

January 2022

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

New Year resolution sellers gearing up for 2022 as closer to normal market beckons

"The price of property coming to market sees its usual December dip, down by 0.7% this month."

RICS

Death of new instructions hampering activity

"House price growth remains firm across the UK."

Nationwide

UK house prices end the year at a record high, with annual price growth in double digits

"Annual house price growth remained in double digits in December at 10.4%, making 2021 the strongest calendar year performance since 2006. Prices rose by 1% month-on-month, after taking account of seasonal effects. Prices are now 16% higher than before the pandemic struck in early 2020."

Halifax

House prices up 9.8% in 2021

"UK house prices climbed again in December for the sixth month in a row, rising by 1.1%. The average price for a property now stands at £276,091, an increase of more than £24,500 compared to December 2020, marking the strongest year-on-year cash rise since March 2003."

e.surv

House prices continue to grow, and strongly in many regions

"The average price of all completed sales funded by both mortgages and cash grew at an annual rate of 3.8% in November. This is a reduction of 0.3% from the 4.1% seen in October, which itself was a reduction of 0.4% from the 4.5% annual growth in September."

Hometrack

UK house price inflation at +7.1%

"Average UK house prices rose by 1% in November, taking the total annual growth to 7.1%, down from 7.6% in August."

Summary of house price indices this month

How on earth we ended up with property prices up year on year by 6-10% after the crazy growth we saw in 2020, I kind of have no idea – and certainly my predictions of a fall in growth year on year back to around 3% (not in prices) didn't pan out! However, it's likely that 2022 will see much more muted growth for several reasons. Firstly, the market always moves like a wave, so when you get a big one, it's usually followed by a smaller one – eventually!

But the second reason is that most of the indices have over exaggerated the growth during the pandemic due to the change in mix of properties sold (ie towards houses and more expensive properties). Assuming the mix of properties sold returns to its long term norm, this could mean price growth is even more muted, which could lead to headlines about a potential crash, which in turn could, in the short term, slow the market down more than necessary.

However, the good news is that all the predictions are suggesting some price growth and 1.2 million sales for 2022, which would mean that through the pandemic, the property market is one of the few industries that has not only survived successfully but is likely to be seen as a real 'safe haven' in the future from an investment perspective too.

	High 2007/08	Low 2009	How much did prices fall?	Latest price vs 2007/08 high	Oct-21	Nov-21	Dec-21	Annual Change	Annual Average (05 - 22)		
Rightmove	£241,474	£213,570	13.1%	41.8%	£344,445	£342,401	£340,167	6.3%	3.5%	Asking prices	E & W
Nationwide	£184,131	£147,746	24.6%	37.2%	£250,311	£252,687	£254,822	10.4%	3.1%	Mortgaged only	UK
Halifax	£199,766	£157,767	26.6%	35.2%	£270,027	£272,992	£276,091	9.8%	3.1%	Mortgaged only , seasonally adjusted	UK
e.surv	£231,829	£197,145	17.6%	44.6%	£335,325	£337,173	n/a	3.8%	3.5%	Actual prices, includes cash sales	E & W
Zoopla	£178,128	£153,449	16.1%	34.6%	£239,796	£240,800	n/a	7.1%	n/a	Sold prices, mortgage valuations and agreed sales	UK
UK HPI	£190,032	£154,452	23.0%	41.2%	£268,349	n/a	n/a	10.2%	3.5%	Sold prices, includes cash sales and new builds	UK

How does house price growth differ by country?

By country we can see that Scotland tops the charts for house price growth over the long term – with prices now beating inflation since 2005 for the first time since the 2007/8 crash. England comes a close second with an annual increase of 3.5% since 2005. Wales is just on par at 3% and perhaps the most interesting one, Northern Ireland, is now seeing house price growth up year on year since 2005, but for those that bought back at the height of the market in 2007, many could still be in negative equity. Interestingly though, despite the disastrous price performance for Northern Ireland, the market is still moving forward and people are still buying and selling.

Property Prices - Countries	Latest month's data Oct 21/ Q3 21	How much higher/ lower are latest prices vs height in 2007/8	Year on year change in price in Oct 21/ Q3 21	Annual average increase since 2005	Annual average increase since 2007/08	Annual average increase since 2000
England	£285,113	46%	9.8%	3.5%	2.6%	6.2%
Wales	£203,224	35%	15.5%	3.0%	2.0%	6.4%
Scotland	£181,391	25%	11.3%	3.9%	1.5%	n/a
Northern Ireland (Q3)	£159,109	-29%	10.7%	2.1%	-2.3%	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?

