

UK housing market remains resilient

The My Property Consultant Property Index Tracker - December 2020

The data collected is a snapshot of the current and latest official data, however these figures can be lagging sometimes. This is because some of the organisations included can take as much as 3 months to collect, process and publish the information.

House Prices

Nationwide, Halifax and Rightmove all reported national increases in house prices over the last 12 months (6.5%, 7.8%, 6.3% respectively). The ONS reported an increase of 4.7% during the same period.

Rents

The HomeLet Buy-to-Let Rental Index reports an increase of 2.9% in the national average over the last year. London's figures however have dropped by 4.4% over the same period.

Lending

The BoE Mortgage Approval Rate has increased by 5.9% this month and is up by 51.1% compared to this time last year, highlighting the unusual activity for this time of the year which is ordinarily subdued prior to the Christmas period.

Property transactions

After taking into account seasonal fluctuations the HMRC have reported an annual increase of 8.1% compared to this time last year. Without applying any adjustments this figure is actually larger with a 13.7% increase recorded and the highest monthly value since 2006.

Indicator	12 Month Trendline	Current Value	Monthly/Quarterly % Change	Annual % Change	Comments
Nationwide House Price Growth (National)		£229,721	0.8% ↑	6.5% ↑	Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said: "Annual house price growth accelerated from 5.8% in October to 6.5% in November – the highest outturn since January 2015. House prices rose by 0.9% month-on-month in November after taking account of seasonal effects, following a 0.8% rise in October. "Data suggests that the economic recovery had lost momentum even before the latest lockdown came into effect. Rising infection rates and tighter social restrictions will have resulted in a further hit to growth in October and November." "Despite these headwinds, housing market activity has remained robust. October saw property transactions rise to 105,600, the highest level since 2016, while mortgage approvals for house purchase in the same month were at their highest level since 2007 at €97,500. However, housing market activity is likely to slow in the coming quarters, perhaps sharply, if the labour market weakens as most analysts expect, especially once the stamp duty holiday expires at the end of March.
Nationwide House Price Growth (National - 3 Month Avg)		£224,337	1.9% ↑	3.5% ↑	
Nationwide House Price Growth (London - 3 Month Avg)		£480,857	1.1% ↑	4.4% ↑	
Halifax House Price Growth (National) *		£250,457	0.2% ↑	7.8% ↑	Russell Galley, Managing Director, Halifax, said: "The average UK house price now tops a quarter of a million pounds (£250,457) for the first time in history, as annual house price inflation rose to 7.8% in October, its highest rate since mid-2016. Underlying the pace of recent price growth in the market is the 5.3% gain over the past four months, the strongest since 2006. However, month-on-month price growth slowed considerably, down to just 0.3% compared to 1.5% in September.
Rightmove Asking Price Growth (National)		£322,025	-0.5% ↓	6.3% ↑	Average price of property coming to market dips by 0.5% (-£1,505) from last month despite continuing strong buyer demand as new sellers join the rush to sell and beat the March stamp duty deadline • Demand and activity compared with October last year are strongest in the price bands and regions where buyers are set to make the biggest stamp duty savings as the March deadline approaches: • National sales agreed are up 50% on October last year, and Rightmove now estimates there's 650,000 sales going through the buying and selling process, 67% more than at the same time in 2019 • 106% uplift in sales agreed and drop of 23 days in time to secure a buyer in £400,000-£500,000 band • The more expensive southern regions also fare better than the national average, with a 72% uplift in the number of sales agreed in the East of England, and 69% uplift in the South East • Buyers who were temporarily uncertain in run-up to the new lockdown in England have jumped back into action, with the first six days of the second lockdown seeing demand up by 49% on this time last year.
Rightmove Asking Price Growth (G London)		£630,634	-0.6% ↓	3.5% ↑	
Homelet Buy to Let index (rents - National)		£974	0.0% →	2.9% ↑	Commenting on this month's data, Andy Halstead, chief executive at HomeLet & Let Alliance, said: "Outside of the capital we're seeing UK rents rise at the highest rate we've ever reported, yet in contrast rents in London are now decreasing at the highest rates that we've ever reported. This is a continuation of a theme that started back when the country exited the first national lockdown, with declines in central London boroughs being the most pronounced." "Whilst the trend is being driven by the increase in people working from home and tenants looking for properties with extra space, both inside and outside the property, we may also be seeing the continued impact of Brexit on central London.
Homelet Buy to Let index (rents - London)		£1,575	-1.7% ↓	-4.4% ↓	
ONS House Price Index (Average Price - National)		£244,513	1.7% ↑	4.7% ↑	The average UK house price was £245,000 in September 2020; this is £11,000 higher than in September 2019 and an increase of 4.7%. On a non-seasonally adjusted basis, average house prices in the UK increased by 1.7% between August and September 2020, compared with an increase of 0.1% in the same period a year ago. On a seasonally adjusted basis, the increase was 1.8%, following an increase of 1.1% in the previous month. Both the UK and London stand at a record high value of £245,000 and £496,000 respectively in September 2020.
ONS House Price Index (Average Price - London)		£496,485	0.8% ↑	4.1% ↑	
Bank of England Mortgage Approval Rate *		97,532	5.9% ↑	51.1% ↑	The number of mortgage approvals for house purchases in the UK increased to 97,532 in October 2020, the highest level since September 2007 and well above market expectations of 84,500. The approvals were 33% above the February 2020 level and around 10 times higher than the trough of 9,400 in May.
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		68%	6% ↑	N/A	This marks the fourth consecutive positive monthly reading, following the lockdown induced slump seen earlier in the year. Although the most recent figure is a little more modest compared to those posted over the previous four months, it remains consistent with solid momentum behind buyer demand nonetheless. However, the longer term outlook for sales remains subdued, with the difficult economic backdrop expected to weigh on activity once government support measures are withdrawn further down the line.
HMRC Property Transactions (Uk Residential)		121,740	23.7% ↑	13.7% ↑	The provisional seasonally adjusted estimate of UK residential transactions in October 2020 is 105,630, this is 8.1% higher than October 2019 and 9.8% higher than September 2020 whilst the provisional non-seasonally adjusted estimate of UK residential transactions is 121,740, 13.7% higher than October 2019 and 23.7% higher than September 2020.
HMRC Property Transactions (Uk Residential) *		105,630	9.8% ↑	8.1% ↑	This is the 6th month of continual growth since the drop in April due to the lockdown restrictions and the highest number of recorded transactions in a month since April 2006 (although current figures are provisional estimates based on data collected so far).
CPI - (Consumer Price Index)		109.1	0.0% →	0.7% ↑	The Consumer Prices Index (CPI) 12-month rate was 0.7% in October 2020, up from 0.5% in September and the Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 0.9% in October 2020, up from 0.7% in September 2020.
Rate of CPI (12 Month Rate)		0.7%	N/A	N/A	The largest contribution to the CPIH 12-month inflation rate in October 2020 came from recreation and culture (0.26 percentage points) which was partially offset by downward contributions from transport groups.

* 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: 06 December, 2020.

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