

## UK experiences post-lockdown property boom

### The My Property Consultant Property Index Tracker - September 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.

#### House Prices

Nationwide, Halifax and Rightmove all reported a national increase in house prices over the last 12 months (3.7%, 3.7%, 4.6% respectively), the ONS also reported an increase of 2.9% during the same period.

#### Rents

The HomeLet Buy-to-Let Rental Index reports an increase of 1.5% in the national average over the last year. London's figures however have dropped by 2.1% over the same period.

#### Lending

The Bank of England reported another large increase relative to last month (65.7%), which has resulted in a net YoY difference of -0.4%. Lending is quickly returning back to pre-covid levels.

#### Property transactions

After taking into account seasonal fluctuations the HMRC have reported a decrease in transactions of 27.4% compared to last year as the housing market is still not fully recovered from the effects of the lockdown.

Indicator	12 Month Trendline	Current Value	Monthly/Quarterly % Change	Annual % Change	Comments
Nationwide House Price Growth (National)		£224,123	1.4% ↑	3.7% ↑	Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said: "UK house prices rose by 1.4% in August, after taking account of seasonal effects, following a 2.1% rise in July. As a result, annual house price growth accelerated to 3.7%, from 1.5% last month. "House prices have now reversed the losses recorded in May and June and are at a new all-time high. "The bounce back in prices reflects the unexpectedly rapid recovery in housing market activity since the easing of lockdown restrictions. "These trends look set to continue in the near term, further boosted by the recently announced stamp duty holiday, which will serve to bring some activity forward. "However, most forecasters expect labour market conditions to weaken significantly in the quarters ahead as a result of the aftereffects of the pandemic and as government support schemes wind down. If this comes to pass, it would likely dampen housing activity once again in the quarters ahead."
Nationwide House Price Growth (National - 3 Month Avg)		£220,133	1.0% ↑	2.0% ↑	
Nationwide House Price Growth (London - 3 Month Avg)		£475,448	3.3% ↑	2.1% ↑	
Halifax House Price Growth (National) *		£241,604	1.7% ↑	3.7% ↑	Russell Galley, Managing Director, Halifax, said: "Following four months of decline, average house prices in July experienced their greatest month on month increase this year, up 1.7% from June and comfortably offsetting losses in 2020. The average house price in July is the highest it has ever been since the Halifax House Price Index began, 3.7% higher than a year ago. "The latest data adds to the emerging view that the market is experiencing a surprising spike post lockdown.
Rightmove Asking Price Growth (National)		£319,497	-0.2% ↓	4.6% ↑	<ul style="list-style-type: none"> <li>• Rulebook rewritten as post-lockdown mini-boom accelerates and home-moving fills the holiday void</li> <li>• Highest number of sales agreed in a month since (Rightmove) started tracking this data over ten years ago, up by 20% on the previous high, and with a record total value of over £37 billion</li> <li>• Highest number of properties coming to market in a month since March 2008 as more movers join in</li> <li>• Latest weekly sales agreed figure up by 60% compared to the same week in 2019 as buyers ignore the usual summer holiday slowdown</li> <li>• Unseasonal record high for new seller asking prices in seven regions, but London drags down the national average to a 0.2% fall due to its own more typical 2.0% seasonal monthly drop. The out-of-city exodus drives prices in places like Devon and Cornwall to new records</li> </ul>
Rightmove Asking Price Growth (G London)		£629,261	-0.2% ↓	2.0% ↑	
Homelet Buy to Let index (rents - National)		£985	2.1% ↑	1.5% ↑	<ul style="list-style-type: none"> <li>• The average rent in the UK is now £985, up 2.1% on last month, and 1.5% on last year.</li> <li>• When London is excluded, the average rent in the UK is now £825, this is up 2.1% on last month, and 2.9% on last year. Eleven of the twelve regions monitored showed an increase in rental values between August 2019 and August 2020, with two of those regions seeing an increase of more than 5%.</li> <li>• Average rents in London are down YOY, showing a 2.1% fall between August 2019 and August 2020, the fourth decrease in annual variance in subsequent months. However, average rental value in London (£1,653) was still 100% higher than the rest of the UK excluding London (£825).</li> </ul>
Homelet Buy to Let index (rents - London)		£1,653	2.6% ↑	-2.1% ↓	
ONS House Price Index (Average Price - National)		£235,673	0.3% ↑	2.9% ↑	UK average house prices increased by 2.9% over the year to May 2020, up from 2.7% in April 2020. On a non-seasonally adjusted basis, average house prices in the UK increased by 0.3% between April 2020 and May 2020, compared with an increase of 0.1% in the same period a year ago. On a seasonally adjusted basis, average house prices in the UK increased by 0.2% between April 2020 and May 2020, following a decrease of 0.2% in the previous month.
ONS House Price Index (Average Price - London)		£479,018	-1.2% ↓	3.3% ↑	London's average house price increased by 3.3% over the year to May 2020 and London house prices remain the most expensive at an average of £479,000.
Bank of England Mortgage Approval Rate *		66,281	65.7% ↑	0.4% ↑	The number of mortgages approved for house purchase in the United Kingdom jumped to 66,281 in July 2020, recovering further from May's all-time low of 9,300 and easily beating market expectations of 54,800. Still, approvals remained below February's pre-Covid level of 73,700.
Bank of England Base Rate		0.1%	0.0% →	-86.7% ↓	Following the 2 interest rate drops imposed by the government in March the interest rate remains at an all-time low of 0.1% this month.
RICS Price Expectation Survey		12%	25% ↑	N/A	The RICS Price Expectation Survey saw a swing of 25% this month from the -13% reported in the previous month with a positive outlook in the market but caution remains on the longer term outlook.
HMRC Property Transactions (Uk Residential)		80,490	20.0% ↑	-23.2% ↓	<ul style="list-style-type: none"> <li>• Residential transactions decreased significantly in April 2020, reflecting impacts from coronavirus and public health measures in response. Provisional transactions have since gradually increased month-on-month, but are still below levels observed in recent years.</li> <li>• The provisional seasonally adjusted estimate of UK residential property transactions in July 2020 is 70,710, 27.4% lower than July 2019 and 14.5% higher than June 2020</li> <li>• The provisional non-seasonally adjusted estimate of UK residential property transactions in July 2020 is 80,490, 23.2% lower than July 2019.</li> </ul>
HMRC Property Transactions (Uk Residential) *		70,710	14.5% ↑	-27.4% ↓	
CPI - (Consumer Price Index)		109.1	0.5% ↑	1.1% ↑	<ul style="list-style-type: none"> <li>• The Consumer Prices Index (CPI) 12-month rate was 1.0% in July 2020, up from 0.6% in June.</li> <li>• The largest contribution to the CPI 12-month inflation rate in July 2020 came from recreation and culture (0.33 percentage points).</li> <li>• Clothing, petrol, and furniture and household goods made large upward contributions to the change whilst falling food prices resulted in a partially offsetting small downward contributions.</li> <li>• The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 1.1% in July 2020, up from 0.8% in June 2020.</li> </ul>
Rate of CPI (12 Month Rate)		1%	N/A	N/A	

\* 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: 04 September, 2020.

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