According to the Land Registry there are several top performers towards the end of 2021, with Yorkshire and The Humber, East Midlands, the East and the South East seeing double digit growth, with the rest of the regions not far behind. It's a very different story when we look at the long term price growth. Clearly those that bought recently have done well in the likes of the North East, but for those that bought prior to the last crash, they may only just be seeing a bit of growth now.

Looking at my home town of Nottingham and seeing the talk in the media about these huge price increases, this poses a huge problem for agents – and indeed sellers.

How do you explain to someone that bought a flat in Marco Island for £98,000 in 2005 and it's just sold for £88,000? And what about the one in Hockley which sold in 2005 for £149,500 and it's recently sold for £110,000?

This is why it's essential that despite all the upbeat media talk of the property market, both for those sellers that won't have seen these rises and for those thinking it means they can't afford a home when they can, at a local level, everyone understands that these averages don't tell the full story.

Property Prices - Regions	Latest month's data Oct-21	Changes since 2007 peak	Year on year change in price in Oct 21	Annual average increase since 2005	Annual average increase since 2007
North East	£147,719	6%	9.7%	1.7%	0.4%
North West	£195,325	28%	9.8%	3.0%	1.7%
Yorkshire & The Humber	£193,675	29%	11.1%	2.9%	1.7%
East Midlands	£228,290	43%	11.7%	3.1%	2.4%
West Midlands	£226,279	36%	8.4%	2.9%	2.1%
South West	£298,600	40%	9.9%	3.2%	2.3%
East	£332,216	58%	11.2%	3.8%	3.1%
South East	£366,883	54%	10.3%	3.8%	2.9%
London	£516,285	73%	6.2%	4.8%	3.7%

Source: [UK HPI](#)

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

Hometrack

"When we examine price growth by region, the rise in values registered in the last 12 months is larger than that posted over the previous two years combined in nearly every region in the country. The only exceptions are London and Scotland, where the average increase in value has not matched that between November 2018 to November 2020, chiming with lower rates of annual growth of 2.4% and 5.3% respectively. In contrast, average prices in Wales have risen by 11.1% over the last 12 months, while prices in the North West are up 9.1%."



RICS

“All parts of the UK continue to see robust growth in house prices. Leading the way, Wales, the North West of England and the West Midlands all display particularly elevated net balance readings. Even though house price growth in London appears to be lagging the rest of the country to a certain degree, the latest net balance of +51% is still well above the long run average of +12% in the capital.”

Nationwide

“Wales ended the year as the strongest performing region, with house prices up 15.8% year-on-year. This is the first time in the history of our regional series (which begin in 1973) that Wales has ended the year as the top performing region. Price growth remained elevated in Northern Ireland at 12.1%, the strongest end to the year for the region since 2007. Annual house price growth in Scotland was 10.1%, in line with the wider UK outturn (on a quarterly basis).

“England saw a slight increase in annual price growth to 9.0%, from 8.5% in the third quarter. While there was a slowing in northern England (North, North West, Yorkshire & Humberside, East Midlands and West Midlands), annual price growth continued to exceed that in southern England (London, Outer Metropolitan, Outer South East, East Anglia and South West).

“The South West was the strongest performing English region, with annual price growth of 11.5%, the largest calendar year increase in the region since 2004. This was closely followed by the Outer South East, which saw annual price growth increase to 11.3%, from 9.8% the previous quarter. The Outer South East, which includes cities such as Brighton, Southampton and Oxford, was also one of the strongest English regions in 2021. London was again the weakest performer, with annual growth remaining at 4.2%. London was the only UK region to see lower annual price growth in 2021 than in 2020. The North West saw the strongest growth of the regions in northern England, with annual price growth of 11.2%, similar to the previous quarter.”

Halifax

“Wales remains by far the strongest performing nation or region in the UK with annual house price inflation of 14.5%, taking the average house price to £205,579. However, the rate of increase is slightly down from the 14.8% rise recorded in November. Northern Ireland was also one of the strongest performing regions, again recording double-digit annual growth (10.6%, average house price of £170,946). House prices also continue to rise in Scotland, with the average property now up 9.7% year-on-year, with the average price of £192,988, the most expensive on record.

“In England, the North West was the strongest performing region (11.8%), followed by the South West. Despite registering a strong quarterly rise in prices (2.9%), up from 1.1% in November, London remains by far the weakest performing for annual inflation (2.1%).”

e.surv

“In general terms, all areas - except for the East of England - have seen their annual rates of growth fall away from the minor peak in prices which was recorded in September, being one month ahead of the ending of the SDLT tax holiday in England. Wales continues in top place in the annual price growth league for the fifth month in succession. In second place in the regional price growth league was the North West, which has been in one of the top three positions of the league for the last fourteen months. The North East has returned to being the region with the lowest annual price growth in its housing sales, at 2.1%, despite the knowledge that in Scotland, by way of contrast, prices in September 2021 climbed by an annual 13.2%.”

