

May 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

Third consecutive price record & homes selling faster than ever in spring market frenzy
"The price of property coming to market hits a new record high for the third consecutive month, up by 1.6% to £360,101. Despite growing economic headwinds, the 2022 market continues to set new milestones for price and activity levels. The pace of price rises this year appears to be tailing off slightly as affordability constraints and economic headwinds combine."

Home.co.uk

Buyer frenzy accelerates
"Asking prices across England and Wales rose a further 0.9% overall in March."

RICS

Housing market activity remains resilient in the face of macro headwinds for the time being
"The survey results point to a continued moderate rise in housing market activity over the month, with respondents anticipating this picture will remain in place over the near-term."

Nationwide

House price growth slows in April but remains in double digits
"Annual UK house price growth slowed modestly to 12.1% in April, down from 14.3% in March."

Halifax

UK house prices increase sharply again – but growth still expected to slow later this year
"The average UK house price rose again in April, up by 1.1% in the month. This was the 10th consecutive month that property values have increased, the longest run of continuous gains since the end of 2016."

Zoopla

House price growth near 15-year high
"Average UK house prices climbed by £441 in March, rising to nearly £249,700. This took the annual rate of house price growth to +8.3%, down slightly from a peak of +8.8% in February and +8.6% in January."

What are the indices saying is happening to house prices today versus the past?

National property price tracking

Property prices on a national level continue to increase but are definitely slowing – even though they are doing this at a slow pace. Taking property prices back to 2005, despite the recent double digit rises, price growth remains between 3-4% annually, in other words, in line, or slightly above inflation.

The gap between actual prices (UK HPI) and advertised prices (Rightmove) was at it's highest during the property price lows of 2009 – 28% difference, but advertised prices are around 20% higher on average than actuals recorded by the Land Registry. This shows average property prices shouldn't be relied on from a marketing perspective as they artificially inflate the price people are likely to have to pay.

	High 2007/08	Low 2009	How much did prices fall?	Latest price vs 2007/08 high	Feb-22	Mar-22	Apr-22	Annual Change	Annual Average (05 - 22)		
Rightmove	£241,474	£213,570	13.1%	49.1%	£348,804	£354,564	£360,101	9.9%	3.9%	Asking prices	E & W
Home.co.uk	£258,531	£239,607	7.9%	36.6%	£343,764	£349,790	£353,054	6.4%	n/a	Asking prices	E & W
Nationwide	£184,131	£147,746	24.6%	45.3%	£260,230	£265,312	£267,620	12.1%	3.4%	Mortgaged only	UK
Halifax	£199,766	£157,767	26.6%	43.2%	£278,123	£282,753	£286,079	10.8%	3.3%	Mortgaged only , seasonally adjusted	UK
e.surv	£231,829	£197,145	17.6%	59.6%	£361,767	£370,052	n/a	8.4%	4.1%	Actual prices, includes cash sales	E & W
Zoopla	£178,128	£153,449	16.1%	40.2%	£245,200	£249,700	n/a	8.3%	n/a	Sold prices, mortgage valuations and agreed sales	UK
UK HPI	£190,032	£154,452	23.0%	45.6%	£276,755	n/a	n/a	10.9%	3.6%	Sold prices, includes cash sales and new builds	UK

Property prices by country

The Land Registry data gives us a monthly update on what's happening in each country, while Nationwide information is quarterly.

Wales continues to lead the way with prices rising by over 14% year on year, although it has one of the lowest long-term rises back to 2005 – 3%. Scotland is now the strongest performing country with price rises year on year of 11.7% and over time of 3.9%, nearly 1% above inflation. England is just behind with a 10.7% increase year on year, and an annual rise of 3.7% since 2005.

Property Prices - Countries	Land Registry latest data Feb 22/ Q4 21	Land Registry year on year change in price Feb 22/Q4 21	Land Registry annual average increase since 2005	Nationwide latest data Q1 22	Nationwide year on year change in price Q1 22
England	£295,888	10.7%	3.7%	£297,928	11.6%
Wales	£205,114	14.2%	3.0%	£201,502	15.3%
Scotland	£180,822	11.7%	3.9%	£178,289	12.0%
Northern Ireland (Q4)	£159,151	7.9%	2.1%	£171,095	11.1%

Source: [UK HPI](#)

Regional property prices tracking

Regionally, across the indices, no surprises but London tops the average house prices. The difference recorded though is vast, with Rightmove giving an average price of £677,110 and the lowest being given by Nationwide: £518,333, a difference of 23%.

