

## UK House prices hit record high

### The My Property Consultant Property Index Tracker - October 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%, 7.2%, 5.8% respectively). The ONS also reported an increase of 8.0% during the same period.

#### Rents

The HomeLet Buy-to-Let Rental Index reports an increase of 7.5% in the national average over the last year whilst London's figures are up 6.4% over the same period.

#### Lending

The BoE Mortgage Approval Rate is down by 0.9% this month and is 15.3% lower than this time last year.

#### Property transactions

After taking into account seasonal fluctuations the HMRC have reported an annual increase in transactions of 20.8% compared to this time last year. Without applying seasonal decomposition, this figure is 24.8% higher in the same time period.

Indicator	12 Month Trendline	Current Value	Monthly/Quarterly % Change	Annual % Change	Comments
Nationwide House Price Growth (National)		£248,742	-0.05% ↓	10.0% ↑	Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said: "Annual house price growth remained in double digits for the fifth month in a row in September, though there was a modest slowdown to 10.0%, from 11.0% in August. House prices rose by 0.1% month-on-month, after taking account of seasonal effects, but dropped by 0.05% (£115) with no adjustment. As a result, house prices remain c13% higher than before the pandemic began in early 2020.
Nationwide House Price Growth (National - 3 Month Avg)		£247,535	2.0% ↑	10.3% ↑	"Our regional house price data is produced quarterly and showed a mixed picture across the country in Q3 (the three months to September). While price growth accelerated in Wales, Northern Ireland and Scotland, most English regions recorded a slowdown. Wales was the strongest performing region with house prices up 15.3% year-on-year – the highest rate of growth since 2004. "London was the weakest performer, with annual growth slowing to 4.2% from 7.3% last quarter. The surrounding Outer Metropolitan region, which includes places such as Luton, Watford, Sevenoaks and Woking, also saw a softening to 6.8%, down from 8.2% in Q2
Nationwide House Price Growth (London - 3 Month Avg)		£500,980	-1.8% ↓	4.2% ↑	
Halifax House Price Growth (National) *		£267,587	1.8% ↑	7.2% ↑	Russell Galley, Managing Director, Halifax, said: "UK house prices rose by 1.8% in September, adding more than £4,400 to the value of the average property. This rate of monthly growth was the strongest since February 2007, pushing year-on-year house price inflation up to 7.2%. This also reversed the recent three-month downward trend in annual growth, which had peaked at an annual rate of 9.6% in May. The price of an average house is now as expensive as it has ever been, standing at just over £267,500.
Rightmove Asking Price Growth (National)		£338,462	0.3% ↑	5.8% ↑	<ul style="list-style-type: none"> <li>The national average price of property coming to market hits a new all-time high after rising by 0.3% (+£1,091) this month, to £338,462</li> <li>This new record high is only £15 higher than the previous record set in July, a sign that prices are now stabilising</li> <li>Hottest ever competition to buy, with buyer demand per property for sale more than double pre-pandemic levels</li> <li>Early signs of a better-balanced autumn market with more homes coming up for sale to help with buyer choice, with the number of new listings in the first two weeks of September 14% higher than the last two weeks of August</li> </ul>
Rightmove Asking Price Growth (G London)		£638,285	0.4% ↑	0.8% ↑	
Homelet Buy to Let index (rents - National)		£1,061	0.8% ↑	7.5% ↑	Commenting on the latest data, Matthew Carter, HomeLet & Let Alliance Head of Marketing, said: "UK rents are up by 9.7% on pre-pandemic levels (2019), but most of the increases have happened this year. At first, we saw rents outside London surge whilst prices in the capital dipped, but we're now seeing rents in London rise much more rapidly, fueling the record rental levels we see across the country. "Typically, rental prices rise in line with inflation and wage growth; that's something we've continued to see. Despite record rents, tenants moving home spend a similar percentage of their income on their monthly rent. In September, the average household spent 29.6% of their gross income on rent, compared with 30.9% in September 2019, before the pandemic. Ultimately demand, coupled with lower stock levels for certain types of property, are driving up rental values. The concern is that we're at a point where there are some areas with exceptionally high demand.
Homelet Buy to Let index (rents - London)		£1,752	2.3% ↑	6.4% ↑	
ONS House Price Index (Average Price - National)		£255,535	-3.7% ↓	8.0% ↑	<ul style="list-style-type: none"> <li>UK average house prices increased by 8.0% over the year to July 2021, down from 13.1% in June 2021. The average UK house price is £256,000, this is £19,000 higher than in July 2020.</li> <li>London continues to be the region with the lowest annual growth (2.2%) for the eighth consecutive month, however they remain the most expensive of any region in the UK, at an average of £495,000. Meanwhile the North East had the highest growth, with average prices increasing by 10.8%</li> <li>On a non-seasonally adjusted basis, average house prices in the UK decreased by 3.7% between June and July 2021, compared with an increase of 0.8% in the same period a year ago.</li> <li>On a seasonally adjusted basis, average house prices in the UK decreased by 4.4% between June and July 2021, following an increase of 4.5% in the previous month.</li> </ul>
ONS House Price Index (Average Price - London)		£494,673	-2.0% ↓	2.2% ↑	
Bank of England Mortgage Approval Rate *		74,453	-0.9% ↓	-15.3% ↓	The number of mortgage approvals for house purchase in the UK decreased to 74,500 in August 2021, from a revised 75,100 in the previous month and slightly above market expectations of 73,000. This was again the lowest since July 2020, but remained above pre-February 2020 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		68%	-4% ↓	N/A	The September 2021 RICS UK Residential Survey results show a steadier trend in buyer demand coming through, following a brief pull-back in the wake of the flurry of activity seen prior to the phasing out of the Stamp Duty holiday. As such, this appears to be supporting expectations that sales will stabilise going forward, although a lack of supply remains a key impediment.
HMRC Property Transactions (Uk Residential)		106,150	28.0% ↑	24.8% ↑	<ul style="list-style-type: none"> <li>The provisional seasonally adjusted estimate of UK residential transactions in August 2021 is 98,300, 20.8% higher than August 2020 and 32.0% higher than July 2021</li> <li>The provisional non-seasonally adjusted estimate of UK residential transactions in August 2021 is 106,150, 24.8% higher than August 2020 and 28.0% higher than July 2021</li> <li>The provisional estimate of 106,150 for non-seasonally adjusted UK residential transactions is close to levels recorded prior to the coronavirus pandemic</li> <li>The provisional non-seasonally adjusted estimate for residential transactions in 2021 quarter 2 of 430,110 is the highest quarterly total since 2007 quarter 3 (442,930)</li> </ul>
HMRC Property Transactions (Uk Residential) *		98,300	32.0% ↑	20.8% ↑	
CPI - (Consumer Price Index)		110.0	0.2% ↑	1.3% ↑	<ul style="list-style-type: none"> <li>The Consumer Prices Index rose by 3.2% in the 12 months to August 2021, up from 2.0% in July: the increase of 1.2 percentage points is the largest ever recorded increase in the CPI National Statistic 12-month inflation rate series, which began in January 1997; this is likely to be a temporary change.</li> <li>On a monthly basis, CPI increased 0.7% in August 2021, compared with a fall of 0.4% in August 2020.</li> <li>The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 3.0% in the 12 months to August 2021, up from 2.1% in the 12 months to July.</li> <li>CPIH increased by 0.6% on the month in August 2021, compared with a fall of 0.3% in August 2020.</li> </ul>
Rate of CPI (12 Month Rate)		3.2%	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 October, 2021.

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