Which cities and towns are performing well or struggling?

More incredible figures from the mix of property price winners and losers over the last five years. With Liverpool topping the charts yet again, followed by Edinburgh, Leicester, Tunbridge Wells and Cardiff – a huge spread of performance across the country, with prices ranging from 12% to 18%.

Meanwhile, a more England mix of poor performers with Portsmouth ‘flailing’ at 2.5% growth and even the normally mighty price growth drive of Oxford only managing a 5.4% increase. However, those are still tough rises to deal with, in areas where prices are difficult to afford, including Bristol, Oxford and parts of Milton Keynes.

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	17.9%	2.9%	Same	Portsmouth	2.5%	2.7%	No
Edinburgh	13.5%	4.0%	Yes	Bristol	3.2%	4.2%	Yes
Leicester	12.2%	3.5%	Yes	Southampton	5.1%	2.5%	No
Tunbridge Wells	12.0%	3.8%	Yes	Oxford	5.4%	4.1%	Yes
Cardiff	11.9%	2.9%	Same	Milton Keynes	5.7%	3.4%	Yes

Source: [UK HPI](#)

In London the diversity is even higher than across the UK. Areas such as Tower Hamlets are actually down by -12.5% - not up! While in the likes of Richmond, it's the opposite.

Many people ask me ‘where is the best place to invest in London’, but these figures show that London, with its 30+ boroughs is incredibly diverse, and it's about choosing an area you know well or have good professional contacts in and working out which property on which street in that location would deliver the income or capital growth you are after.

For those who are looking for a long term investment, certainly some areas of London are real bargains just now, but don't get carried away, make sure you know the demand, supply and the local rules and regulations, such as licensing, you may have to abide by which could affect your 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
Redbridge	12.8%	4.1%	Yes	Tower Hamlets	-12.5%	3.2%	Yes
Richmond upon Thames	12.5%	7.5%	Yes	Hackney	-6.6%	0.9%	No
Hammersmith and Fulham	12.4%	7.0%	Yes	Brent	-5.5%	5.2%	Yes

Source: [UK HPI](#)

Hometrack

“Homes in Liverpool have registered the highest rate of growth of any of the UK's larger cities at 10.7%, followed by Manchester at 8.5% and Nottingham at 8.1%. Only Aberdeen house prices have registered lower price growth than London, with average prices in the city down 0.3% on the year. This city market is heavily influenced by wider trends in the North Sea oil industry. In London, annual price growth ranges from 5.9% in Bexley and 5.7% in Bromley, to a -1.8% fall in the City of London.

“Across the UK, the local authority registering the highest rate of growth is Carmarthenshire in Wales, at 13.2%. The appeal of more rural and coastal locations has been clear during the pandemic, and this market is also one of the most affordable housing markets in the country, enhancing its appeal.”

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

City wise, prices vary from the 2.5% growth in Portsmouth through to the 17.9% in Liverpool with everything else in between. Inflation wise, property is performing well since 2005, but perhaps delivering less than most would think – especially considering the double digit growth reported over the last 18 months.

Currently, of the 27 cities / towns we track, with four not keeping up with inflation, including Belfast, Portsmouth, Newcastle and Southampton. Meanwhile, another seven have only just kept up with inflation, which does mean, that there are 16 which have outperformed inflation – on average.

The growth ranges from a 'just above inflation' of 3.1% in Sheffield and Bradford, through to Bristol and London rising at over 4%, with London being nearly 5%.

Despite the latest dips in London prices through the pandemic, since 2005, it's still the best performing region (on average) for price growth.

