

Annual house price growth edged higher before the pandemic struck the UK

The My Property Consultant Property Index Tracker - April 2020

The data collected is a snapshot of the current and latest official data, however these figures can be lagging behind the current national (and global) crisis. Figures here should be taken in context with relation to the extent of the pandemic which won't be fully seen until the next few reports.

House Prices

Nationwide, Halifax and Rightmove have all reported gains in house price growth over the last 12 months (3.0%, 2.8% & 3.5% respectively), continuing the rise seen last month post-election. The ONS are reporting an increase of 1.3% in the average UK house price.

Rents

The HomeLet Buy-to-Let Rental Index saw a 0.2% increase since last month and 1.6% higher than last year. London's figures show a higher return over the same period with an increase of 1.4% since last month and a 3.2% increase since last year.

Lending

The BoE Mortgage Approval Rate has increased by 5.4% this month and is up 6.2% overall compared to this time last year. 'UK Finance' have failed to release any data for the last month due to the pandemic.

Property transactions

After taking into account seasonal fluctuations the HMRC have reported an annual increase in transactions of 6.0% compared to this time last year. Without applying seasonal decomposition, this figure is 4.5% higher than last year.

Indicator	12 Month Trendline	Current Value	Monthly/Quarterly % Change	Annual % Change	Comments
Nationwide House Price Growth (National)		£219,583	1.6% ↑	3.0% ↑	Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said: "Annual house price growth increased to 3% in March, up from 2.3% the previous month - the fastest pace since January 2018 (when annual growth was 3.2%). The last six months have all seen month-on-month increases, after taking account of seasonal effects. It is important to note however that, while we use a full month's worth of data to generate the index, the cut-off point is slightly before the end of the month. This means that developments following the UK government's lockdown will not be reflected in these figures. In the opening months of 2020, before the pandemic struck the UK, the housing market had been steadily gathering momentum... But housing market activity is now grinding to a halt as a result of the measures implemented to control the spread of the virus."
Nationwide House Price Growth (National - 3 Month Avg)		£217,911	0.9% ↑	2.5% ↑	
Nationwide House Price Growth (London - 3 Month Avg)		£460,266	0.4% ↑	1.0% ↑	
Halifax House Price Growth (National) *		£240,677	0.3% ↑	2.8% ↑	"The UK housing market figures remained steady heading into early spring, with house prices increasing by 0.3% in February and up 2.8% on the previous year. Looking ahead, there are a number of risks, including the potential impact of coronavirus, which continue to exert pressure on the economy and we wait to see how these will affect housing market sentiment later in the year."
Rightmove Asking Price Growth (National)		£312,625	1.0% ↑	3.5% ↑	Average new seller asking prices rose by 1% (+£3,226) nationally since last month hitting a new record high of £312,625 and pushing annual price growth to 3.5%. The record prices were fuelled by strong buyer demand and lack of supply compared to the same period a year ago. The number of sales agreed was up by 17.8%, to the highest at this time of year since 2016 and properties were selling an average of 6% faster nationally.
Rightmove Asking Price Growth (G London)		£638,826	1.6% ↑	5.1% ↑	London saw the price of property coming to market rise by 5.1% year-on-year, the highest annual rate of growth since May 2016, and was selling an average of 18% more quickly. Going forward though it will be hard to predict how post-election boost will be affected by the impact of coronavirus.
Homelet Buy to Let index (rents - National)		£955	0.2% ↑	1.6% ↑	Average rents across the UK rose by 1.6% in February 2020 when compared to the same month a year previously; the average monthly rent is now £955. HomeLet's February 2020 Rental Index reveals that rents rose from last year in 9 out of 12 of the regions covered in the research.
Homelet Buy to Let index (rents - London)		£1,650	1.4% ↑	3.2% ↑	Rents in London increased by 3.2% in February 2020 than in the same month of 2019; the average rent in the capital now stands at £1,650 a month.
ONS House Price Index (Average Price - National)		£231,185	-1.1% ↓	1.3% ↑	The average UK house price was £231,000 in January 2020; this is £3,000 higher than in January 2019. On a non-seasonally adjusted basis, average house prices in the UK decreased by 1.1% compared with a decrease of 0.6% in the same period a year ago. On a seasonally adjusted basis, average house prices in the UK decreased by 0.4%, following an increase of 0.6% in the previous month. London house prices increased by 1.4% over the year to January 2020, down from 1.8% in December
ONS House Price Index (Average Price - London)		£476,588	-1.1% ↓	1.4% ↑	
Bank of England Mortgage Approval Rate *		70,888	5.4% ↑	6.2% ↑	The number of mortgages approved for house purchase in the United Kingdom increased to 70,888 in January 2020, the most since February 2016, following an upwardly revised 67,930 in the previous month and above market expectations of 67,900.
Bank of England Base Rate		0.1%	-86.7% ↓	-86.7% ↓	The UK interest rate saw 2 drops since last month with a drop of 0.5% reported on the 11th of March (taking it down to 0.25%), followed by a further reduction on the 19th of March bringing it to 0.10%
RICS Price Expectation Survey		29%	11% ↑	N/A	The February 2020 RICS Residential Survey results again point to a pick-up in sales market activity during the month. That said, although near term sales expectations remain positive, optimism has moderated somewhat, with anecdotal evidence suggesting concerns over the economic impact of the coronavirus are weighing on the outlook to some extent
HMRC Property Transactions (Uk Residential)		86,980	3.8% ↑	6.6% ↑	The provisional non-seasonally adjusted estimate of UK residential transactions in February 2020 is 86,980. This is approximately 6.6% higher than February 2019 and 3.8% higher than the previous month. The provisional seasonally adjusted estimate of UK property transactions in February 2020 is 103,870 residential and 11,150 non-residential. This is 6.0% higher than February 2019, and 4.5% higher than January 2020.
HMRC Property Transactions (Uk Residential) *		103,870	4.5% ↑	6.0% ↑	
CPI - (Consumer Price Index)		108.6	0.4% ↑	1.7% ↑	The Consumer Prices Index (CPI) 12-month rate was 1.7% in February 2020, down from 1.8% in January. The largest contribution to the CPI 12-month inflation rate in came from water, electricity, gas and other fuels (0.52 percentage points), which fell by 0.03 percentage points from January. The contributions to change were relatively small compared with movements in most months.
Rate of CPI (12 Month Rate)		1.7%	N/A	N/A	The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was also 1.7%, also down from 1.8% in January 2020.
UKF - Total No. of Loans **		111,200	-7.1% ↓	-1.0% ↓	
UKF - Total value of Loans (€m)**		£21,100 (m)	-6.6% ↓	2.9% ↑	
UKF - Buy to Let: Number of Loans **		19,000	-10.8% ↓	9.2% ↑	As of the date of release UK Finance have not published any new findings since the 18th of February. There is no data for the last month available.
UKF - Buy to Let: Value of Loans (€m)**		£3,000 (m)	-14.3% ↓	11.1% ↑	

* Data is Seasonally Adjusted (SA). Data is subject to adjustments post publication by each individual organisation, past figures are therefore subject to revision and change.

Data illustrated is a snapshot of the latest official data as of: 03 April, 2020.

MPC Disclaimer:

My Property Consultant Limited confirms that information contained herein, including forecasts and house price data, has been obtained from sources which are in the public domain but also deemed as reliable. The information provided is to act as a guide and does not represent a forecast to future house price growth. This information is presented exclusively for MPC clients and industry professionals. All rights to this material are reserved and cannot be reproduced without prior written consent from MPC.