

UK House Price Growth starting to slow as Stamp Duty Holiday draws to an end

The My Property Consultant Property Index Tracker - February 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 (6.4%, 5.0%, 3.3% respectively). The ONS also reported an increase of 7.6% during the same period. The continual growth seen over the last few months however is starting to slow overall.

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 3.9% over the same period.

Lending

The BoE Mortgage Approval Rate has decreased by 1.8% this month but is up by 53.6% compared to this time last year, highlighting the unusual activity for this time of the year due to the stamp duty holiday period.

Property transactions

After taking into account seasonal fluctuations the HMRC have reported an annual increase of 31.5% compared to this time last year.

Indicator	12 Month Trendline	Current Value	Monthly/Quarterly % Change	Annual % Change	Comments
Nationwide House Price Growth (National)		£229,748	-0.5% ↓	6.4% ↑	Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said: "January saw the annual rate of house price growth slow modestly to 6.4%, from 7.3% in December. House prices fell by 0.5% month-on-month - 0.3% after taking account of seasonal effects – the first monthly decline since June. To a large extent, the slowdown probably reflects a tapering of demand ahead of the end of the stamp duty holiday, which prompted many people considering a house move to bring forward their purchase... "Looking ahead, shifts in housing preferences are likely to continue to provide some support for the market. However, if the stamp duty holiday ends as scheduled, and labour market conditions continue to weaken as most analysts expect, housing market activity is likely to slow, perhaps sharply, in the coming months."
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) *		£251,968	-0.3% ↓	5.0% ↑	Russell Galley, Managing Director, Halifax, said: "The average UK house price slipped by -0.6% in January, the biggest monthly fall since April last year. Whilst this pushed the typical property value down to its lowest level since October, at just under £252,000, prices are around £13,000 higher than a year ago. There are some early signs that the upturn in the housing market could be running out of steam, with the annual rate of house price inflation cooling to its lowest level since August."
Rightmove Asking Price Growth (National)		£317,058	-0.9% ↓	3.3% ↑	• Average price of property coming to market falls by 0.9% (-£2,887) this month, with some new sellers still hoping to tempt buyers and squeeze in a sale before the stamp duty holiday ends • New buyers unlikely to beat the deadline as average time to complete a purchase is now over four months • Mammoth 613,000 sold subject to contract properties still awaiting legal completion, with Rightmove projecting around 100,000 will face an unexpected tax bill as they miss the cut-off • Despite temporary market closures in 2020, people's housing needs meant the number of sales agreed was up by 10% for the whole year versus 2019 • London prices fall by 2.7% this month resulting in the lowest avg. house price since Dec 2019
Rightmove Asking Price Growth (G London)		£604,055	-2.7% ↓	-1.4% ↓	
Homelet Buy to Let index (rents - National)		£981	0.2% ↑	2.9% ↑	Commenting on this month's data, Andy Halstead, chief executive at HomeLet & Let Alliance, said: "We're seeing the value of the private rented sector's responsiveness and the crucial role it plays in supporting the changing needs for people across the UK. The data continues to show that demand remains exceptionally high in many areas. The needs of tenants have shifted throughout the pandemic, creating upward pressure on locations that offer more space, both inside and outside the property... Whilst the broader economic outlook is uncertain, the private rented sector is exceptionally resilient." Meanwhile London has seen it's first increase in the rental index since August of last year.
Homelet Buy to Let index (rents - London)		£1,563	0.4% ↑	-3.9% ↓	
ONS House Price Index (Average Price - National)		£249,633	1.2% ↑	7.6% ↑	• UK average house prices increased by 7.6% over the year to November 2020, up from 5.9% in October 2020, to stand at a record high of £250,000; this is the highest annual growth rate the UK has seen since June 2016. • The North East is the final English region to surpass its pre-economic downturn average house price peak of July 2007, to now stand at £140,000. • London's average house price surpassed £500,000 for the first time in November 2020. • London's annual house price growth has followed a sharp upward trend in most regions in recent months.
ONS House Price Index (Average Price - London)		£513,997	4.0% ↑	9.7% ↑	
Bank of England Mortgage Approval Rate *		103,381	-1.8% ↓	53.6% ↑	The number of mortgage approvals for house purchases in the UK decreased to 103,000 in December of 2020 from 105,000 in November and below market expectations of 105,000. Still, approvals remained well above February's pre-Covid level of 73,400. Recent strength in approvals has more than 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 last year, the interest rate remains at an all-time low of 0.1% this month.
RICS Price Expectation Survey		65%	-1% ↓	N/A	The December 2020 RICS UK Residential Survey results continue to point to rising activity across the market, even if the pace of growth has softened noticeably compared with earlier in H2. That said, sales expectations have retreated according to the most recent feedback, with respondents anticipating the latest lockdown restrictions (and the related economic challenges), coupled with the ending of the Stamp Duty holiday, to weigh on activity going forward.
HMRC Property Transactions (Uk Residential)		137,200	14.0% ↑	34.2% ↑	• The provisional estimate of UK residential transactions in December 2020 is 137,200, 34.2% higher than December 2019 and 14.0% higher than November 2020. • The provisional seasonally adjusted estimate of UK residential transactions in December 2020 is 129,400, 31.5% higher than December 2019 and 13.1% higher than November 2020. • This is the 9th month of a row of continual increase following the 1st lockdown but it is anticipated to slow in the next few months once the stamp-duty holiday is over.
HMRC Property Transactions (Uk Residential) *		129,400	13.1% ↑	31.5% ↑	
CPI - (Consumer Price Index)		109.2	0.3% ↑	0.6% ↑	• The Consumer Prices Index (CPI) 12-month rate was 0.6% in December 2020, up from 0.3% in November; on a monthly basis, CPI grew by 0.3% in December 2020, following a 0.1% fall in November. • The largest contribution to the CPI 12-month inflation rate came from recreation and culture. • The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 0.8% in December 2020, up from 0.6% in November.
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: 09 January, 2021.

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