Property Prices Towns/Cities <i>England, Wales, Scotland & NI</i>	Latest month's data Oct 21/ Q3 21	Year on year change in price in Oct 21/ Q3 21	Annual average increase since 2005	How much prices fell during last recession	How much higher/ lower are latest prices vs height in 2007/8	Exceeded annual inflation since 2005
Belfast (Q3)	£150,267	9.6%	2.1%	-58.9%	-29.7%	No
Glasgow	£164,483	11.9%	3.2%	-26.3%	26.1%	Yes
Edinburgh	£319,160	13.5%	4.0%	-18.9%	41.4%	Yes
Cardiff	£242,982	11.9%	2.9%	-18.1%	42.5%	Same
Newcastle upon Tyne	£178,220	7.5%	1.5%	-19.3%	8.1%	No
Bradford	£164,807	11.7%	3.1%	-20.4%	18.0%	Yes
Liverpool	£171,221	17.9%	2.9%	-20.4%	31.5%	Same
Leeds	£216,280	8.5%	2.8%	-19.4%	34.0%	Same
Sheffield	£194,325	11.0%	3.1%	-17.0%	34.1%	Yes
Manchester	£211,773	8.5%	5.0%	-20.5%	50.8%	Yes
Lincoln	£176,039	11.7%	3.0%	-17.6%	36.8%	Same
Nottingham	£175,908	11.5%	2.8%	-21.3%	47.8%	Same
Norwich	£226,722	9.3%	3.4%	-25.7%	36.2%	Yes
Peterborough	£217,958	10.3%	3.0%	-20.8%	39.5%	Same
Birmingham	£209,245	7.9%	2.8%	-17.4%	40.8%	Same
Leicester	£210,890	12.2%	3.5%	-18.7%	55.8%	Yes
Milton Keynes	£279,627	5.7%	3.4%	-24.1%	43.6%	Yes
Oxford	£456,946	5.4%	4.1%	-23.0%	57.6%	Yes
Cambridge	£468,671	6.7%	4.6%	-20.7%	65.5%	Yes
Bournemouth, Christchurch & Poole	£315,049	7.5%	3.4%	-20.5%	52.8%	Yes
Southampton	£222,134	5.1%	2.5%	-20.2%	31.6%	No
Portsmouth	£224,185	2.5%	2.7%	-22.9%	32.2%	No
Brighton and Hove	£407,587	8.8%	4.2%	-21.4%	58.5%	Yes
Reading	£314,682	7.6%	3.5%	-18.8%	45.2%	Yes
Tunbridge Wells	£439,501	12.0%	3.8%	-22.2%	57.3%	Yes
Bristol	£311,462	3.2%	4.2%	-21.3%	59.6%	Yes
London	£516,285	6.2%	4.8%	-17.8%	72.9%	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 S18 (Dronfield) 94% 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 Dronfield, Bristol and Romford having some of the busiest markets, and 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	%	Jan 22
S18	94	Dronfield
BS7	92	Bristol
BS36	92	Bristol
RM5	91	Romford
CF82	91	Hengoed
BS5	90	Bristol
IP5	90	Ipswich
BA21	89	Yeovil
SS14	89	Basildon
MK12	89	Milton Keynes

Top 10 cold markets - buyer demand

Postcode	%	Jan 22
EC2	11	London
W1	12	London
SW10	15	London
NW8	15	London
L1	15	Liverpool
WC2	16	London
B12	18	London
WC1	18	London
SW5	19	London
SW3	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 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 Winterbourne.

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

2022 is going to be a great year for property stats and for better understanding if there is any long term impact on the property market from a demand and supply perspective.

We'll be able to look back to 2019 with the additional data from 2022 and work out if people really have left the city as many news headlines claimed (wrongly I think!) But the best news is that it appears despite the boom over the last 18 months which would normally be followed by some sort of bust, unless this is my Michael Fish moment (!), 2022 should be a relatively calm, but still positive and active year. This can only be good for the industry as well as buyers and sellers.

For most, at least at the start of the year, it looks like it will remain a sellers' market, so now would be a good time to move, especially if less frenetic on the price and demand front.

Better to put your property up for sale now though as goodness knows what will be thrown at us yet, hopefully, 'post' the pandemic which we all know is still very much with us!

