

## March 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

##### **Biggest ever monthly price jump sets new record high as movers fear missing out**

*"Price of property coming to market rises by 2.3% this month (+£7,785) to a record of £348,804, the biggest monthly jump in pounds recorded by Rightmove in more than twenty years. Prices are now 9.5% higher than a year ago, the highest annual rate of growth since September 2014."*

##### RICS

##### **Pick-up in new buyer enquiries supporting near-term sales expectations**

*"New buyer demand rises over the month."*

##### Nationwide

##### **House price growth accelerated in February, with average price up £29,000 over the last year**

*"Annual house price growth accelerated to 12.6% in February, up from 11.2% in January and the strongest pace since June last year. Prices rose by 1.7% month-on-month, after taking account of seasonal effects, the seventh consecutive monthly increase."*

##### Halifax

##### **House prices rise at fastest annual pace since 2007 to reach new record high**

*"Monthly house price growth rose to +0.5% following a slower start to the year. Annual rate of growth at +10.8% is the strongest level since June 2007 (+11.9%)."*

##### e.surv

##### **South East of England leads the way after nearly 14 years**

*"England and Wales monthly and annual growth edging down at 6.9%."*

##### Zoopla

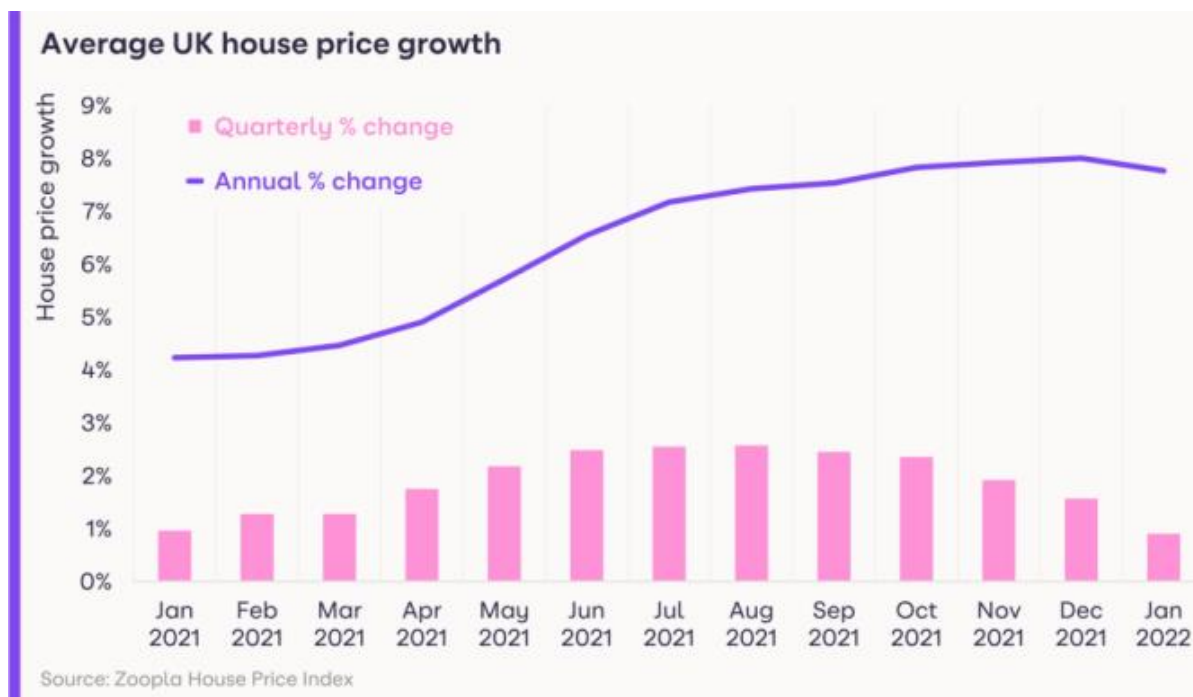
##### **UK house price inflation at +7.8%**

*"Average UK house prices rose by 0.9% in the three months to January, taking the rate of annual growth to 7.8%, down from 8% in December. Price growth gained momentum during most of 2021, after one of the busiest years the market had ever experienced. But with the lowest level of quarterly house price growth since August 2020, there are signs now that price growth is starting to ease, although the path will not be linear."*

## Summary of house price indices this month

We should view some of the property prices this month with a bit of caution as there are suggestions from the likes of Zoopla that the market is slowing, while most indices are still suggesting price rises are on the increase. That's not bad news, it has to happen, and we should remember that many areas across the UK haven't done that great during the pandemic, including parts of London and even as far as Aberdeen. We have so much better data available from individual property price changes going back as far as 2000, through to property type and by postcode, it's really this information that everyone should be focused on, particularly when working with individual buyers and sellers.

	High 2007/08	Low 2009	How much did prices fall?	Latest price vs 2007/08 high	Dec-21	Jan-22	Feb-22	Annual Change	Annual Average (05 - 22)		
Rightmove	£241,474	£213,570	13.1%	44.4%	£340,167	£341,019	£348,804	9.5%	3.7%	Asking prices	E & W
Nationwide	£184,131	£147,746	24.6%	41.3%	£254,822	£255,556	£260,230	12.6%	3.2%	Mortgaged only	UK
Halifax	£199,766	£157,767	26.6%	39.2%	£276,091	£276,759	£278,123	10.8%	3.2%	Mortgaged only , seasonally adjusted	UK
e.surv	£231,829	£197,145	17.6%	56.0%	£349,234	£361,767	n/a	6.9%	4.0%	Actual prices, includes cash sales	E & W
Zoopla	£178,128	£153,449	16.1%	37.0%	£242,000	£244,100	n/a	7.8%	n/a	Sold prices, mortgage valuations and agreed sales	UK
UK HPI	£190,032	£154,452	23.0%	44.6%	£274,712	n/a	n/a	10.8%	3.6%	Sold prices, includes cash sales and new builds	UK



## How does house price growth differ by country?

Each of the countries are showing double digit growth versus last year/quarter, but what's far more interesting is the long term trends this hides. Prices in London are up 51% since the previous height before the credit crunch, while Northern Ireland is still showing average prices down by 29% - it's an incredibly stark contrast of what has happened to prices over time and a reminder that 'snapshot' price changes shouldn't be relied on to really understand the market.