According to the various indices, the highest growing region is mainly the South West, with prices rising from 9.6% YoY according to Home.co.uk through to 14.8% according to Halifax.

Home.co.uk:	South West:	9.6%
Land Registry:	South West and East:	12.5%
Rightmove:	South West:	13.5%
Nationwide:	South West:	14.4%
Halifax:	South West:	14.8%

Although still rising, the slowest regional growth was experienced in London, although price rises reported varied from 2.4% by Home.co.uk through to 8.1% recorded by the Land Registry.

Land Registry:	London	8.1%
Rightmove:	London	6.6%
Home.co.uk :	London	2.4%
Halifax:	London	6.2%
Nationwide:	London	7.4%

Property Prices - Regions	Land Registry Latest data Feb-22	Land Registry Year on year change in price Feb-22	Rightmove Latest data Apr-22	Rightmove Year on year change in price Apr-22	Home.co.uk Latest data Mar-22	Home.co.uk Year on year change in price Mar-22	Halifax Latest data Apr-22	Halifax Year on year change in price Apr-22	Nationwide Latest data Q1 22	Nationwide Year on year change in price Q1 22
North East	£152,551	9.4%	£180,088	11.2%	£182,483	5.2%	£163,431	8.9%	£153,029	10.6%
North West	£203,538	10.2%	£243,816	11.4%	£248,228	6.7%	£217,199	10.7%	£204,511	12.4%
Yorkshire & The Humber	£198,599	9.5%	£234,978	9.8%	£236,283	4.3%	£197,955	10.3%	£199,235	13.5%
East Midlands	£235,993	10.9%	£280,058	12.5%	£282,032	9.5%	£237,466	12.8%	£227,275	13.5%
West Midlands	£237,757	10.0%	£275,846	10.7%	£297,241	8.2%	£241,632	10.4%	£233,136	11.7%
South West	£312,697	12.5%	£379,956	13.5%	£378,817	9.6%	£301,632	14.8%	£300,936	14.4%
East	£345,652	12.5%	£418,361	11.4%	£405,944	8.5%	£334,570	11.9%	£277,332	14.2%
South East	£380,528	12.0%	£479,500	10.6%	£452,045	7.3%	£390,095	12.1%	£337,094	12.8%
London	£529,882	8.1%	£677,110	6.6%	£554,434	2.4%	£537,896	6.2%	£518,333	7.4%

City/town property indices price tracking

For city/town tracking, we use Land Registry (government data) and Zoopla/Hometrack. The Land Registry data is useful because we can analyse how property prices have changed over time and this helps us to put today's price information into context.

The Zoopla/Hometrack data is useful as they take into account the change in mix of property transactions during the pandemic to houses away from flats. This has meant the likes of the Land Registry and other indices have over exaggerated price increases year on year.

Commentary on towns and cities

According to this month's reports, Land Registry are reporting that Milton Keynes and Peterborough have the highest annual growth year on year – both rising in excess of 13%. Hometrack's price rises are still highest in Liverpool – over 10%, followed by Nottingham at 9.8%.

Those cities not doing so well include Aberdeen up just 0.6% with Reading up just over 3%, according to the Land Registry, while Hometrack records a fall year on year in Aberdeen of 1%, with London rising at just over 3%.

The hardest thing to find currently is any kind of link between high performing areas and low ones. There is some consistency between the Land Registry and Hometrack which reports that Reading, Aberdeen and London aren't doing so well and the likes of Nottingham doing well, but normally you would see a geographical explanation or high priced areas not doing so well versus lower priced areas, but even that is tough to find currently.

We truly have a slightly mad market just now with vast differences in price performance between the cities, less so in the regions. However, we are also seeing both Aberdeen and Belfast property prices much lower than they were as far back as 2007/8 – with Belfast still 30% down on average and Aberdeen, typically a strong property market even during economic stresses and strains, seeing average property prices down by 16%.

In contrast London is up by 77.5%, rising on average at 5% YoY since 2005, followed by Bristol, up just over 70%, with the next closest being Tunbridge Wells, rising at 60% over the last 14 years.