Hometrack

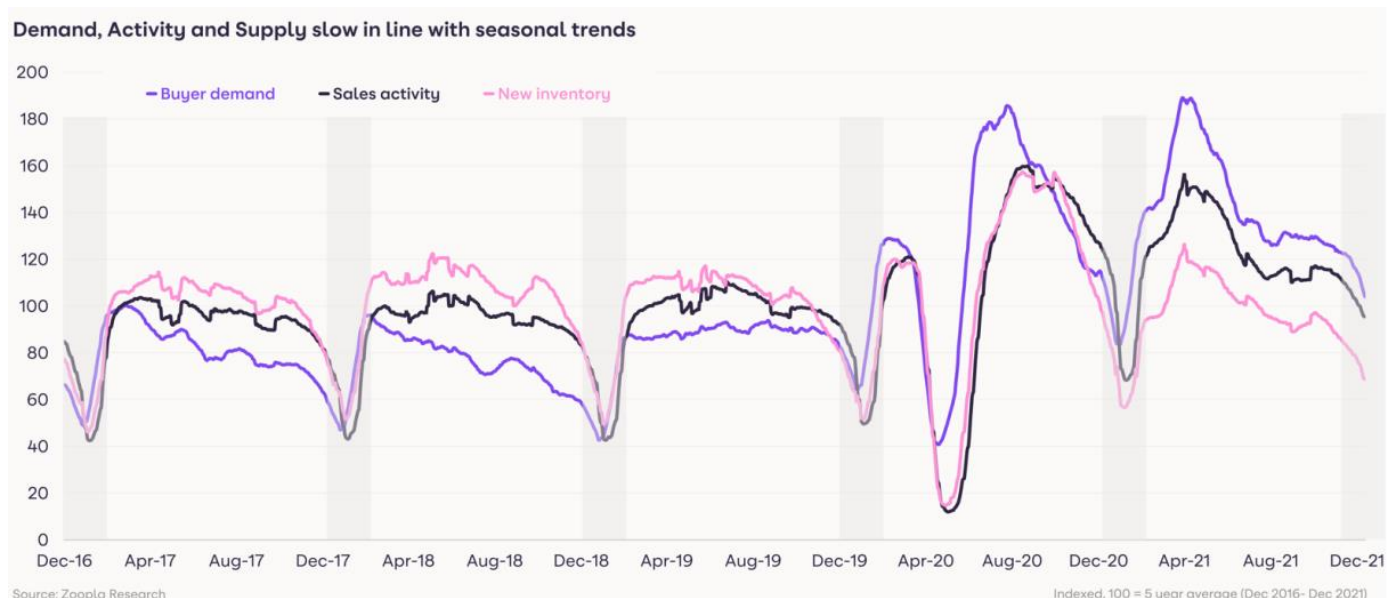
Approaching the post-Christmas bounce

"The levels of buyer demand, sales activity and new listings have slowed in recent weeks, in line with the usual seasonal trends, as can be seen in the chart below.

"Last year, property searches more than doubled after Christmas Day. As well as the usual seasonal pick up in demand, we are anticipating that more demand will also be fuelled by a continued 'reassessment of home' due to the trends that emerged during the pandemic. These include households wanting more space - an extra bedroom, or a larger garden.

"Alongside this, confirmation around changing working patterns for those in the workforce who are in office-based employment will also continue to act as a spur to looking for a new property. A recent Zoopla survey showed that around a fifth of those who said they were eager to move in the coming 18 months said that new working from home arrangements were a factor in their decision.

"A desire to lock in property price gains may also spur additional activity. The speed at which the market is moving will start to normalise next year. The average time between listing a property and agreeing a sale subject to contract was 50 days in the years before the pandemic. This year it has been consistently below 30 days. As the market starts to move at a more normal pace, it will be an opportunity for supply pipelines to repair, although total stock volumes will likely remain lower than the five-year average."



NAEA PropertyMark

“The average number of sales agreed per estate agent branch fell slightly to seven in November, from October’s figure of eight. Year-on-year, this figure is almost half of the number of sales agreed last year, which stood at 13 for November 2020. However, looking back over the past five years, seven is the average number of sales agreed for the month of November with last year being extraordinarily busy. This rebalance could be a sign of the market starting to normalise.”