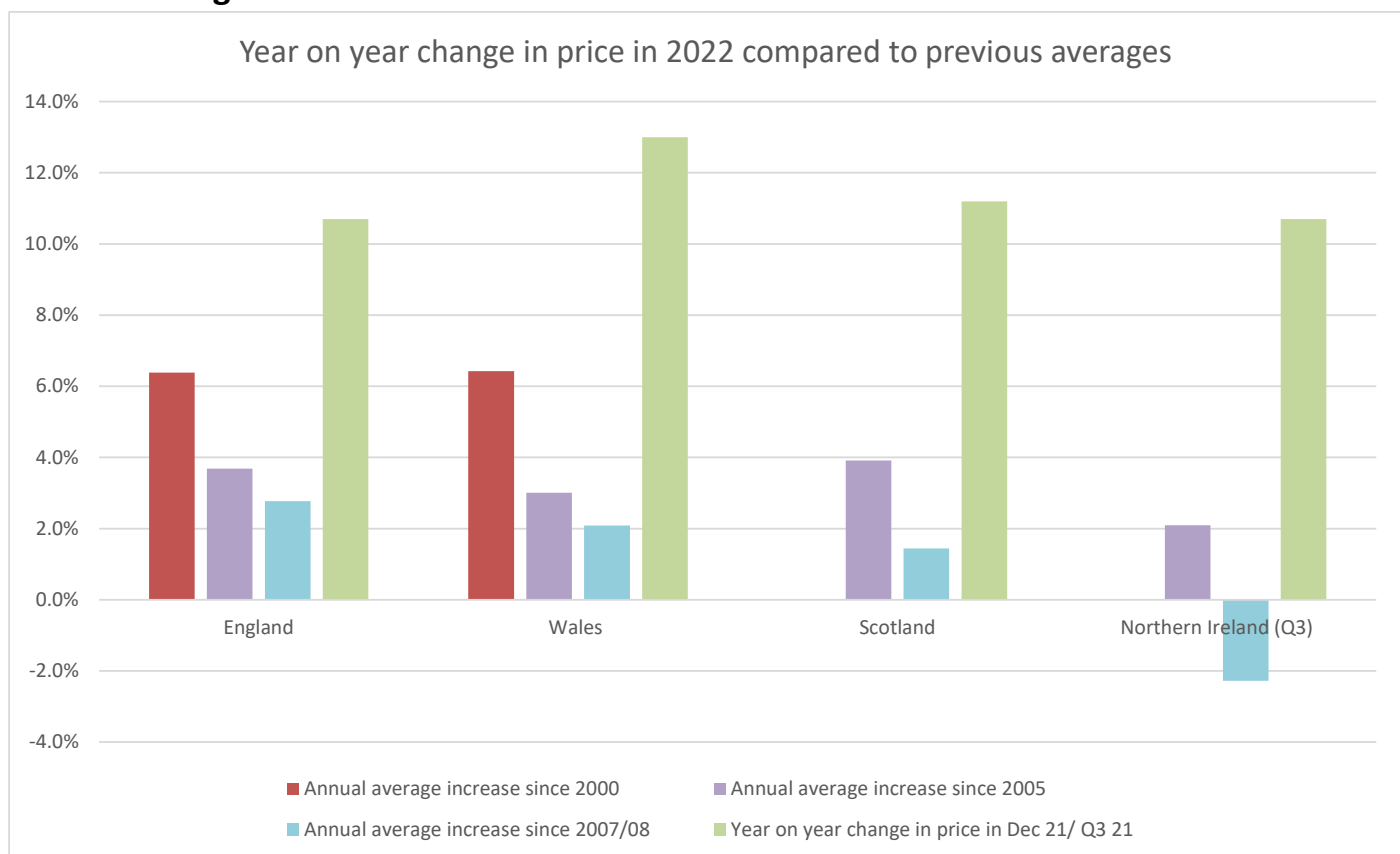
These high price rise reports means much of the online chatter is now about the likelihood of prices crashing this year. The reality is though that the forecasts suggest growth of 3.5-5% for this year, and that should still be correct bearing in mind that although average prices are showing big increases year on year, the long term trend since 2005 has shown rises of 2-3.7% which mean prices have risen in line with inflation over time.

Basically, despite the last couple of years of high-ish house price growth, prices are still performing at their long term norm, in line with inflation.

Property Prices - Countries	Latest month's data Dec 21/ Q3 21	How much higher/ lower are latest prices vs height in 2007/8	Year on year change in price in Dec 21/ Q3 21	Annual average increase since 2005	Annual average increase since 2007/08	Annual average increase since 2000
England	£293,339	51%	10.7%	3.7%	2.8%	6.4%
Wales	£204,835	36%	13.0%	3.0%	2.1%	6.4%
Scotland	£180,485	24%	11.2%	3.9%	1.4%	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:

