

London rents rise to pre-pandemic levels

The My Property Consultant Property Index Tracker - November 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 (9.9%, 7.9%, 6.5% respectively). The ONS also reported an increase of 7.5% during the same period.

Rents

The HomeLet Buy-to-Let Rental Index reports an increase of 8.7% in the national average over the last year whilst London's figures are up 9.7% over the same period.

Lending

The BoE Mortgage Approval Rate is down by 2.1% this month and is 22.2% lower than this time last year.

Property transactions

After taking into account seasonal fluctuations the HMRC have reported an annual increase in transactions of 68.4% compared to this time last year. Without applying seasonal decomposition, this figure is 67.3% higher in the same time period.

Indicator	12 Month Trendline	Current Value	Monthly/Quarterly % Change	Annual % Change	Comments
Nationwide House Price Growth (National)		£250,311	0.63% ↑	9.9% ↑	Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said: "Annual house price growth remained elevated in October at 9.9%, albeit marginally lower than the 10.0% recorded in September. The price of a typical UK home has now passed the £250,000 mark, an increase of £30,728 since the pandemic struck in March 2020."
Nationwide House Price Growth (National - 3 Month Avg)		£247,535	2.0% ↑	10.3% ↑	"Demand for homes has remained strong, despite the expiry of the stamp duty holiday, indeed, mortgage applications remained robust at 72,645 in September, more than 10% above the monthly average recorded in 2019. Combined with a lack of homes on the market, this helps to explain why price growth has remained robust. The outlook remains extremely uncertain, if the labour market remains resilient, conditions may stay fairly buoyant in the coming months – especially as the market continues to have momentum and there is scope for ongoing shifts in housing preferences as a result of the pandemic to continue to support activity. However, a number of factors suggest the pace of activity may slow."
Nationwide House Price Growth (London - 3 Month Avg)		£500,980	-1.8% ↓	4.2% ↑	
Halifax House Price Growth (National) *		£270,027	0.9% ↑	7.9% ↑	Russell Galley, Managing Director, Halifax, said: "UK house prices climbed again in October, as the value of the average property grew by 0.9%, an increase of more than £2,500 during the month. With prices rising for a fourth straight month, the annual rate of inflation now sits at 7.9%, its highest level since June. "One of the key drivers of activity in the housing market over the past 18 months has been the race for space, with buyers seeking larger properties, often further from urban centres. Since April 2020, the first full month of lockdown, the value of the average property has soared by £31,516 (13.2%)."
Rightmove Asking Price Growth (National)		£344,445	1.8% ↑	6.5% ↑	The price of property coming to market has surged past last month's record and jumped by an average of 1.8% (+£5,983) this month. This is the highest percentage monthly rise at this time of year since October 2015. In addition, this is the first time since March 2007 that Rightmove has recorded a 'full house', with all market sectors and all regions of Great Britain having hit new record price highs in the same month. The continued fast turnover of property for sale and a window of opportunity to buy before a potential interest rate rise seem to have overcome the final expiry of all stamp duty incentives and are keeping activity robust.
Rightmove Asking Price Growth (G London)		£650,683	1.9% ↑	2.6% ↑	
Homelet Buy to Let index (rents - National)		£1,059	-0.2% ↓	8.7% ↑	Commenting on the latest data, Chris Turner, Head of business development for HomeLet said: "In normal market conditions, we might see spikes in rental values for desirable or emerging areas, but we're still seeing a really high demand for all property in the lettings market; that's now the case in most parts of the UK. With fewer new properties coming up to rent when compared to pre-pandemic levels, we can expect the trends we see continuing throughout 2022."
Homelet Buy to Let index (rents - London)		£1,759	0.4% ↑	9.7% ↑	"There was no specific mention of lettings or the private rented sector in the Budget, which might come as a welcome relief to many landlords, especially given the raft of changes that have impacted them in the past few years. The private rented sector provides a home to millions of people across the country. Our view is that the Government should give as much consideration to supporting this vital sector as it does to homeownership."
ONS House Price Index (Average Price - National)		£264,244	2.9% ↑	10.6% ↑	<ul style="list-style-type: none"> The latter half of 2020 saw the UK's average house price growth accelerating. This trend continued into 2021 as the UK average house price for August 2021 was £264,000, up from £257,000 in July 2021, which followed the record level seen in June 2021 (£265,000). UK average house prices increased by 10.6% over the year to August 2021, up from 8.5% in July. Average house prices increased over the year in England to £281,000 (9.8%), in Wales to £195,000 (12.5%), in Scotland to £181,000 (16.9%) and in Northern Ireland to £153,000 (9.0%). London continues to be the region with the lowest annual growth (7.5%) for the ninth consecutive month however the latest data has recorded a huge 5.6% spike in the last month.
ONS House Price Index (Average Price - London)		£525,893	5.6% ↑	7.5% ↑	
Bank of England Mortgage Approval Rate *		72,645	-2.1% ↓	-22.2% ↓	The number of mortgage approvals for house purchase in the UK decreased to 72,600 in September 2021, from a revised 74,200 in the previous month and slightly above market expectations of 70,950. This was again the lowest since July 2020, but remained above pre-pandemic levels.
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 UK Residential Survey		70%	2% ↑	N/A	The October 2021 RICS UK Residential Survey results point to another small dip in the volume of sales agreed over the month. That said, with demand picking up slightly and near term sales expectations modestly positive, it looks as if sales will at least stabilise going forward. Still weighing on the market however, the lack of available supply continues to present would-be buyers with limited choice, and remains a key factor underpinning strong house price growth.
HMRC Property Transactions (Uk Residential)		165,720	59.7% ↑	67.3% ↑	<ul style="list-style-type: none"> The provisional seasonally adjusted estimate of UK residential transactions in September 2021 is 160,950, 68.4% higher than September 2020 and 67.5% higher than August 2021 The provisional non-seasonally adjusted estimate of UK residential transactions in September 2021 is 165,720, 67.3% higher than September 2020 and 59.7% higher than August 2021 This is the highest September total since the introduction of these statistics in April 2005 Following year on year decreases in April and May 2020 of around 50% caused by the coronavirus pandemic, non-seasonally adjusted UK residential transactions gradually increased, before peaking in March and June 2021
HMRC Property Transactions (Uk Residential) *		160,950	67.5% ↑	68.4% ↑	
CPI - (Consumer Price Index)		110.2	0.2% ↑	1.0% ↑	<ul style="list-style-type: none"> The CPI rose by 3.1% in the 12 months to September 2021, down from 3.2% in August. On a monthly basis, CPI increased 0.3% in September 2021, compared with a rise of 0.4% in September 2020. The CPI including owner occupiers' housing costs (CIPIH) rose by 2.9% in the 12 months to September 2021, down from 3.0% in the 12 months to August. The largest upward contribution to the CPIH 12-month inflation rate came from transport, housing and household services, restaurants and hotels, and recreation and culture, whilst restaurants and hotels made the largest downward contribution to the change
Rate of CPI (12 Month Rate)		3.1%	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: 13 November, 2021.

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