

## ONS reports house price growth of 13% over past 12 months

### The My Property Consultant Property Index Tracker - September 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 (11%, 6.9%, 5.6% respectively). The ONS also reported an increase of 13.2% during the same period.

#### Rents

The HomeLet Buy-to-Let Rental Index reports an increase of 6.9% in the national average over the last year whilst London's figures are up 3.6% over the same period.

#### Lending

The BoE Mortgage Approval Rate is down by 7.6% this month but is 10.9% higher than this time last year.

#### Property transactions

After taking into account seasonal fluctuations the HMRC have reported an annual increase in transactions of 4.2% compared to this time last year. Without applying seasonal decomposition, this figure is only 1.8% higher in the same time period.

Indicator	12 Month Trendline	Current Value	Monthly/Quarterly % Change	Annual % Change	Comments
Nationwide House Price Growth (National)		£248,857	1.9% ↑	11.0% ↑	Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said: "Annual house price growth increased to 11% in August, from 10.5% in July. Prices rose 1.9% in month-on-month terms, (2.1% after taking account of seasonal effects). House prices are now around 13% higher than when the pandemic began. The bounce back in August is surprising because it seemed more likely that the tapering of stamp duty relief at the end of June would take some of the heat out of the market. Moreover, the monthly price increase was substantial – at 2.1%, it was the second largest monthly gain in 15 years (after the 2.3% monthly rise recorded in April this year). "The strength may reflect strong demand from those buying a property priced between £125,000 and £250,000 who are looking to take advantage of the stamp duty relief in place until the end of September, though the maximum savings are substantially lower. "Lack of supply is also likely to be a key factor behind August's price increase, with estate agents reporting low numbers of properties on their books.
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) *		£262,954	0.7% ↑	6.9% ↑	Russell Galley, Managing Director, Halifax, said: Average house prices climbed again in August, with the cost of a property increasing by 0.7% or £1,789. Back-to-back monthly price gains have now pushed the cost of a typical home to a record of £262,954, topping the previous high (£261,642) recorded in May this year.
Rightmove Asking Price Growth (National)		£337,371	-0.3% ↓	5.6% ↑	Summer holiday distractions normally lead to an August slowdown in activity and lessening of price pressure, and although we have seen the first overall monthly fall in the average price of property coming to market so far in 2021, this is predominantly due to a cooling at the higher end of the market. The average price of property coming to market falls by 0.3% (-£1,076) this month, driven by a 0.8% drop in the upper-end typically four-bedroom-plus sector. In contrast there are new record price highs in the mass-market sectors made up of two bedroom and fewer first-time-buyer-type properties, up by £1,328 (+0.6%) and three to four bedroom second-stepper-type properties, up by £975 (+0.3%), where activity remains very strong.
Rightmove Asking Price Growth (G London)		£635,585	-1.5% ↓	1.0% ↑	
Homelet Buy to Let index (rents - National)		£1,053	2.3% ↑	6.9% ↑	Commenting on the latest data, Rob Wishart, HomeLet & Let Alliance Head of Business Intelligence, said: "Typically, rents for new tenancies will rise in line with the rate of inflation, but that's not been the case in the past few months. The demand for housing and certain property types is outstripping supply in many areas, causing upward pressure on rental prices. We can expect the increase in rents to continue for the foreseeable future, with many regions now seeing unprecedented demand for housing stock and landlords. "In the capital, we have seen yet another price rise, and we may see London accelerate at a faster rate than the rest of the country in the coming months, as international travel ramps up and rates of working from home move in the opposite direction."
Homelet Buy to Let index (rents - London)		£1,713	4.1% ↑	3.6% ↑	
ONS House Price Index (Average Price - National)		£265,668	4.5% ↑	13.2% ↑	• UK average house prices increased by 13.2% over the year to June 2021, up from 9.8% in May 2021; this is the highest annual growth rate the UK has seen since November 2004. • UK average house prices reached a record high of £266,000 in June 2021, which is £31,000 higher than this time last year. • Average house prices increased over the year in England to £284,000 (13.3%), in Wales to £195,000 (16.7%), in Scotland to £174,000 (12.0%) and in Northern Ireland to £153,000 (9.0%). • London continues to be the region with the lowest annual growth (6.3%) for the seventh consecutive month.
ONS House Price Index (Average Price - London)		£510,299	2.5% ↑	6.3% ↑	
Bank of England Mortgage Approval Rate *		75,152	-7.6% ↓	10.9% ↑	The number of mortgage approvals for house purchase in the UK decreased to 75,200 in July 2021, from a revised 80,300 in the previous month and below market expectations of 78,600. This was 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		73%	-6% ↓	N/A	The August 2021 RICS UK Residential Survey results again point to a slight softening in activity over the month, with the market seemingly taking a breather following the surge in sales recorded prior to the phasing out of the Stamp Duty holiday. Nevertheless, respondents expect activity to stabilise in the near term and foresee a modestly positive trend returning over the twelve month time horizon.
HMRC Property Transactions (UK Residential)		82,110	-61.5% ↓	1.8% ↑	• After significant forestalling activity by taxpayers was captured within UK residential transactions completed in June 2021 statistics, the non-seasonally adjusted provisional estimate of UK residential transactions completed in July 2021 has decreased by 61.5% • The provisional non-seasonally adjusted estimate for UK residential transactions in 2021 quarter 2 of 429,290 is the highest quarter 2 total since the introduction of these statistics in April 2005, and the highest quarterly total since 2007 quarter 3 (442,930)
HMRC Property Transactions (UK Residential) *		73,740	-62.8% ↓	4.2% ↑	
CPI - (Consumer Price Index)		109.8	0.2% ↑	0.6% ↑	• The Consumer Prices Index (CPI) rose by 2.0% in the 12 months to July 2021, down from 2.5% to June; on a monthly basis, CPI was unchanged in July 2021, compared with a rise of 0.4% in July 2020. • The Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 2.1% in the 12 months to July 2021, down from 2.4% in the 12 months to June. • The largest upward contribution to the CPIH 12-month inflation rate came from transport (0.85 percentage points). • CPIH was unchanged on the month in July 2021, compared with a rise of 0.4% in July 2020.
Rate of CPI (12 Month Rate)		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: 11 September, 2021.

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