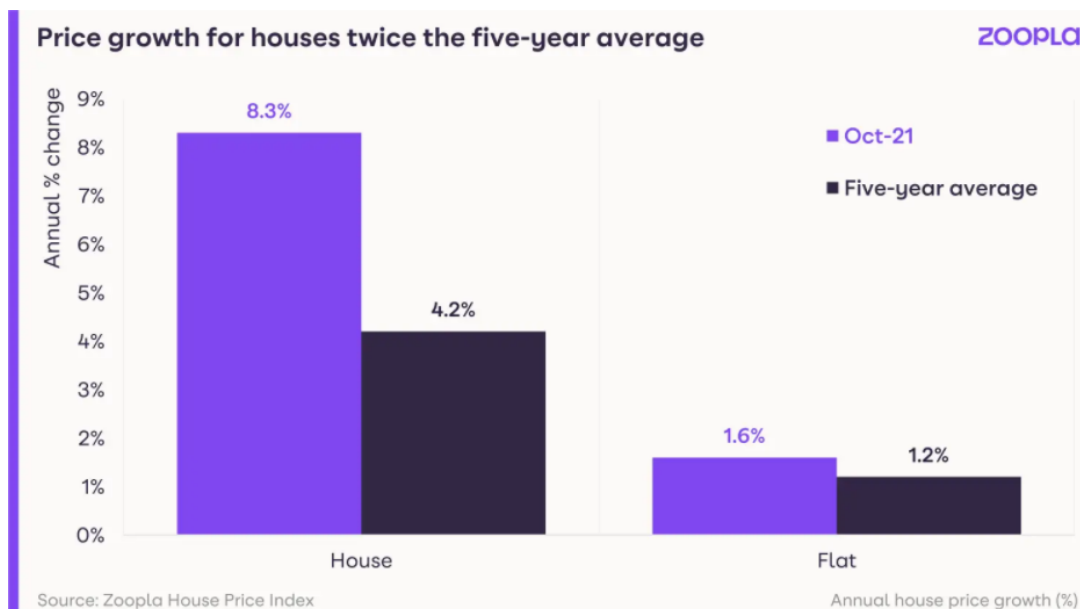


Source: [UK HPI](#)

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

Another factor that many of the 'doomsday' theorists are ignoring and why I think they may be proved wrong (or it could be me!) are that property prices in previous bubbles have gone up everywhere – and all prices have risen. Looking at today's data though, that isn't the case to date. House prices have risen in many places, but flat prices are just that, flat as a panic for many buyers and owners.

Although data from last year, this is shown by Zoopla's analysis of house versus flat price inflation:-



The more 2022 continues, the more I think property prices are going to be extremely dependent on the individual supply and demand for that property at the time it comes up for sale. This is tough for the media to get across to buyers/sellers, but it's essential for agents in particular to do so. Using the average results from the stats we have seen to date rather than an agent's local knowledge is essential for buyers to listen to. I'm also not a great fan of the automatic valuations often used to drive leads as when the data is like this, it could end up under-pricing some and overpricing others – and we know how badly that ends for everyone!

For me, pricing a property for market is an essential skill only a good agent has, while a surveyor takes this knowledge, looks further at the data and considers the property's value, bearing in mind the condition and other factors that they would take into account.

Property Prices - Regions	Latest month's data Dec-21	Changes since 2007 peak	Year on year change in price in Dec 21	Annual average increase since 2005	Annual average increase since 2007
North East	£147,214	6%	5.9%	1.6%	0.4%
North West	£200,172	31%	10.2%	3.1%	1.8%
Yorkshire & The Humber	£196,877	31%	9.8%	3.0%	1.8%
East Midlands	£235,004	47%	12.1%	3.3%	2.6%
West Midlands	£238,238	44%	11.5%	3.2%	2.4%
South West	£314,037	48%	13.6%	3.5%	2.6%
East	£339,502	62%	11.7%	4.0%	3.3%
South East	£380,237	59%	12.6%	4.0%	3.1%
London	£521,146	75%	5.5%	4.9%	3.8%

Source: [UK HPI](#)

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

## Regional house price growth January 2022

### Localised market



### RICS

*“Respondents across all parts of the UK continue to report a further uplift in prices, with the North West and South East of England now seeing especially sharp rates of growth.”*

### Halifax

*“Seven UK areas are now seeing double-digit annual house price inflation, highlighting not only the strength but the breadth of gains across the country. Wales was once again the strongest performing nation or region, with annual house price growth of 13.8%, largely unchanged since January. The South West of England also continues to record big gains. Annual house price inflation is now up to 13.4%, with by far the strongest quarterly growth (3.5%) of any region. While there will be a variety of local factors influencing the strength of these respective housing markets, it’s notable that both areas benefit from greater availability of more rural, scenic living which has proven to be so popular amongst buyers throughout the pandemic.*

*“Elsewhere, Northern Ireland also continues to record strong price growth, with prices up 13.1% on this time last year. House price growth remains robust in Scotland too. That said, despite the annual rate of house price growth picking up to 9.2%, remarkably Scotland now has the ‘weakest’ rate of annual growth of any area outside of London, again testament to the strength of house prices right across the UK. As indicated above London remains the weakest performing area of the UK, though the capital continued its recent upward trend with annual house price inflation now standing at 5.4%, its strongest level since the end of 2020.”*

### e.surv

*“Four areas have seen an increase in their annual rate of growth, while six saw a fall. The four areas with an increase in rates are, in reverse order, Yorkshire and the Humber up 0.5% to 5.3%, the South West up 1.2% to 7.2%, Greater London up 2.1% to 8.0% and the South East up 1.9% to 11.7%. The South East is now in top position in the league table, after being absent for more than a decade, with the West Midlands falling to third place – having been in top place last month. This is the first time that both Greater London and the South East have been included in the top four areas of house price growth since August 2020. Demand for properties after this date had tended to be outside of the south east corner of England, as lifestyle changes brought about by the pandemic tended to favour scenic open spaces in more rural areas or in coastal locations.”*

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

It may take us another year or two to determine whether there are new trends and attitudes towards the housing market post the pandemic. For example, are people going to be more likely to want to put a decent roof over their heads rather than worry about prices falling? Or if, - as before - confidence to buy is dented due to the horrendous Ukraine war and the fear/reality of issues such as inflation hurting people's pockets, this will cause the market to soften to the point we start seeing falls.