Overall, of our 28 cities, 14 beat inflation growth of 43% since 2007/8, the rest, although rising year on year, over time are struggling to see property price keep up with inflation, even with the great growth we've seen over the last few years.

Property Prices Towns/Cities <i>England, Wales, Scotland & NI</i>	Highest average house price pre-credit crunch 2007/08	Market low +/- versus market height	Land Registry latest data Feb 22/Q4 21	How much higher/ lower are latest prices vs height in 2007/8	Land Registry Year on year change in price Feb 22/Q4 21	Annual average increase since 2005	Hometrack latest data Mar-22	Hometrack Year on year change in price Mar-22
Belfast (Q4)	£213,626	-58.86%	£148,036	-30.7%	4.9%	2.0%	£160,200	8.2%
Glasgow	£130,473	-26.32%	£165,805	27.1%	9.5%	3.3%	£138,000	6.1%
Edinburgh	£225,750	-18.92%	£315,070	39.6%	11.8%	4.0%	£255,300	4.4%
Aberdeen	£171,220	-14.38%	£143,591	-16.1%	0.6%	3.0%	£140,300	-1.0%
Cardiff	£170,496	-18.09%	£250,224	46.8%	11.6%	3.1%	£243,800	8.5%
Newcastle upon Tyne	£164,935	-19.31%	£183,710	11.4%	8.9%	1.7%	£143,500	5.4%
Bradford	£139,640	-20.43%	£164,437	17.8%	5.7%	3.1%	£146,700	9.1%
Liverpool	£130,249	-20.38%	£170,711	31.1%	9.7%	2.9%	£147,300	10.1%
Leeds	£161,439	-19.39%	£227,280	40.8%	9.4%	3.1%	£198,500	8.9%
Sheffield	£144,875	-17.04%	£200,264	38.2%	6.2%	3.3%	£163,000	8.6%
Manchester	£140,431	-20.47%	£214,886	53.0%	4.9%	5.0%	£207,600	9.5%
Lincoln	£128,707	-17.63%	£176,679	37.3%	9.2%	3.1%	n/a	n/a
Nottingham	£119,010	-21.27%	£174,536	46.7%	7.6%	2.7%	£188,600	9.8%
Norwich	£166,498	-25.71%	£227,108	36.4%	7.7%	3.4%	£256,500	9.1%
Peterborough	£156,264	-20.81%	£228,317	46.1%	13.0%	3.3%	£207,200	9.3%
Birmingham	£148,578	-17.37%	£217,659	46.5%	7.3%	3.0%	£194,800	8.2%
Leicester	£135,317	-18.66%	£221,091	63.4%	11.5%	3.8%	£214,900	9.1%
Milton Keynes	£194,666	-24.06%	£307,880	58.2%	13.4%	4.0%	£298,500	8.9%
Oxford	£289,855	-22.95%	£475,196	63.9%	10.1%	4.3%	£441,000	6.3%
Cambridge	£283,241	-20.75%	£494,873	74.7%	9.4%	4.9%	£452,400	5.7%
Bournemouth, Christchurch & Poole	£206,227	-20.51%	£324,246	57.2%	8.7%	3.6%	£331,000	9.4%
Southampton	£168,795	-20.22%	£241,044	42.8%	12.4%	3.0%	£251,400	7.2%
Portsmouth	£169,633	-22.85%	£238,690	40.7%	7.6%	3.1%	£273,800	8.8%
Brighton and Hove	£257,108	-21.41%	£422,515	64.3%	8.7%	4.4%	£410,100	8.4%
Reading	£216,724	-18.75%	£306,724	41.5%	3.1%	3.3%	£398,300	7.0%
Tunbridge Wells	£279,413	-22.19%	£444,461	59.1%	9.6%	3.9%	n/a	n/a
Bristol	£195,196	-21.29%	£334,010	71.1%	8.2%	4.7%	£322,100	8.5%
London	£298,596	-17.83%	£529,882	77.5%	8.1%	5.0%	£513,700	3.4%

Why property price averages don't help those buying and selling a home

This year I'm on a bit of a mission to stop everyone talking about average house prices and especially relating them to affordability. In my view, this is a dangerous use of stats, especially using the likes of Rightmove's averages which are 20% higher than lenders' and the Land Registry figures.

