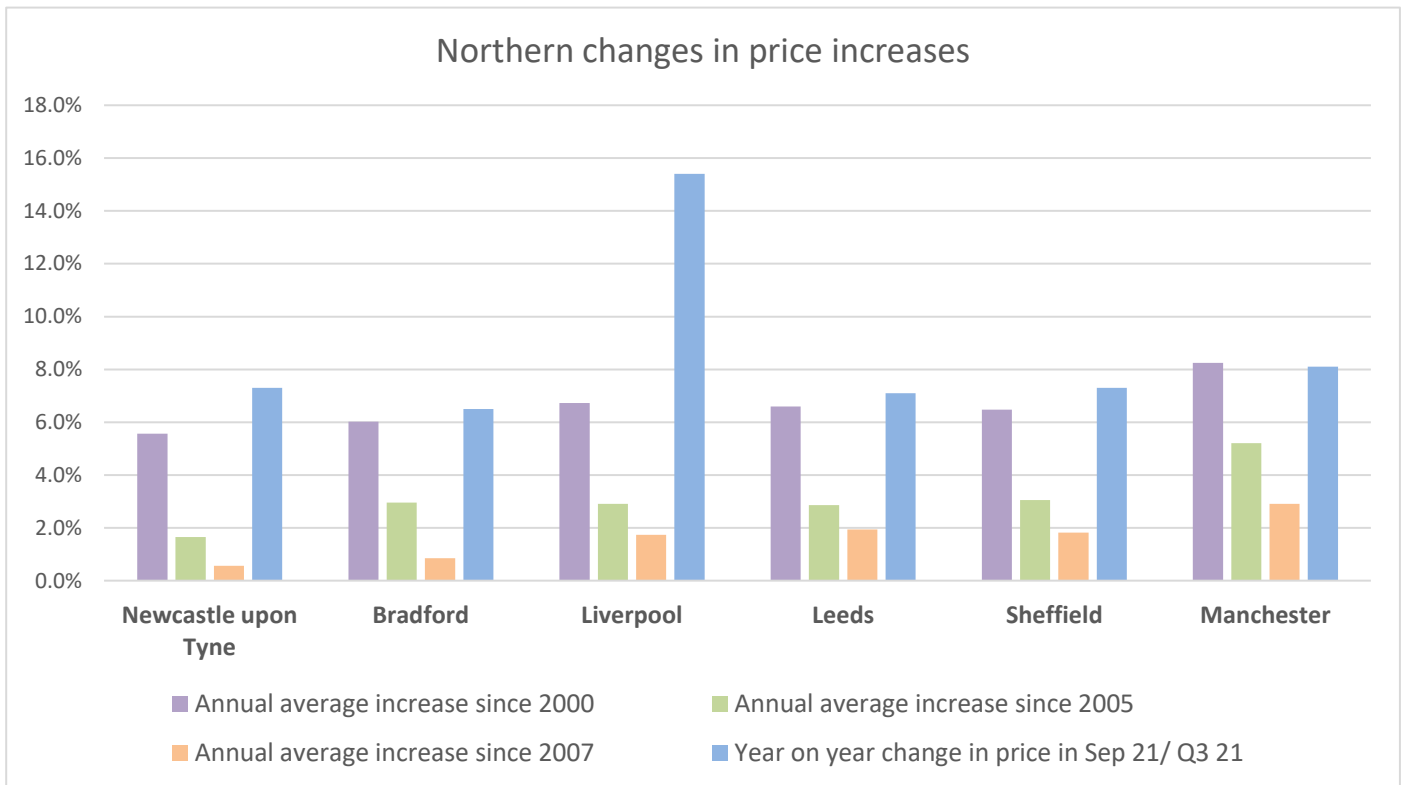


Source: [UK HPI](#)

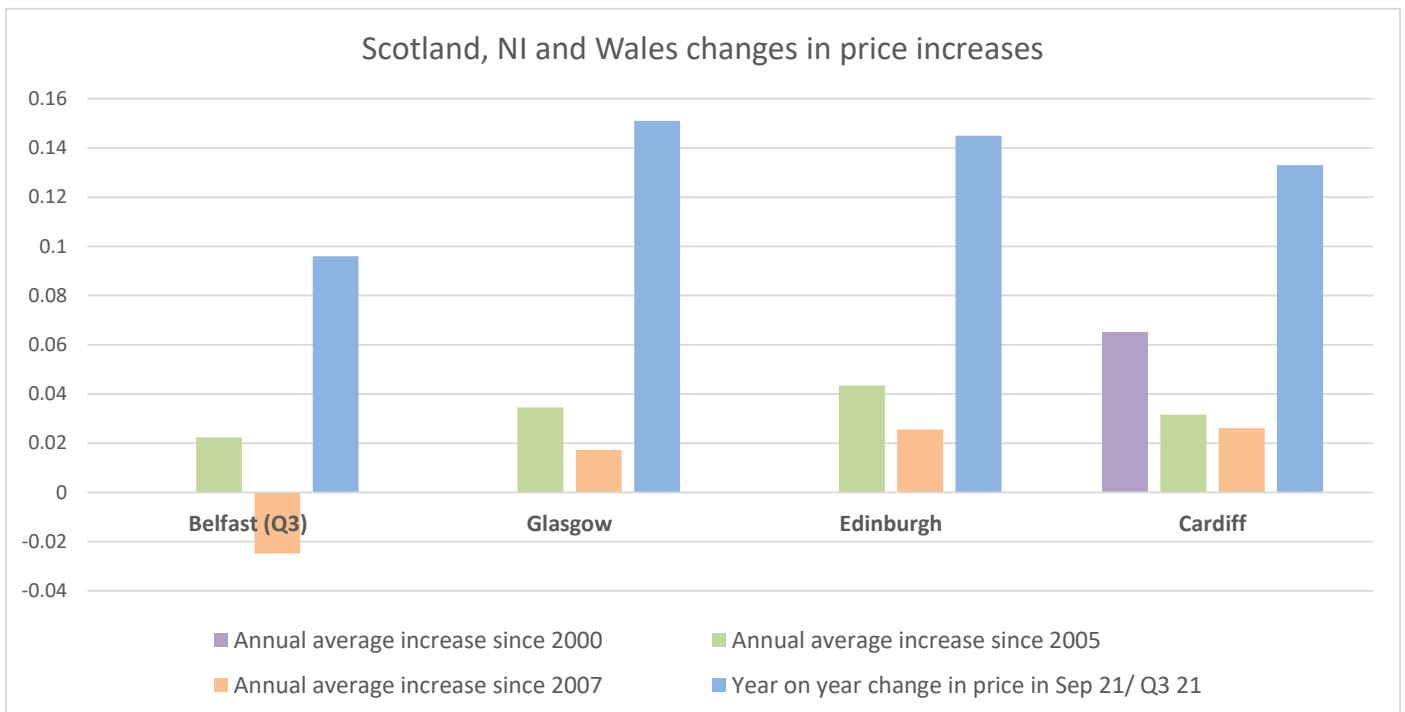


Source: [UK HPI](#)

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



Source: [UK HPI](#)



Source: [UK HPI](#)