However, much as the country and regional data shows, the city/town results really reveal the stark difference between areas that are seeing good growth year on year, while others which have previously performed strongly, such as Oxford and Reading, are now considered 'low growth' areas year on year.

What is interesting however, is that the annual increase of properties in towns/cities may vary a lot year on year (from 2% rise in Oxford to a 14.2% in Peterborough), but if you annualise the house price growth back to 2005, this difference disappears. In fact, the range is just 2.7% to 3.9% annually over time.

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
Peterborough	14.2%	3.2%	Yes	Oxford	2.0%	3.9%	Yes
Cardiff	12.8%	3.0%	Yes	Portsmouth	2.2%	2.8%	Same
Southampton	11.8%	2.9%	Same	Reading	4.3%	3.4%	Yes
Milton Keynes	11.2%	3.8%	Yes	Tunbridge Wells	4.7%	3.6%	Yes
Liverpool	10.7%	2.7%	No	Norwich	4.9%	3.3%	Yes

Source: [UK HPI](#)

[Zoopla](#) also show how localised the market is as they are recording "price growth ranging from 16.6% in Powys in Wales to -2.2% in the City of London. Affordability, working practices and property type are all factors in the range of value growth over the last two years. Liverpool leads the city growth at 10.3%, with price declines of -0.3% in Aberdeen."

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
Camden	16.2%	8.8%	Yes	Tower Hamlets	-4.9%	3.6%	Yes
Hammersmith and Fulham	15.5%	7.1%	Yes	Hackney	-1.9%	1.1%	No
Islington	15.3%	5.8%	Yes	Haringey	0.4%	5.7%	Yes

Source: [UK HPI](#)

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

In this month's report on towns and cities, once again we can see that year on year there is some incredible price growth, with areas like Peterborough and Cardiff growing year on year at 14.2% and 12.8% respectively. However, this really hides what's been happening since 2005. Property prices in Peterborough are a fraction higher than inflation, whereas in Cardiff, they are on a par. In other words, for those who own outright, they actually will have seen no house price growth at all since 2005.

Overall, of our 27 towns/cities, four cities and towns such as Newcastle upon Tyne and Liverpool are not seeing property prices keep up with inflation, while seven towns/cities are on a par, including Bradford and Lincoln. There are 16 towns/cities which have seen property prices exceed inflation, with the best performer being Cambridge, beating London (just!).

Property Prices Towns/Cities <i>England, Wales, Scotland &amp; NI</i>	Latest month's data Dec 21/ Q3 21	Year on year change in price in Dec 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	£165,182	9.8%	3.2%	-26.3%	26.6%	Yes
Edinburgh	£312,459	9.7%	3.9%	-18.9%	38.4%	Yes
Cardiff	£247,852	12.8%	3.0%	-18.1%	45.4%	Same
Newcastle upon Tyne	£182,694	9.7%	1.7%	-19.3%	10.8%	No
Bradford	£160,969	6.2%	2.9%	-20.4%	15.3%	Same
Liverpool	£164,867	10.7%	2.7%	-20.4%	26.6%	No
Leeds	£221,412	8.2%	3.0%	-19.4%	37.1%	Same
Sheffield	£197,135	9.6%	3.2%	-17.0%	36.1%	Yes
Manchester	£211,873	5.0%	5.0%	-20.5%	50.9%	Yes
Lincoln	£175,410	8.3%	3.0%	-17.6%	36.3%	Same
Nottingham	£173,032	7.2%	2.7%	-21.3%	45.4%	No
Norwich	£224,596	4.9%	3.3%	-25.7%	34.9%	Yes
Peterborough	£225,286	14.2%	3.2%	-20.8%	44.2%	Yes
Birmingham	£213,158	7.7%	2.9%	-17.4%	43.5%	Same
Leicester	£214,253	10.2%	3.6%	-18.7%	58.3%	Yes
Milton Keynes	£295,424	11.2%	3.8%	-24.1%	51.8%	Yes
Oxford	£446,411	2.0%	3.9%	-23.0%	54.0%	Yes
Cambridge	£470,086	5.8%	4.6%	-20.7%	66.0%	Yes
Bournemouth, Christchurch & Poole	£323,476	9.2%	3.6%	-20.5%	56.9%	Yes
Southampton	£237,369	11.8%	2.9%	-20.2%	40.6%	Same
Portsmouth	£227,123	2.2%	2.8%	-22.9%	33.9%	Same
Brighton and Hove	£415,046	7.9%	4.3%	-21.4%	61.4%	Yes
Reading	£309,462	4.3%	3.4%	-18.8%	42.8%	Yes
Tunbridge Wells	£419,429	4.7%	3.6%	-22.2%	50.1%	Yes
Bristol	£325,768	6.4%	4.5%	-21.3%	66.9%	Yes
London	£521,146	5.5%	4.9%	-17.8%	74.5%	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 L11 (Liverpool) 89% 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 Liverpool, Bristol and Bournemouth having some of the busiest markets, and London and L1, L2 and L3 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	%	Mar 22
L11	89	Liverpool
BS15	87	Bristol
BH7	87	Bournemouth
WV12	87	Willenhall
BS13	87	Bristol
IP5	86	Ipswich
BS11	85	Bristol
RM15	85	South Ockendon
CF82	85	Hengoed
RM9	85	Dagenham

### Top 10 cold markets - buyer demand

Postcode	%	Mar 22
EC2	11	London
WC2	12	London
W1	13	London
L1	14	Liverpool
NW8	17	London
L2	17	Liverpool
SW7	18	London
SW10	18	London
W2	19	London
L3	20	Liverpool