To show how dangerous it is to quote national, regional and local average property prices, we thought it would be useful to show what the best value two bed flat is available for (via Rightmove) which has stated the lease length of the property as over 99 years (where applicable) but excluded those properties being sold by auction, via Shared Ownership or being sold with tenants insitu.

We have taken the 'lowest' advertised priced properties for each town or city, but excluded those properties being sold by auction, via Shared Ownership, or sold with tenants insitu, and with a remaining lease of less than 99 years (where applicable).

As you can see from the figures below, despite many areas having an average of over £200,000; £300,000 or even £400,000 in London, Oxford, Cambridge and Tunbridge Wells, there are still two bed flats available for anything from 41% to 76% lower than the 'average price' usually quoted by the media – no wonder people don't think they can afford to buy!

In the cities/towns we cover, there are:

- 8 which have properties available for under £75,000
- 8 which have properties available for between £76,000 and £100,000
- 5 which have properties available for between £101,000 and £150,000
- 4 which have properties available for between £151,000 and £200,000
- 3 which have properties available for between £201,000 and £250,000

And anyone, in any city can find a two bed flat available for less than £250,000 even in the likes of London. In fact, as a surprise, Oxford is the toughest place to find a property available and has the highest price for a two bed flat of £210,000.

Property Prices Towns/Cities <i>England, Wales, Scotland & NI</i>	Land Registry average price Feb 22/Q4 21	Hometrack average price Mar-22	Lowest price advertised two bed flat	Lowest price advertised versus Land Registry average price
Reading	£306,724	£398,300	£180,000	-41%
Milton Keynes	£307,880	£298,500	£170,000	-45%
Brighton and Hove	£422,515	£410,100	£220,000	-48%
Belfast (Q4)	£148,036	£160,200	£74,950	-49%
Southampton	£241,044	£251,400	£120,000	-50%
Portsmouth	£238,690	£273,800	£110,000	-54%
Nottingham	£174,536	£188,600	£80,000	-54%
Lincoln	£176,679	n/a	£80,000	-55%
Leicester	£221,091	£214,900	£100,000	-55%
Tunbridge Wells	£444,461	n/a	£200,000	-55%
Bristol	£334,010	£322,100	£150,000	-55%
Oxford	£475,196	£441,000	£210,000	-56%
Bournemouth, Christchurch & Poole	£324,246	£331,000	£140,000	-57%
Peterborough	£228,317	£207,200	£95,000	-58%
Cambridge	£494,873	£452,400	£200,000	-60%
Cardiff	£250,224	£243,800	£100,000	-60%
Leeds	£227,280	£198,500	£89,995	-60%
London	£529,882	£513,700	£205,000	-61%
Aberdeen	£143,591	£140,300	£55,000	-62%
Edinburgh	£315,070	£255,300	£120,000	-62%
Manchester	£214,886	£207,600	£80,000	-63%
Birmingham	£217,659	£194,800	£80,000	-63%
Liverpool	£170,711	£147,300	£60,000	-65%
Sheffield	£200,264	£163,000	£70,000	-65%
Norwich	£227,108	£256,500	£75,000	-67%
Newcastle upon Tyne	£183,710	£143,500	£55,000	-70%
Glasgow	£165,805	£138,000	£40,000	-76%
Bradford	£164,437	£146,700	£39,500	-76%

**We have taken the 'lowest' advertised priced properties for each town or city, but excluded those properties being sold by auction, via Shared Ownership, being sold with tenants insitu, and with a remaining lease of less than 99 years where applicable.*

Sources: [Rightmove](#) and [Hometrack](#)

Where is the market going?

Currently, it does look like the market is still steaming ahead, but there are some signs of a slowdown. The following three reports all suggest that annual house price growth is finally slowing, albeit not sharpish at all.

"The pace of price rises this year appears to be tailing off slightly as affordability constraints and economic headwinds combine." Rightmove

"Annual UK house price growth slowed modestly to 12.1% in April, down from 14.3% in March." Nationwide

"This took the annual rate of house price growth to +8.3%, down slightly from a peak of +8.8% in February and +8.6% in January." Hometrack

The property prices we are still seeing remain pretty high compared to the forecasts below of 2-6% a year, suggesting that these may need to be revised over the next few months to be accurate for 2022, unless we see a very sharp slowdown in the second half of the year.

Currently, the regional forecasts from Knight Frank and Hamptons look to be the most accurate for 2022.