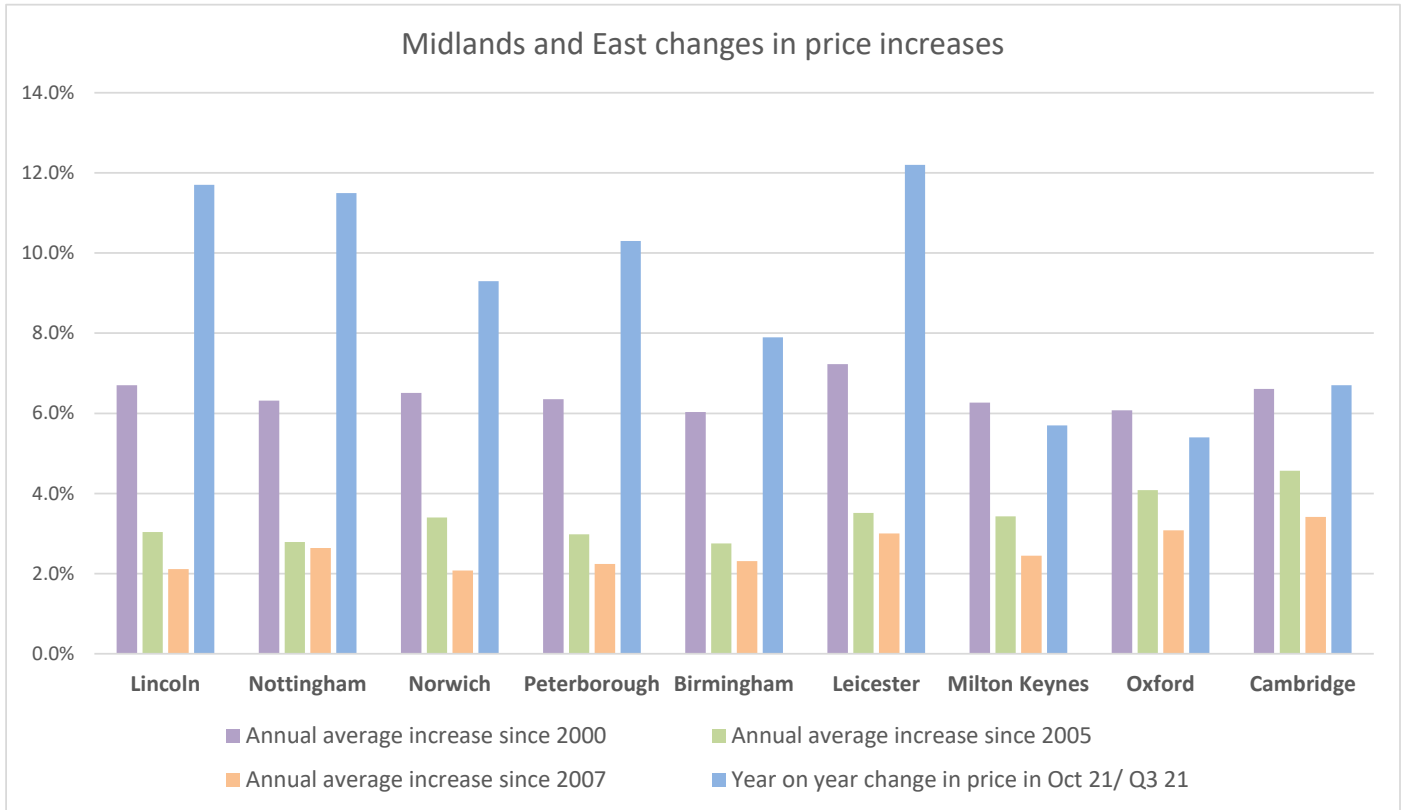
RICS

“At the national level, +13% of respondents reported an increase in new buyer enquiries during November. This is marginally up on reading of +11% previously and marks the third successive report in which the headline demand metric has been in positive territory. Notwithstanding this, the agreed sales indicator remains modestly negative, posting a net balance of -9% (compared with -7% last month). As such, this extends the run of negative readings for the survey’s headline sales measure into a fifth consecutive month.