Source: [TheAdvisory](#)



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

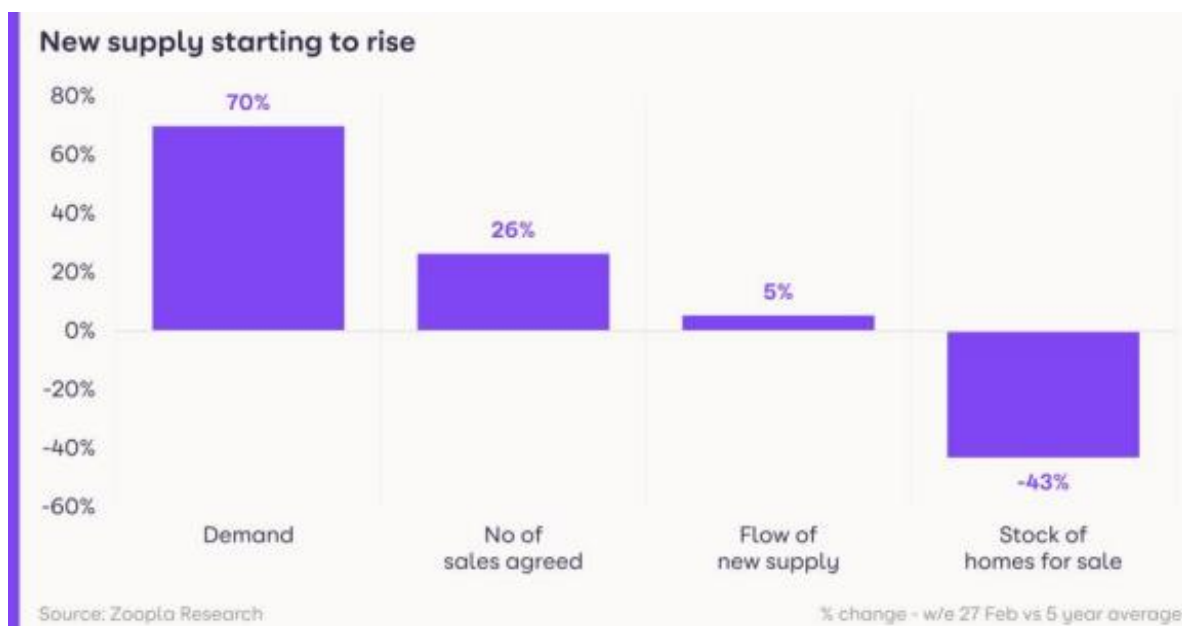
Currently I'm getting very different feedback from the market. Some are saying it's as busy as it has been for the last few years, while others are definitely seeing a slowdown, but, as with prices, it's very localised.

The good news is for the market is that there does appear to be more stock coming through. According to Rightmove, there are 11% more property listings than last year, while Zoopla's charts shows below, they are seeing more stock come onto the market in most regions this year versus last.

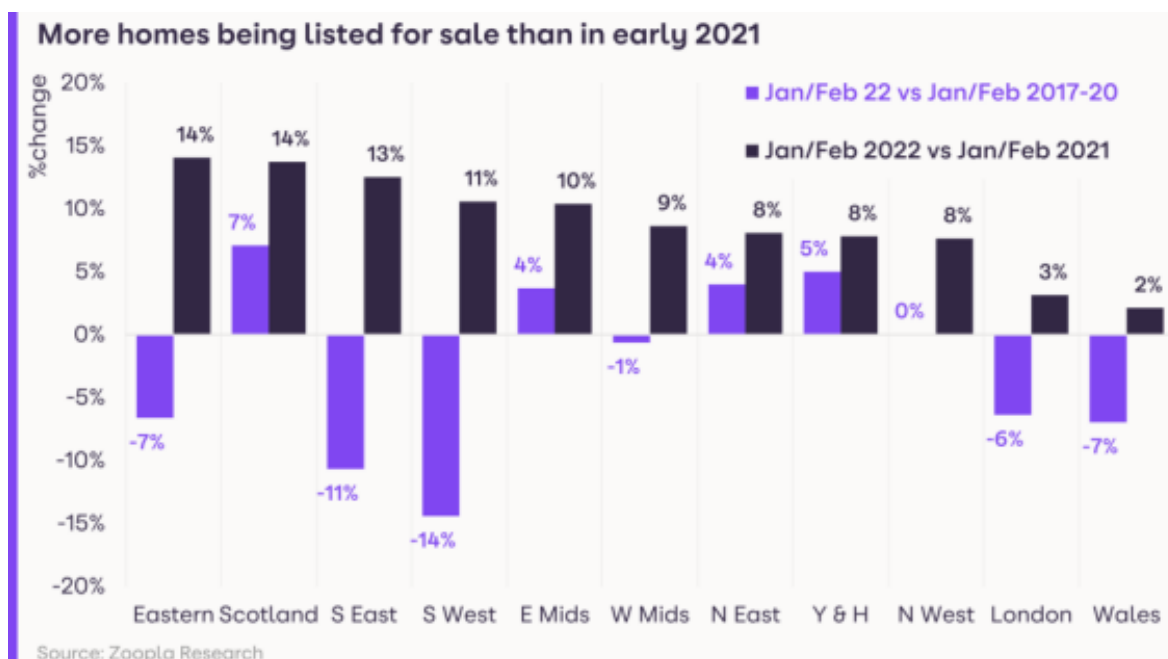
## Zoopla

### New supply of homes for sale gathering momentum

"The imbalance between buyer demand and supply is not going to unwind in the near term. As can be seen in the chart below, in late February, buyer demand for homes was 70% above the five-year average, and the total stock of homes available for sale was 43% lower.



"However, the recovery in the levels of new supply is gathering momentum. In January and February, new listings were up in every part of the country compared to 2021 as more movers, and landlords, listed their homes for sale."



