

Housing market experiences Mini-Boom

The My Property Consultant Property Index Tracker - August 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 indicate a national increase in house prices over the last 12 months (1.5%, 2.5%, 3.7% respectively), the ONS meanwhile have failed to produce any data for this period. This is due to their data collection process still lagging compared to the private sector.

Rents

The HomeLet Buy-to-Let Rental Index reports an increase of 1.1% in the national average over the last year. London's figures however have dropped by 1.7% over the same period.

Lending

The Bank of England reported a sharp U-turn following the recent lockdown with three times as much activity reported this month compared to the previous one, however year-on-year activity is still down 38.9%.

Property transactions

After taking into account seasonal fluctuations the HMRC have reported a decrease in transactions of 35.9% compared to last year as the housing market is still recovering from the effects of the lockdown. A large uptick from the

Indicator	12 Month Trendline	Current Value	Monthly/Quarterly % Change	Annual % Change	Comments
Nationwide House Price Growth (National)		£220,936	2.1% ↑	1.5% ↑	Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said: "UK house prices rose by 1.5% in July, after taking account of seasonal effects, offsetting the 1.6% fall in June. As a result, annual house price growth recovered to 2.1%, from -0.1% last month. On a seasonally adjusted basis, house prices in July were 1.6% lower than in April. "The bounce back in prices reflects the unexpectedly rapid recovery in housing market activity since the easing of lockdown restrictions. "The rebound in activity reflects a number of factors. Pent up demand is coming through, where decisions taken to move before lockdown are progressing. 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, there is a risk this proves to be something of a false dawn. 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) *		£237,616	-0.1% ↓	2.5% ↑	Russell Galley, Managing Director, Halifax, said: "Average house prices fell by 0.1% in June as the UK property market continued to emerge from lockdown. Though only a small decrease, it is notable as the first time since 2010 that prices have fallen for four months in a row." ".....The near-term outlook points to a continuation of the recent modest downward trend in prices through the third quarter of the year, with sentiment indicators, based on surveys of both agents and households, currently at or around multi-year lows.
Rightmove Asking Price Growth (National)		£320,265	2.4% ↑	3.7% ↑	Average asking price of property coming to market in Britain hits a record this month, 2.4% (+£7,640) higher than in March pre-lockdown, and the 3.7% annual rate of increase is the highest since Dec 2016 • A Mini-boom is gathering momentum as all nations reopen and Britain gets moving again: • Year-on-year buyer enquiries up 75% in Britain since the start of July • 44% of new listings that came up for sale in the first month after the English market opened on 13th May have already been marked as sale agreed, compared to 34% for the equivalent dates last year • Number of monthly sales agreed is up 15% in England on last year, and in the five days after the stamp duty announcement it jumped to 35% up on the same days a year ago. (There is still no official breakdown data for London to date, the last values recorded are still reflective of March)
Rightmove Asking Price Growth (G London)		-	-	-	
Homelet Buy to Let index (rents - National)		£951	-0.8% ↓	1.1% ↑	• For June 2020 the data shows that the average rental price for a new tenancy in the UK was £951 per calendar month (pcm), which is up by 1.1% on last year. • Average rents in London however, are now £1,583, down by 1.7% on last year. • 8 of the 12 regions monitored by HomeLet showed an increase in rental values between June 2019 and June 2020, with two of those regions seeing an increase of more than 5%. • Regional variations were again significant this month but with demand for new tenancies still strong, rents overall may well hold up at the national level.
Homelet Buy to Let index (rents - London)		£1,583	-0.9% ↓	-1.7% ↓	
ONS House Price Index (Average Price - National)		£231,855	-0.2% ↓	2.1% ↑	For the 2nd month running the ONS have failed to update their data relating to Housing Prices. This is no doubt attributable to the low amount of information available for the time period that would have been recorded by them due to their processing lag (ie. May).
ONS House Price Index (Average Price - London)		£485,794	1.8% ↑	4.7% ↑	We should expect to see some return of recorded analysis going forward.
Bank of England Mortgage Approval Rate *		40,010	331.5% ↑	-38.9% ↓	The number of mortgages approved for house purchase in the United Kingdom jumped to 40,100 in June 2020, recovering from an all-time low of 9,273 in the previous month and easily beating market expectations of 33,900. It was still 46% below February's pre-Covid level of 73,700. Approvals for remortgage, which capture remortgaging with a different lender, have also increased, to 36,900 from 30,700; but they remained 30 percent lower than in February.
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		-15%	17% ↑	N/A	The June 2020 RICS UK Residential Survey results point to a recovery emerging across the market, with indicators on buyer demand, sales and fresh listings all rallying noticeably following the lockdown related falls beforehand. That said, respondents still appear relatively cautious on the prospect of this improvement being sustained over the longer term, as twelve-month sales expectations are now marginally negative.
HMRC Property Transactions (UK Residential)		68,670	49.6% ↑	-31.6% ↓	• The provisional figures for the UK residential property transactions in June 2020 is 68,670, this is 31.5% lower than the previous year and just under 50% higher than last month. • The provisional seasonally adjusted estimate of the UK residential property transactions in June 2020 is 63,250, this is 35.9% lower than June 2019 and 31.7% higher than May 2020. • For non-residential properties the value is 7,340. This is 27.4% lower than the previous year and 31.2% higher than the previous month
HMRC Property Transactions (UK Residential) *		63,250	31.7% ↑	-35.9% ↓	
CPI - (Consumer Price Index)		108.6	0.1% ↑	0.6% ↑	• The Consumer Prices Index (CPI) 12-month rate was 0.6% in June 2020, up from 0.5% in May. • The largest contribution to the 12-month inflation rate in June 2020 came from recreation and culture (0.32 percentage points) whilst falling prices for food resulted in a partially offsetting downward contribution to the change. • The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 0.8% in June 2020, up from 0.7% in May 2020.
Rate of CPI (12 Month Rate)		0.6%	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: 02 August, 2020.

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