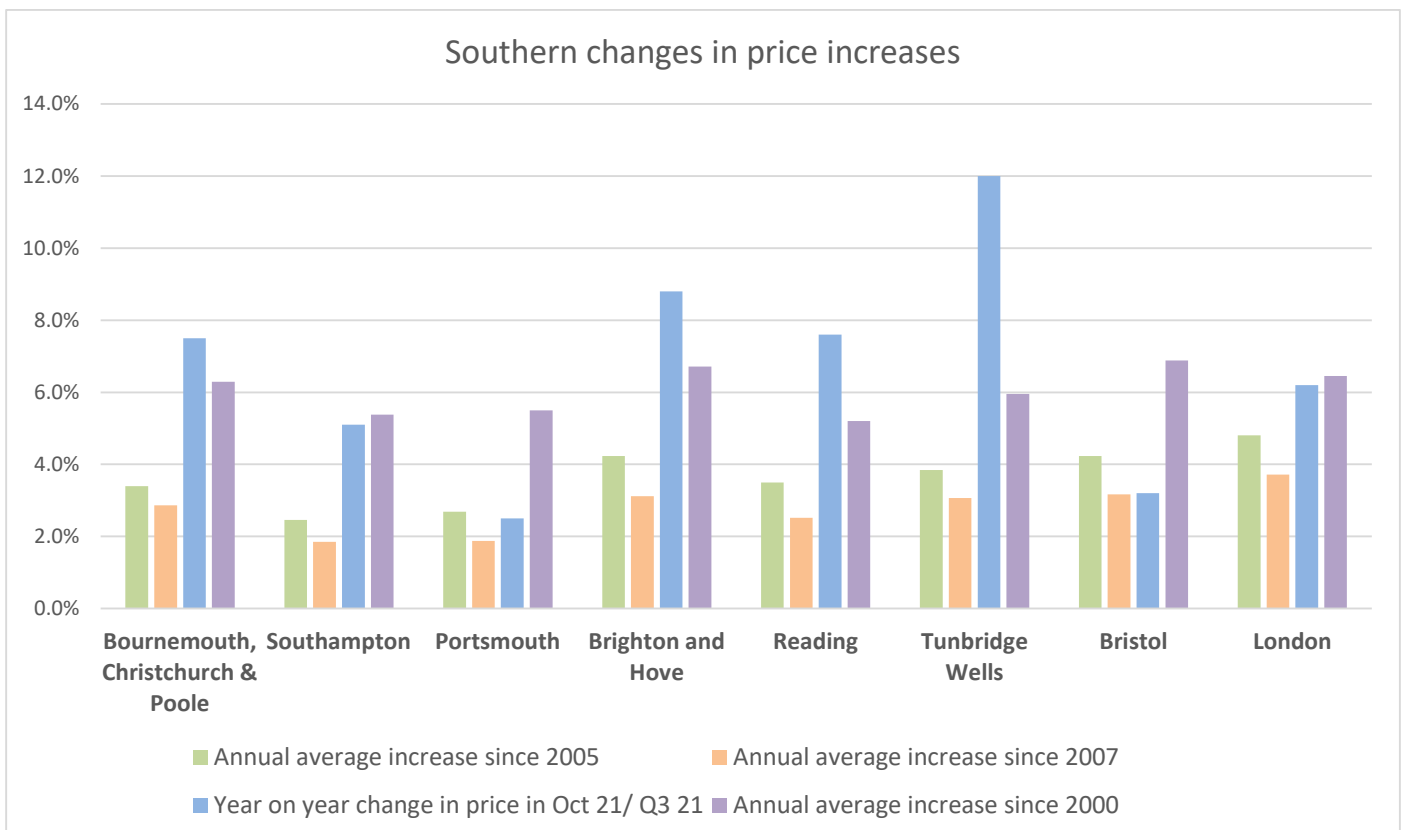
“Comments left by respondents frequently highlight the shortage of new listings coming onto the market as a significant impediment to activity at this point in time. In November, -18% of respondents noted a further deterioration in the flow of new instructions becoming available (the eighth straight negative monthly reading). Moreover, the volume of market appraisals undertaken in November was reportedly below that seen in the same month last year, with the latest net balance coming in at -20%.”