*“The UK was in lockdown in early 2021, which means the annual comparison is flattering. But what is also telling from the chart above is the relationship between listings early this year and the longer-term trend before the pandemic.*

*“In several regions, including Scotland, the East Midlands, the North East and Yorkshire and the Humber, new listings over the last two months exceeded levels seen in 2017-2020 over the same period, signalling a turnaround in supply. New listings were broadly in line with longer-term trends in the North West and the West Midlands. In the South West and Wales, where there are larger disparities in listings numbers in January and February compared to before the pandemic, home values are seeing the biggest annual rises, with higher levels of demand and that lack of supply pushing up pricing.*

*“When it comes to the type of properties being listed, there will be welcome news for markets with high concentrations of families moving, as there has been an annual rise of more than 10% in new listings for larger three and four-bed detached homes. In fact, new supply across all of the most common property types have risen year on year, meaning more listings in the last two months than in the same period in 2021.”*

### Rightmove

*“There are signs that both buyers and sellers fear missing out in the current competitive market:*

- *More potential buyers are sending enquiries to agents, with the number 16% higher than this time last year*
- *New property listings are up 11% compared to the same period last year, suggesting more sellers are coming to market before looking for a property to purchase, to avoid missing out on their next home*
- *The number of people requesting a home valuation from an estate agent was up 11% in January compared to last year*
- *London records biggest annual jump in number of buyers sending enquiries of any region, and highest annual rate of price growth since 2016, as the end of pandemic restrictions and a return to the office fuel renewed demand in the capital.”*

### RICS

*“With respect to new buyer demand, +16% of respondents cited an increase in enquiries during January. This is up from +9% in December and, although only modestly positive, represents the strongest figure since May 2021. At the same time, the survey’s indicator capturing new instructions remained in negative territory.*

*“Meanwhile, sales volumes were more or less steady during January, having weakened to some degree throughout much of the second half of 2021. It is also worth noting that the average time to finalise a sale (from initial listing to completion) has steadily fallen over recent months, from an average of 17 weeks in the September survey to 16 weeks in January 2022.”*

### Halifax

*“Lack of supply continues to underpin rising house prices, with recent industry surveys showing a dearth of new properties being listed, now a long-term trend.”*

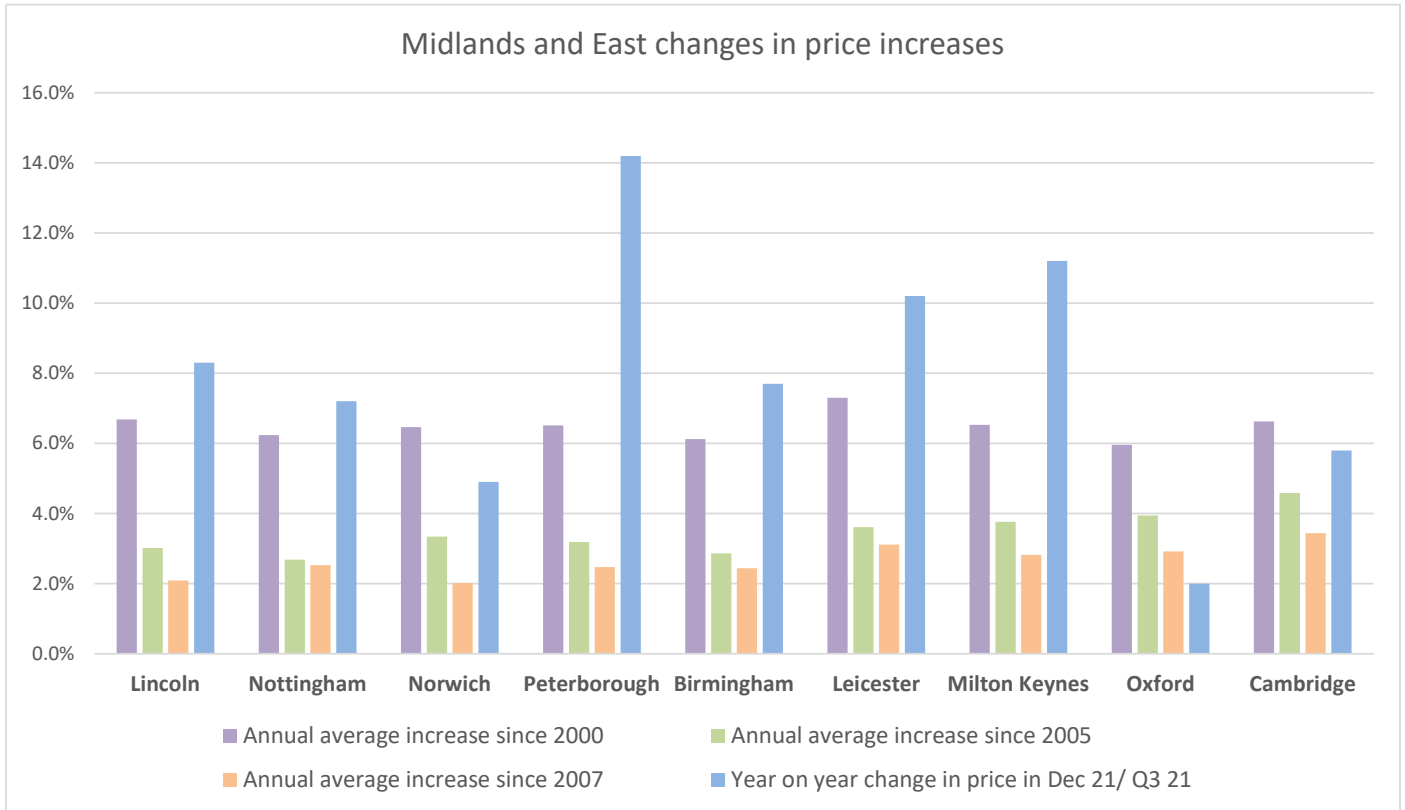
### NAEA PropertyMark

*“The average number of sales agreed per member branch rose slightly to seven in January, from five in December. This is 40 per cent more than December 2021 and reverses the trend of decreases in the final three months of last year, although it is down 30 per cent on January 2021’s figure of ten.*