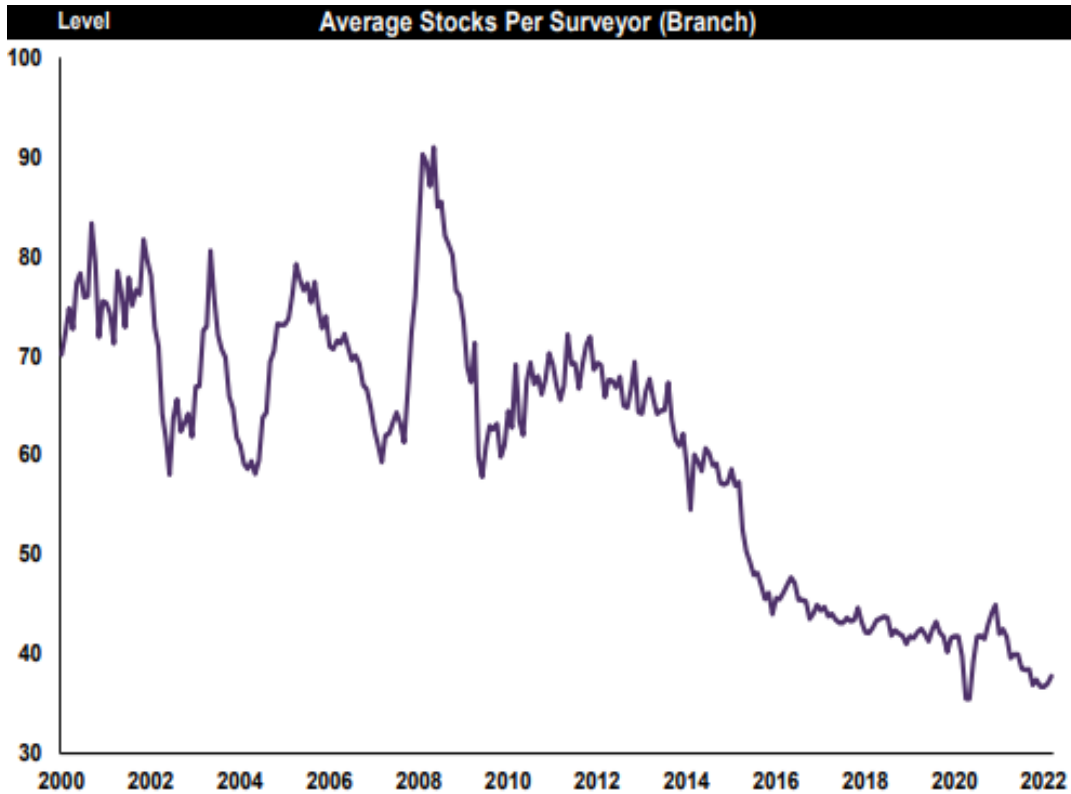
Property Price Forecasts	Savills 2022	Knight Frank 2022	Hamptons 2022	JLL 2022	PwC - Slow recovery scenario 2023-2025 average
<i>Date of publication/source</i>	(Nov 21)	(Apr 22)	(Oct 21)	(Nov 21)	(Jun 21)
UK	3.5%	5.0%		4.5%	4.0%
London	2.0%	4.0%	1.0%	6.0%	

Property Price Forecasts	Savills 2022	Knight Frank 2022	Hamptons 2022	JLL 2022
<i>Date of publication/source</i>	(Nov 21)	(Apr 22)	(Oct 21)	(Nov 21)
UK	3.5%	5.0%		4.5%
London	2.0%	4.0%	1.0%	6.0%
South East	3.0%	6.0%	3.0%	5.0%
South West	3.5%	3.0%	3.0%	4.5%
East of England	3.0%	6.0%	2.5%	5.0%
East Midlands	4.0%	5.0%	4.0%	4.0%
West Midlands	4.0%	5.0%	4.0%	4.0%
North East	4.0%	5.0%	6.0%	3.0%
North West	4.5%	5.0%	5.0%	4.5%
Yorks & Humber	4.5%	5.0%	5.0%	3.5%
Wales	4.0%	5.0%	5.0%	3.5%
Scotland	4.0%	4.0%	5.0%	4.0%

Demand and supply

If you look very carefully at the chart from the RICS, you can see a slight uptick in stock available in branches which is a welcome change from the falling stock levels we've seen since post lockdown.