APPENDIX

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

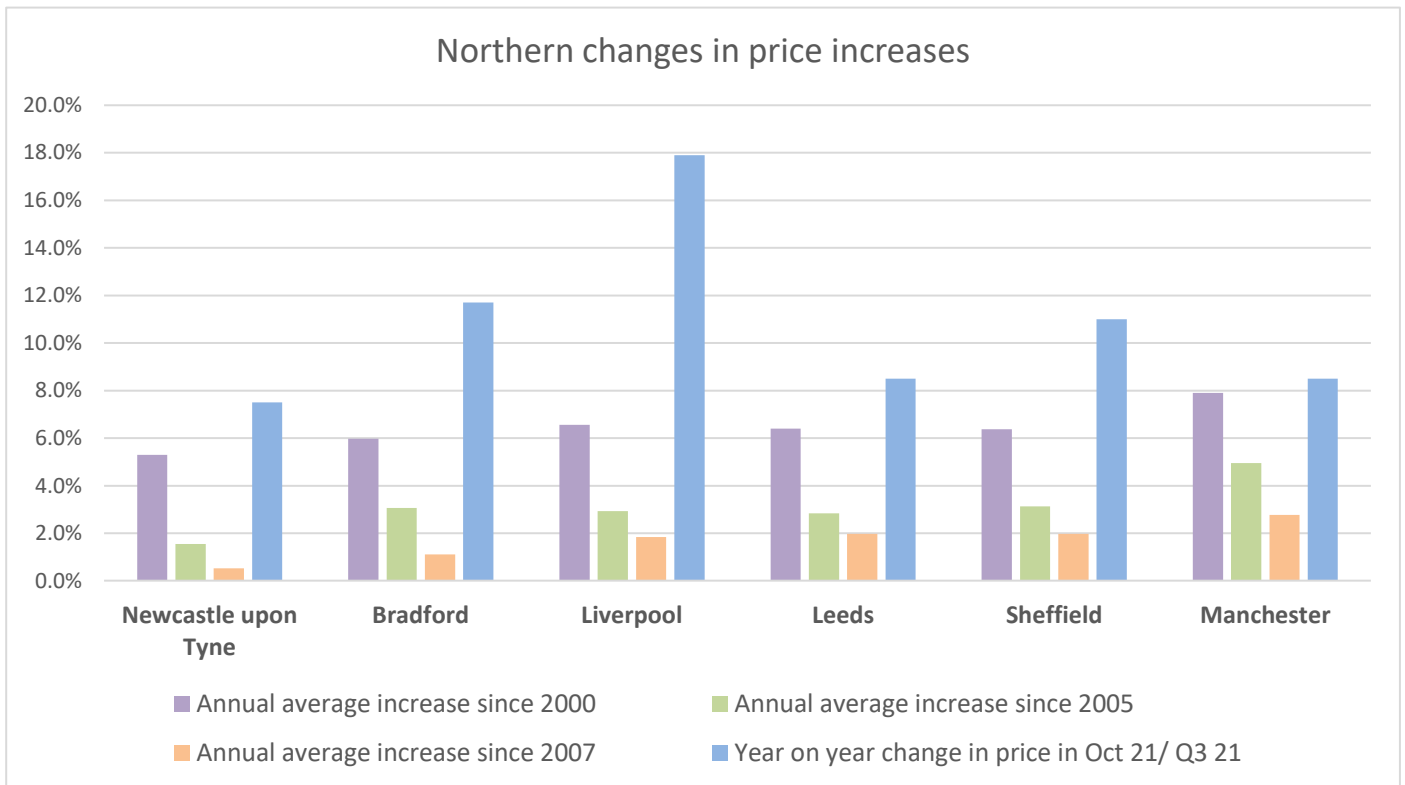


Source: [UK HPI](#)

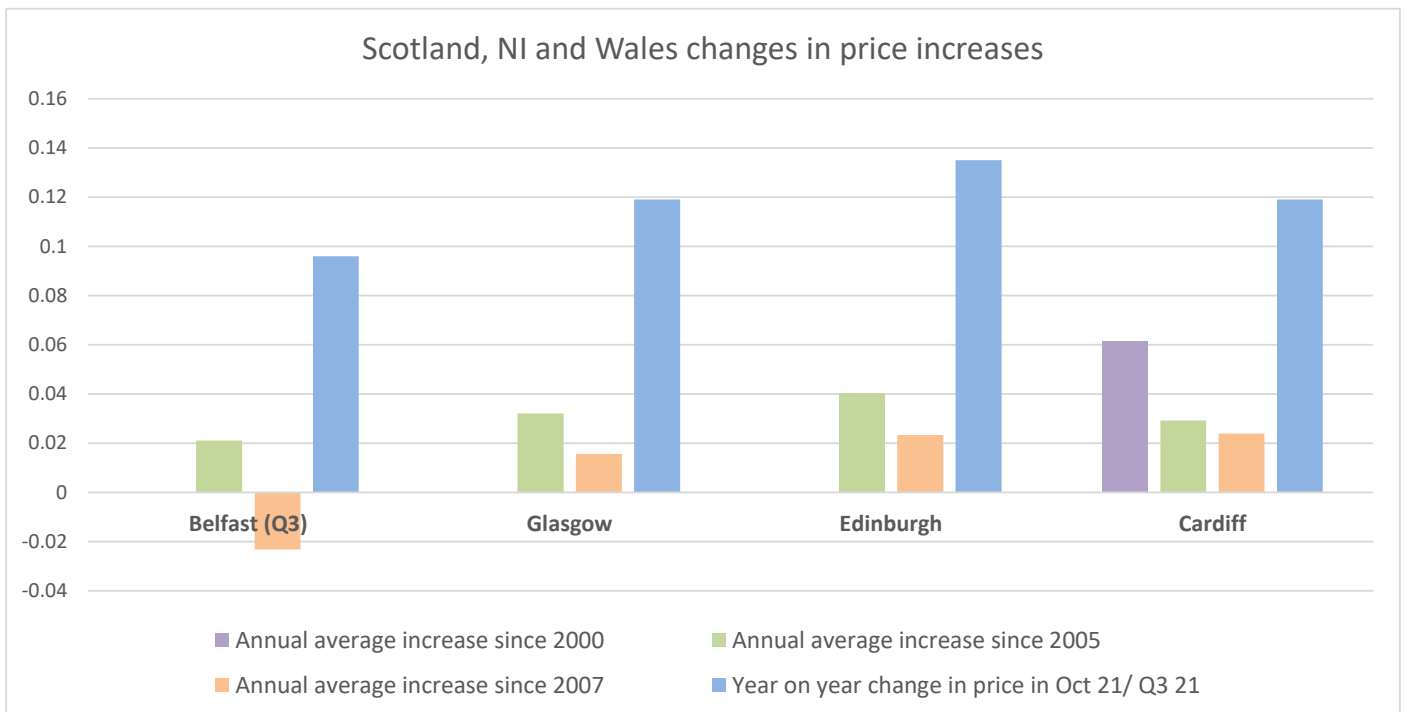


Source: [UK HPI](#)

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



Source: [UK HPI](#)



Source: [UK HPI](#)