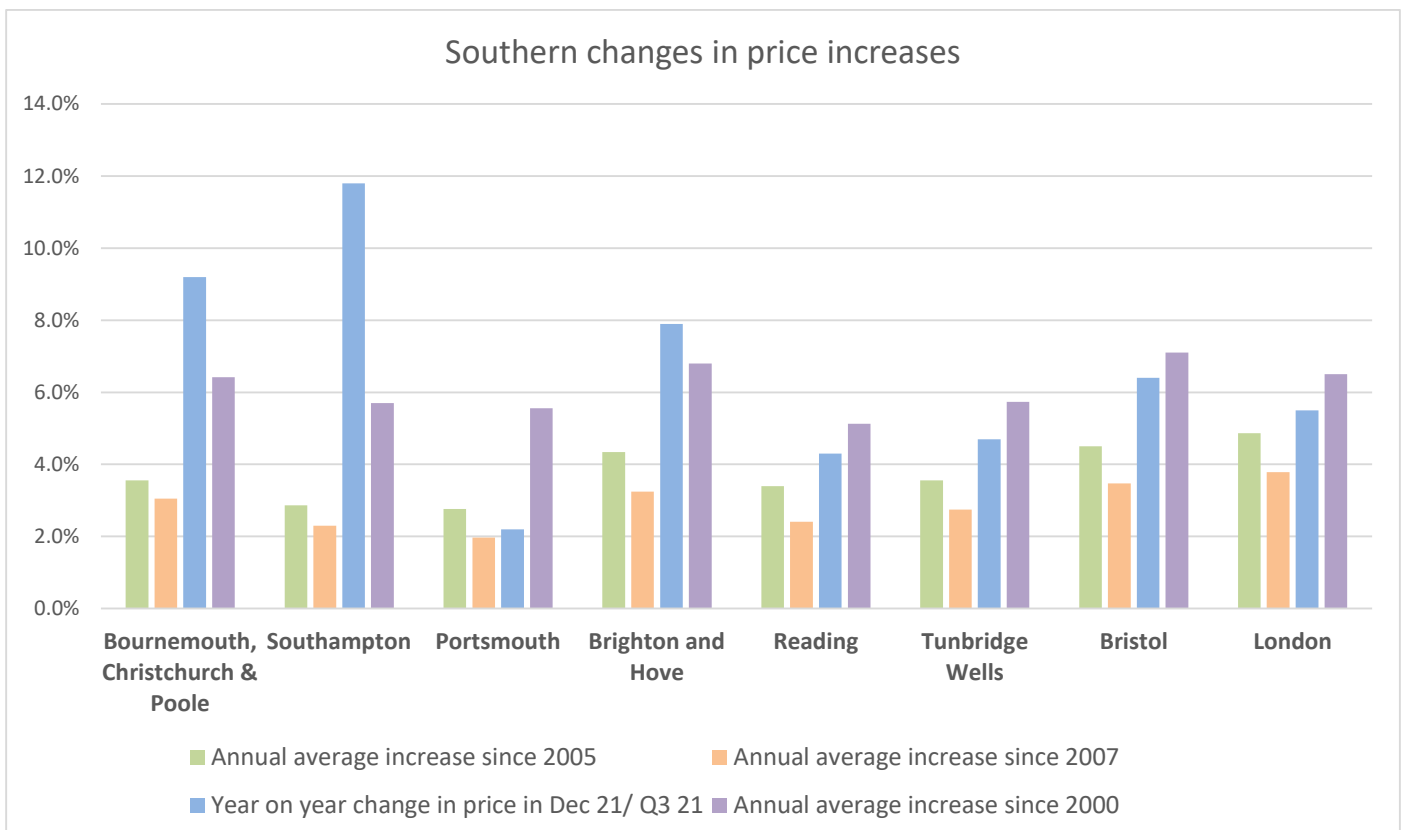
*“Purchases by first-time buyers made up 29 per cent of sales in January - a 26 per cent increase when compared to January 2021.”*