And this rise in stock, albeit just by one to two properties a month per branch, according to Rightmove, suggests the trends are heading in the right direction and this will help to contribute to lower price growth in the future. The NAEA agents' figures also agree stock levels, in many areas, are on the rise.



Source: [RICS](#)

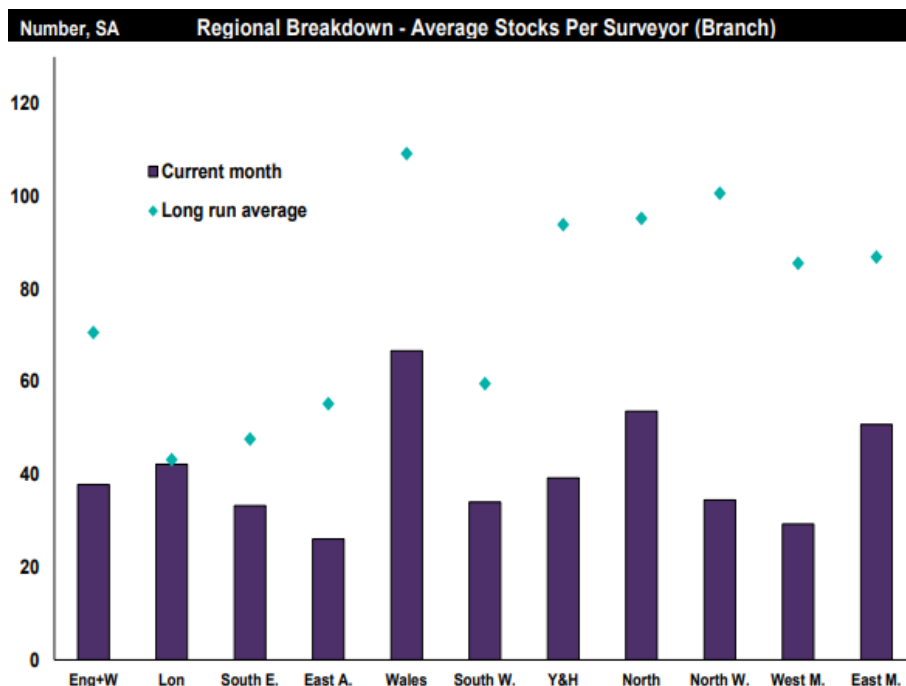
Average stock per agent (including Under Offer/Sold STC)

rightmove 



Regional stock levels per branch

Regionally, only London is in a situation where their stock levels are similar to the long run average, hence one of the reasons London price growth has been unusually low. One of the biggest gaps between the long-term average and current stock levels is in Wales and it's likely that's why Wales is seeing the highest price growth versus Scotland and Wales.



Source: [RICS](#)

The [National Association of Estate Agents](#) are reporting “Sales agreed are up from eight per branch in February to ten in March - slightly above the long-term average for March of nine (2012–2019).”

“The proportion of monthly sales to first time buyers stayed strong at 30 per cent of overall sales in March. This is slightly down on February’s figure of 37 per cent but still above average for the post-2020 lockdown period (25 per cent).”

Transactions - actuals and forecasts

Figure 1: Non-seasonally adjusted and seasonally adjusted UK residential property transactions by month between March 2019 and March 2022, in thousand transactions.



Source: [HMRC](#)

We are starting to see a bit more of a 'norm' when it comes to transactions, with averages each month matching the 100,000 a month we tended to see from March 2019 to March 2020, prior to the market being closed. Since then, the various land tax holidays caused some serious spikes and talking to the industry, although things seem to be settling down, from their perspective, it still very much feels 'full on'!

Into the future, expectations for this year are that property sales will match their long-term average of 1.2mn.

	2021	YoY	
HMRC UK transactions	1,486,680	43%	
Forecasted UK transactions (millions)	2021	2022	YoY
Savills	1.4	1.24	-11.4%
Capital Economics	1.5	1.18	-21.3%
IMLA	1.2	1.22	1.7%
JLL	1.4	1.2	-14.3%

What next for the property market in 2022?

It's likely that the property market will continue to do well for the next few months, but by the summer, I expect property price growth to slow down more towards the levels forecasted of 2-6% growth in different regions. After such a huge growth in sales and prices throughout 2021, there has to be a point this year when supply/demand start to match more closely.