

UK house prices continue to increase

The My Property Consultant Property Index Tracker - June 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 (10.9%, 10.0%, 5.9% respectively). The ONS also reported an increase of 10.1% during the same period. It's important to note that the rightmove data is a month ahead of the others...

Rents

The HomeLet Buy-to-Let Rental Index reports an increase of 4.0% in the national average over the last year. London's figures are down by 0.9% compared to last year, however the rate has reversed over the last few months and is likely trending towards a positive result next month.

Lending

The BoE Mortgage Approval Rate has decreased by a further 4.2% this month but is up by 438.9% compared to this time last year, when transactions were at their lowest during the first lockdown.

Property transactions

After taking into account seasonal fluctuations the HMRC have reported an annual increase of 197.6% compared to this time last year. This number is still hugely inflated due to the Stamp Duty holiday and more importantly due to the effects of the first lockdown.

| Indicator | 12 Month Trendline | Current Value | Monthly/Quarterly % Change | Annual % Change | Comments |
|--|--------------------|---------------|----------------------------|-----------------|--|
| Nationwide House Price Growth (National) | | £242,832 | 1.7% ↑ | 10.9% ↑ | Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said: "May saw a further acceleration in annual house price growth to 10.9%, the highest level recorded since August 2014. In month-on-month terms, house prices rose by 1.8% in May, after taking account of seasonal effects, following a 2.3% rise in April. "The market has seen a complete turnaround over the past twelve months. A year ago, activity collapsed in the wake of the first lockdown with housing transactions falling to a record low of 42,000 in April 2020. But activity surged towards the end of last year and into 2021, reaching a record high of 183,000 in March. Housing market activity is likely to remain fairly buoyant over the next six months as a result of the stamp duty extension and additional support for the labour market included in the Budget, especially given continued low borrowing costs, improving credit availability and with many people still motivated to move as a result of changing housing preferences in the wake of the pandemic". |
| Nationwide House Price Growth (National - 3 Month Avg) | | £231,644 | 0.8% ↑ | 6.3% ↑ | |
| Nationwide House Price Growth (London - 3 Month Avg) | | £482,576 | -0.8% ↓ | 4.8% ↑ | |
| Halifax House Price Growth (National) * | | £261,743 | 1.4% ↑ | 10.0% ↑ | Russell Galley, Managing Director, Halifax, said: "House prices reached another record high in May, with the average property adding more than £3,000 (+1.4%) to its value in the last month alone. A year on from the first easing of national lockdown restrictions, and the gradual reopening of the housing market, annual growth surged to 10%, meaning the average UK home has increased in value by more than £22,000 over the past 12 months." |
| Rightmove Asking Price Growth (National) | | £333,564 | 1.8% ↑ | 5.9% ↑ | This month sees a new national record for the price of property coming to market, hitting an average of a third of a million pounds (£333,564). That is 1.8% (+£5,767) above the previous all-time high recorded a month ago. While the level of new properties coming up for sale is at a similar level to the long-term average, demand continues to massively exceed supply, especially in northern regions. In previous market upturns London has generally led the way, but the capital's rate of price increase since pre-lockdown March 2020 is now at a virtual standstill (+0.2%) compared to double digit price growth in areas further north. Prospective buyers are now faced with record prices for newly marketed properties in all regions and countries of Great Britain except London, with three areas seeing average rises of over 10% in the closest available year-on-year comparison |
| Rightmove Asking Price Growth (G London) | | £640,373 | 0.8% ↑ | 2.2% ↑ | |
| Homelet Buy to Let index (rents - National) | | £997 | 0.1% ↑ | 4.0% ↑ | Commenting on this month's data, Andy Halstead, chief executive at HomeLet & Let Alliance, said: "We've seen from sharp house price spikes across the country that the Coronavirus pandemic changed what Britons are looking for in a property. Many said to be looking for properties offering more living space; for those working from home as an example, that's also the case in the private rented sector. "Rental properties continue to play a crucial role in meeting the demands of people up and down the country, and the flexibility and responsiveness shown by the private rental sector will be vital in the coming months as the country opens up again. As rents increase, we've also seen an increase of over 10% in suspicious and fraudulent applications for let property; with backlogs and delays in processing evictions, the demand for high-quality tenant reference and insurances has never been higher. |
| Homelet Buy to Let index (rents - London) | | £1,583 | 0.2% ↑ | -0.9% ↓ | |
| ONS House Price Index (Average Price - National) | | £256,405 | 1.84% ↑ | 10.1% ↑ | • UK average house prices increased by 10.2% over the year to March 2021, up from 9.2% in February 2021; this is the highest annual growth rate the UK has seen since August 2007. • Average house prices increased over the year in England to £275,000 (10.2%), in Wales to £185,000 (11.0%), in Scotland to £167,000 (10.6%) and in Northern Ireland to £149,000 (6.0%). • London continues to be the region with the lowest annual growth (3.7%) for the fourth consecutive month. • Nevertheless, London's average house prices remain the most expensive of any region in the UK at an average of £500,000 in March 2021. |
| ONS House Price Index (Average Price - London) | | £500,310 | 1.0% ↑ | 3.7% ↑ | |
| Bank of England Mortgage Approval Rate * | | 86,921 | 4.2% ↑ | 438.9% ↑ | The number of mortgage approvals for house purchase in the UK went up to 86,920 in April, from an upwardly revised 83,400 in the previous month and above market expectations of 84,970. They have fallen from a recent peak of 103,400 in November, but have remained relatively strong. |
| 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 | | 83% | 13% ↑ | N/A | The May 2021 RICS UK Residential Survey results point to a widening disparity between demand and supply within the market, with the flow of new listings deteriorating over the month while buyer enquiries rose at a solid rate. As such, these dynamics continue to exert a considerable amount of upward pressure on house prices, as respondents across all parts of the UK reported a strong pick-up once again. |
| HMRC Property Transactions (Uk Residential) | | 111,260 | -35.8% ↓ | 197.8% ↑ | • The provisional non-seasonally adjusted estimate for UK residential transactions in April 2021 of 111,260 is the highest total in April since 2007 when transactions were 126,450. • Provisional non-seasonally adjusted UK residential transactions in April 2021 have increased 197.8% year on year, but caution is advised as a substantial amount of this difference is due to significant negative impacts from the coronavirus pandemic captured within April 2020 statistics. • Following year on year decreases in April and May 2020 of around 50% caused by the coronavirus pandemic, non-seasonally adjusted UK residential transactions have gradually increased, peaking in March 2021 with a provisional estimate of 173,410 transactions |
| HMRC Property Transactions (Uk Residential) * | | 117,860 | -35.7% ↓ | 179.6% ↑ | |
| CPI - (Consumer Price Index) | | 109.2 | 0.1% ↑ | 0.6% ↑ | • The Consumer Prices Index (CPI) rose by 1.5% in the 12 months to April 2021, up from 0.7% growth to March; on a monthly basis, the CPI rose by 0.6% in April 2021, following a 0.3% increase in March. • The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 1.6% in the 12 months to April 2021, up from 1.0% growth to March. • On a monthly basis, the CPIH rose by 0.7% in April 2021, following a 0.2% increase in March 2021. • The largest upward contributions to the CPIH 12-month inflation rate came from housing and household services (0.57 percentage points), and transport (0.56 percentage points). • These were partially offset by a large downward contribution from recreation and culture. |
| Rate of CPI (12 Month Rate) | | 1.5% | 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: 12 June, 2021.

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