

UK housing market steams ahead as stamp duty holiday is extended to 30th June 2021

The My Property Consultant Property Index Tracker - March 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 (6.9%, 4.7%, 3.0% respectively). The ONS also reported an increase of 8.5% during the same period.

Rents

The HomeLet Buy-to-Let Rental Index reports an increase of 3% in the national average over the last year. London's figures however have dropped by 4.7% over the same period, this is the ninth decrease in annual variance in subsequent months

Lending

The BoE Mortgage Approval Rate has decreased by 3.7% this month but is up by 40% compared to this time last year, still 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 24.1% compared to this time last year.

Indicator	12 Month Trendline	Current Value	Monthly/Quarterly % Change	Annual % Change	Comments
Nationwide House Price Growth (National)		£231,068	0.6% ↑	6.9% ↑	Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said: "February saw the annual rate of house price growth rebound to 6.9%, from 6.4% in January. House prices rose by 0.7% month-on-month, after taking account of seasonal effects, more than reversing the 0.2% monthly decline recorded in January. This increase is a surprise. It seemed more likely that annual price growth would soften further ahead of the end of the stamp duty holiday, which prompted many people considering a house move to bring forward their purchase. "While the stamp duty holiday is not due to expire until the end of March, activity and price growth would be expected to weaken well before that, given that the purchase process typically takes several months.the outlook for the housing market is unusually uncertain. There is scope for shifting housing preferences to continue to boost activity, especially if there is further policy support in the Budget. Nevertheless, if labour market conditions weaken as most analysts expect, it is likely that the housing market will slow in the months ahead."
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) *		£251,697	-0.1% ↓	4.7% ↑	Russell Galley, Managing Director, Halifax, said: "Having enjoyed an extremely strong period of activity in the second half of last year, the housing market continued its softer start to 2021, with average prices down very slightly (-0.1%) compared to January. However, with annual house price inflation currently at +5.2%, property values remain comfortably higher than 12 months ago, when February was the last full month before lockdown."
Rightmove Asking Price Growth (National)		£318,580	0.5% ↑	3.0% ↑	Given the expected loss of market momentum with the impending end of the tax holidays, Rightmove's whole-of-market view shows some surprisingly buoyant data. After three consecutive monthly falls, the average price of property coming to market has risen by 0.5% (+£1,522) this month. This is being fuelled by both a shortage of supply with fewer new sellers coming to market, and increased demand, with all our indicators of buyer activity being ahead of the same period last year. This new buyer demand surge is building momentum, and as it is now far too late to realistically complete a new purchase before the stamp duty holiday ends on the 31st March, it would appear that many buyers' desires to move are not dependent on the potential saving.... "It remains to be seen if this momentum will be enough to make up for the removal of the stamp duty savings that are benefitting many buyers and have been adding a sense of urgency to the whole market."
Rightmove Asking Price Growth (G London)		£621,886	3.0% ↑	-1.1% ↓	
Homelet Buy to Let index (rents - National)		£984	0.3% ↑	3.0% ↑	Commenting on the data, Andy Halstead HomeLet and Let Alliance CEO said: "Those in the lettings sector warned of the Tenants Fees Act's unintended consequences, along with the impact of the continued assault on landlords through policies that disincentivise property investment. We've seen the volume of UK landlords dip, whilst supply from tenants has continued to grow. Landlords have to charge more to cover their essential costs, including professional letting agents' valued services. Ultimately this pushes increased rents back on to tenants, the same group who supposedly should have benefited from legislation like the Tenants Fees Act." "The situation with COVID is only making this trend much more pronounced. We have high demand areas where stock levels have remained flat or even declined because tenants want to rent for longer and fewer landlords are investing in property."
Homelet Buy to Let index (rents - London)		£1,572	0.6% ↑	-4.7% ↓	
ONS House Price Index (Average Price - National)		£251,500	1.2% ↑	8.5% ↑	UK average house prices increased by 8.5% over the year to December 2020, up from 7.1% in November 2020, to stand at a record high of £252,000; this is the highest annual growth rate the UK has seen since October 2014. Average house prices increased over the year in England to £269,000 (8.5%), in Wales to £184,000 (10.7%), in Scotland to £163,000 (8.4%) and in Northern Ireland to £148,000 (5.3%). The North West was the English region to see the highest annual growth in average house prices (11.2%), while London saw the lowest (3.5%). However, London's average house prices remain the most expensive of any region in the UK at an average of £496,000 in December 2020.
ONS House Price Index (Average Price - London)		£496,066	-1.1% ↓	3.5% ↑	
Bank of England Mortgage Approval Rate *		98,994	-3.7% ↓	40.0% ↑	The number of mortgage approvals for house purchase in the UK decreased to 99,000 in January 2021, slightly down from a revised 102,800 in the previous month but above market expectations of 96,000.
Bank of England Base Rate		0.1%	0.0% →	0.0% →	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		50%	-13% ↓	N/A	The January 2021 RICS UK Residential Survey results point to a generally weaker trend in activity across the sales market to open the year. At the headline level, a net balance of -28% of respondents reported a decline in new buyer enquiries over the month, meanwhile, a national net balance of -18% of respondents cited a fall in agreed sales during January, down from a positive reading of +15% in December
HMRC Property Transactions (Uk Residential)		98,830	-25.2% ↓	17.9% ↑	<ul style="list-style-type: none"> The provisional seasonally adjusted estimate of UK residential transactions in January 2021 is 121,640, 24.1% higher than January 2020 and 2.4% lower than December 2020 The provisional non-seasonally adjusted estimate of UK residential transactions in January 2021 is 98,830, 17.9% higher than January 2020 and 25.2% lower than December 2020, this is the highest January total since 2007 when transactions reached 114,880. This is the first time we have had a drop in transactions since April 2020, in either actual or seasonally adjusted figures.
HMRC Property Transactions (Uk Residential) *		121,640	-2.4% ↓	24.1% ↑	
CPI - (Consumer Price Index)		109.0	-0.2% ↓	0.7% ↑	<ul style="list-style-type: none"> The Consumer Prices Index (CPI) rose 0.7% in the 12 months to January 2021, up from 0.6% to December 2020; on a monthly basis, CPI fell by 0.2%, following a 0.3% rise in December 2020. The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose 0.9% in the 12 months to January 2021, up from 0.8% to December 2020 The largest contribution to the CPIH 12-month inflation rate came from recreation and culture. On a monthly basis, the CPIH fell by 0.1% in January 2021, following a 0.2% rise in December 2020.
Rate of CPI (12 Month Rate)		0.7%	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: 07 March, 2021.

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