

UK house prices hit record high at end of 2020

The My Property Consultant Property Index Tracker - January 2021

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 (7.3%, 6.3%, 6.6% respectively). The ONS reported an increase of 5.4% during the same period.

Rents

The HomeLet Buy-to-Let Rental Index reports an increase of 2.7% in the national average over the last year. London's figures however have dropped by 4.5% over the same period.

Lending

The BoE Mortgage Approval Rate has increased by 6.7% this month and is up by 61.2% 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 19.3% compared to this time last year. At 115,190 this is the highest monthly transaction recorded since March 2016.

Indicator	12 Month Trendline	Current Value	Monthly/Quarterly % Change	Annual % Change	Comments
Nationwide House Price Growth (National)		£230,920	0.5% ↑	7.3% ↑	Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said: "Annual house price growth accelerated further in December, reaching a six year high of 7.3%, up from 6.5% in the previous month. House prices ended the year 5.3% above the level prevailing in March, when the pandemic struck the UK. "The resilience seen in recent quarters seemed unlikely at the start of the pandemic. Indeed, housing market activity almost ground to a complete halt during the first lockdown as the wider economy shrank by an unprecedented 26%. But, since then, housing demand has been buoyed by a raft of policy measures and changing preferences in the wake of the pandemic" "The outlook remains highly uncertain. Much will depend on how the pandemic and the measures to contain it evolve as well as the efficacy of policy measures implemented to limit the damage to the wider economy.... 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)		£229,819	2.4% ↑	6.4% ↑	
Nationwide House Price Growth (London - 3 Month Avg)		£486,562	1.2% ↑	6.2% ↑	
Halifax House Price Growth (National) *		£253,374	0.2% ↑	6.3% ↑	Russell Galley, Managing Director, Halifax, said: "Average houses prices rose again in December, stretching the current run of continuous gains to six months. However, the monthly rise of 0.2% was the lowest seen during this period and significantly down on the 1.0% increase in November. The average house price was therefore little changed, but nonetheless still reached a fresh record of £253,374. This left average prices sitting some 6.0% higher at the end of 2020 when compared to last year, a notably strong performance given the anticipated impact of the pandemic earlier in the year."
Rightmove Asking Price Growth (National)		£319,945	-0.6% ↓	6.6% ↑	<ul style="list-style-type: none"> Rightmove forecasts robust 4% national average price growth in 2021 as housing priorities stay high on people's life agendas, though price rises for newly marketed properties will be at a slower pace than this year 2020's unanticipated market momentum sees prices finish 6.6% up on 2019 despite a fall of 0.6% this month Busy Q1 expected as stamp duty deadline approaches, with logjam of 650,000 properties currently changing hands—this huge number is unchanged on last month due to strong sales agreed for this time of year Slower Q2 as average tax saving of 1.9% of purchase price in Great Britain due to end, but ongoing demand and cheap mortgage rates available for some will help to support continued modest price growth Uncertainties remain in 2021, but housing needs and fresh-start mentality suggest the market will continue to outperform, as shown by 53% more prospective buyers contacting estate agents than at this time a year ago
Rightmove Asking Price Growth (G London)		£620,986	-1.5% ↓	3.5% ↑	
Homelet Buy to Let index (rents - National)		£979	0.5% ↑	2.7% ↑	Andy Halstead, chief executive at HomeLet & Let Alliance, said: "At a national level the latest data shows a continuation of the trends we've seen emerging since the national lockdown ended, with rents for new tenancies increasing across the UK, with the exception of London. "In the regions surrounding London, the annualised variations in rental values for new tenancies looks significant, especially in the South West (10%), East of England (7.7%) and South East (6.1%). In reality this is a theme that we've seen grow gradually month on month, since July 2020. "Whilst overarching optimism remains strong for 2021, with vaccines being rolled out, we can still expect a year that will be disrupted by the impact of the virus. With the new national lockdown and the prospect of additional restrictions, we can expect the demand for certain property types and locations to grow, pushing rents up further."
Homelet Buy to Let index (rents - London)		£1,556	-1.2% ↓	-4.5% ↓	
ONS House Price Index (Average Price - National)		£245,443	0.7% ↑	5.4% ↑	UK average house prices increased by 5.4% over the year to October 2020, up from 4.3% in September 2020, to stand at a record high of £245,000; this is £13,000 higher than in October 2019 and the highest annual growth rate the UK has seen since October 2016. On a non-seasonally adjusted basis, average house prices in the UK increased by 0.7%, compared with a decrease of 0.3% in the same period a year ago.
ONS House Price Index (Average Price - London)		£490,936	-1.2% ↓	3.9% ↑	London prices remained the most expensive at an average of £491,000. The North East continued to have the lowest average price, at £136,000, the only English region yet to surpass its pre-economic downturn of 2007
Bank of England Mortgage Approval Rate *		104,969	6.7% ↑	61.2% ↑	The number of mortgage approvals for house purchases in the UK increased to 105,000 in November 2020, the highest level since August 2007 and well above market expectations of 82,500 The recent strength in approvals has almost fully offset the significant weakness earlier in the year.
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		66%	-1% ↓	N/A	The November 2020 RICS UK Residential Survey results remain consistent with a solid trend in sales appears to losing a bit of steam. For the time being, prices continue to be driven sharply higher in most parts of the UK, although near-term expectations for both prices and transactions point to a more moderate picture emerging over the coming months.
HMRC Property Transactions (Uk Residential)		124,800	3.3% ↑	13.2% ↑	<ul style="list-style-type: none"> The provisional estimate of UK residential transactions for November 2020 is 124,800, this is 13.2% higher than the previous year and 3.2% higher than October 2020. When seasonally adjusted this increase is actually higher with a reported increase YoY of 19.3% and a monthly upward contribution of 8.6% This is the highest monthly transaction volume recorded since March 2016, be it seasonally adjusted or unadjusted.
HMRC Property Transactions (Uk Residential) *		115,190	8.6% ↑	19.3% ↑	
CPI - (Consumer Price Index)		109.9	0.7% ↑	1.3% ↑	<ul style="list-style-type: none"> The Consumer Prices Index (CPI) 12-month rate was 0.3% in November 2020, down from 0.7% in October. The largest contribution to the CPI inflation rate in November 2020 came from recreation and culture Falling prices for clothing, and food and non-alcoholic beverages resulted in the largest downward contributions which were partially offset by upward contributions from games, toys and hobbies, and accommodation services. The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 0.6% in November 2020, down from 0.9% in October 2020.
Rate of CPI (12 Month Rate)		0.3%	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: 09 January, 2021.

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