

House price growth rate dips slightly but shortfall in availability continues to push prices up

The My Property Consultant Property Index Tracker - August 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 (10.5%, 8.0%, 5.7% respectively). The ONS also reported an increase of 10.0% during the same period.

Rents

The HomeLet Buy-to-Let Rental Index reports an increase of 6.6% in the national average over the last year whilst London's figures are up 2.1% compared to last year, which sees a further increase compared to the 1.5% recorded last month.

Lending

The BoE Mortgage Approval Rate is down by 7% this month but still high compared to lockdown levels last year (99%).

Property transactions

After taking into account seasonal fluctuations the HMRC have reported an annual increase of 219% 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)		£244,229	-0.5% ↓	10.5% ↑	Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said: "Annual house price growth slowed to 10.5% in July, from the 17-year high of 13.4% recorded the previous month. In month-on-month terms, house prices fell by 0.5%, after taking account of seasonal effects, following a 0.7% rise in June. "The modest fallback in July was unsurprising given the significant gains recorded in recent months. Indeed, house prices increased by an average of 1.6% a month over the April to June period – more than six times the average monthly gain recorded in the five years before the pandemic. "The tapering of stamp duty relief in England is also likely to have taken some of the heat out of the market. The nil rate band threshold decreased from £500,000 to £250,000 at the end of June (it will revert to £125,000 at the end of September). This provided a strong incentive to complete house purchases before the end of June, especially for higher priced properties.
Nationwide House Price Growth (National - 3 Month Avg)		£242,709	4.8% ↑	10.3% ↑	
Nationwide House Price Growth (London - 3 Month Avg)		£509,935	5.7% ↑	7.3% ↑	
Halifax House Price Growth (National) *		£261,221	0.3% ↑	8.0% ↑	Russell Galley, Managing Director, Halifax, said: "House prices rose by 0.3% in July to add £1,122 to the cost of the average property, pulling back some of the ground lost during June (-0.6%, -£1,543). Annual price growth fell to +8.0%, its lowest level since March. This easing was somewhat expected given the strength of price inflation seen last summer, as the market began its recovery from the first lockdown, and with activity supported by the start of the stamp duty holiday.
Rightmove Asking Price Growth (National)		£338,447	0.7% ↑	5.7% ↑	The busiest first half of a year ever recorded by Rightmove pushes the average price of property coming to market to a new record high for the fourth consecutive month, and £21,389 higher (+6.7%) in just six months. The new alltime high of £338,447 is due to a monthly rise of 0.7% (+£2,374). This is the largest monthly rise at this time of year since July 2007. Rightmove analysis has identified a shortfall of 225,000 homes for sale which, if available, would have helped to maintain a more normal level of property stock for sale and would have helped stabilise prices. This stark shortfall, along with frenzied buyer activity, is fuelling record high prices and leading to record lows in available stock for sale. With high activity levels continuing despite the June stamp duty deadline now passing, there is an urgent need for these low stocks of property for sale to be rebuilt in order for price stability to return.
Rightmove Asking Price Growth (G London)		£645,268	-0.8% ↓	2.3% ↑	
Homelet Buy to Let index (rents - National)		£1,029	2.2% ↑	6.6% ↑	Commenting on this month's data, Andy Halstead, chief executive at HomeLet & Let Alliance, said: "As a group, we've seen exceptional growth, supporting over 5,000 professional letting agents across the UK. With data based on 1m tenant reference per year, the rental index provides the market with the most concise view of achieved rents. "The data shows the exceptional growth in rental values, particularly in areas that are within commutable distance to London. Throughout the pandemic, the rate of growth in some regions has more than doubled against previous years. We see positive signs in the Capital, rents are now just 1.2% down on pre-pandemic levels from July 2019, with boroughs in central and inner London showing growth in achieved rental values. With restrictions easing, optimism is returning. The demand will steadily grow for the rest of the year."
Homelet Buy to Let index (rents - London)		£1,645	2.4% ↑	2.1% ↑	
ONS House Price Index (Average Price - National)		£254,624	0.9% ↑	10.0% ↑	<ul style="list-style-type: none"> • UK average house prices increased by 10.0% over the year to May 2021, up from 9.6% in April 2021. • UK average house prices saw a slight monthly increase (0.9%) in the month to May 2021 to £255,000, nearly returning to the record UK average house price seen in March 2021 (£256,000). • Average house prices increased over the year in England to £271,000 (9.7%), in Wales to £184,000 (13.3%), in Scotland to £171,000 (12.1%) and in Northern Ireland to £149,000 (6.0%). • London continues to be the region with the lowest annual growth (5.2%) for the sixth consecutive month, London's average house prices remain the most expensive of any region in the UK at an average of £498,000 in May 2021.
ONS House Price Index (Average Price - London)		£497,948	-0.7% ↓	5.2% ↑	
Bank of England Mortgage Approval Rate *		81,338	-7.1% ↓	99.9% ↑	The number of mortgage approvals for house purchase in the UK decreased to 81,300 in June 2021, from a revised 86,900 in the previous month and below market expectations of 86,000. The number of approvals, which is an indicator for future lending, fell to 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		79%	-4% ↓	N/A	The July 2021 RICS UK Residential Survey results signal a slightly softer month for new activity across the housing market, which is perhaps unsurprising following the start of the phasing out of the Stamp Duty holiday from the end of June. Even so, the lack of stock available at present continues to underpin house price inflation, with the headline metric on prices showing minimal signs of easing over the latest survey period.
HMRC Property Transactions (UK Residential)		213,120	108.6% ↑	216.1% ↑	<ul style="list-style-type: none"> • The provisional seasonally adjusted estimate of UK residential transactions in June 2021 is 198,240, 219.1% higher than June 2020 and 74.1% higher than May 2021 • The provisional non-seasonally adjusted estimate of UK residential transactions in June 2021 is 213,120, 216.1% higher than June 2020 and 108.5% higher than May 2021 • The provisional non-seasonally adjusted estimate for UK residential transactions in June 2021 of 213,120 is the highest monthly UK total since the introduction of these statistics in April 2005
HMRC Property Transactions (UK Residential) *		198,240	74.1% ↑	219.1% ↑	
CPI - (Consumer Price Index)		109.6	0.2% ↑	0.9% ↑	<ul style="list-style-type: none"> • The Consumer Prices Index (CPI) rose by 2.5% in the 12 months to June 2021, up from 2.1% to May; on a monthly basis, CPI rose by 0.5% in June 2021, compared with a rise of 0.1% in June 2020. • The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 2.4% in the 12 months to June 2021, up from 2.1% in the 12 months to May. • The largest upward contribution to the CPIH 12-month inflation rate came from transport (0.80 percentage points). • On a monthly basis, CPIH rose by 0.4% in June 2021, compared with a rise of 0.1% in June 2020.
Rate of CPI (12 Month Rate)		2.5%	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 August, 2021.

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