## APPENDIX

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

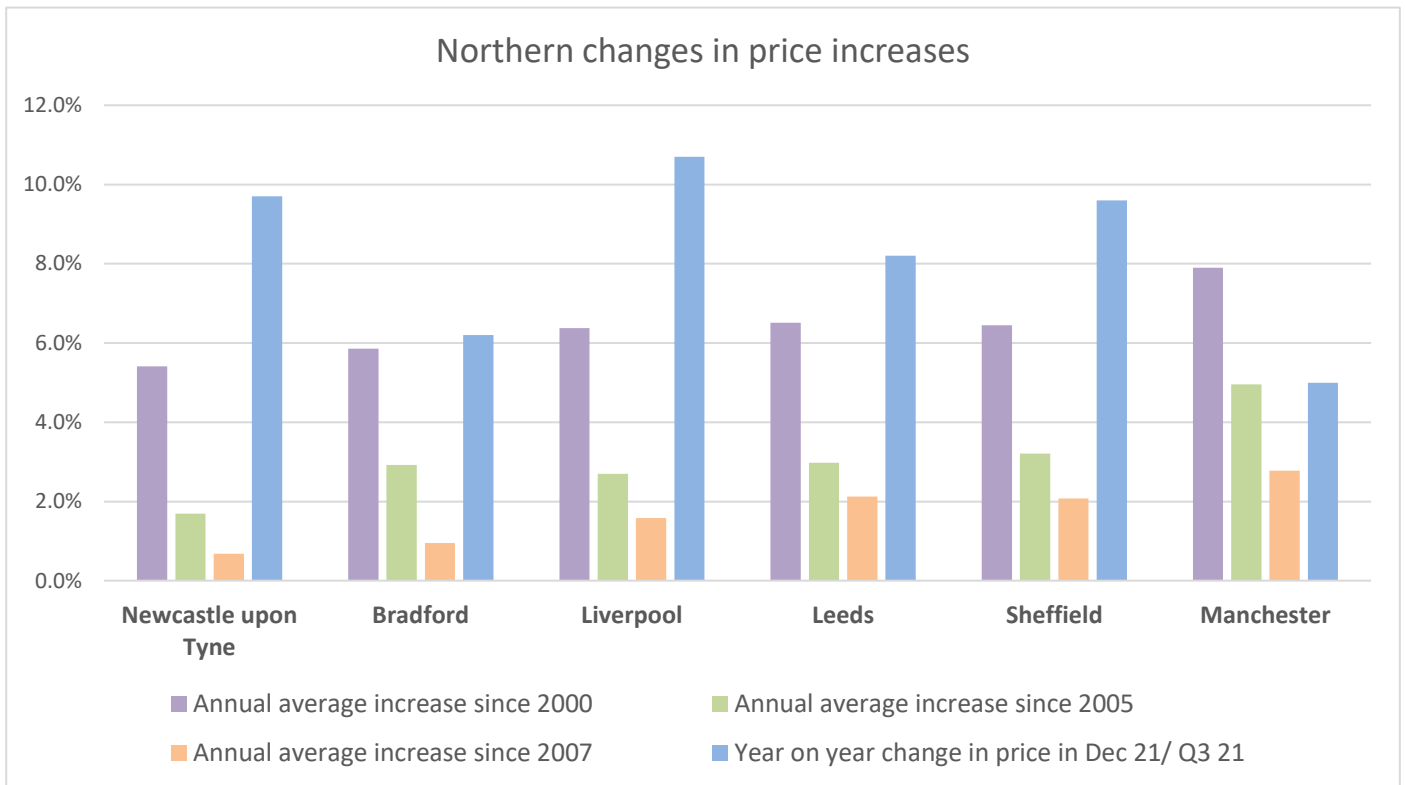


Source: [UK HPI](#)

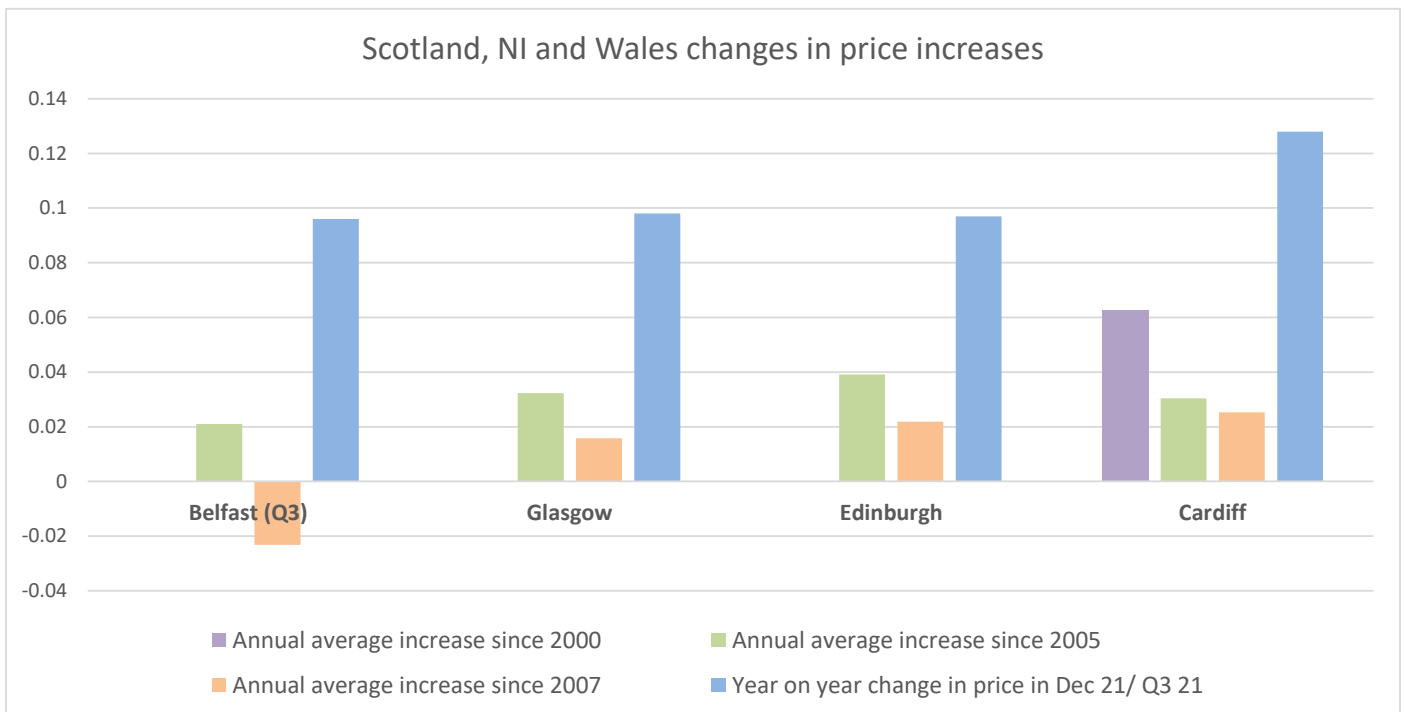


Source: [UK HPI](#)

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



Source: [UK HPI](#)



Source: [UK HPI](#)