

RESEARCH

RESIDENTIAL MARKET UPDATE

October 2020

MARKET OVERVIEW

The heat within the UK housing market has continued over the last five weeks, despite some surrounding nervousness about the end of the Government's Job Retention Scheme (although it has now been announced there will be a targeted Job Support Scheme once the

furlough scheme closes) and rising COVID-19 cases, which has already resulted in some increased social distancing measures. Pent-up demand during lockdown and the changing household aspirations it has brought about, together with the stamp duty (SDLT) holiday has brought people flocking (back) into the housing market. Mortgage approval numbers have nearly returned to normal for this time of year and during August Nationwide reported the steepest monthly increase in house prices for over 16 years.

Sales Prices

- The strength of the housing market continues and this was no more evident than in the various house price indices reported over the last few weeks. House prices were reported to have risen by 2.0% on a monthly basis according to Nationwide, the **highest monthly rise in over 16 years** according to the bank. This led to a 3.7% annual rise in average UK prices.
- The Halifax index was similarly positive and reported a 1.6% monthly price rise during August over July, with average **house prices now having risen 5.2% over the same time last year.**
- The property website portal **Rightmove reported a solid 5.0% rise in the asking price of properties listed on their site**, over the same time last year. On a monthly basis the portal shows slightly more subdued growth of 0.2% although this follows a record rise earlier in July.



Mortgage approval numbers have nearly returned to normal for this time of year.

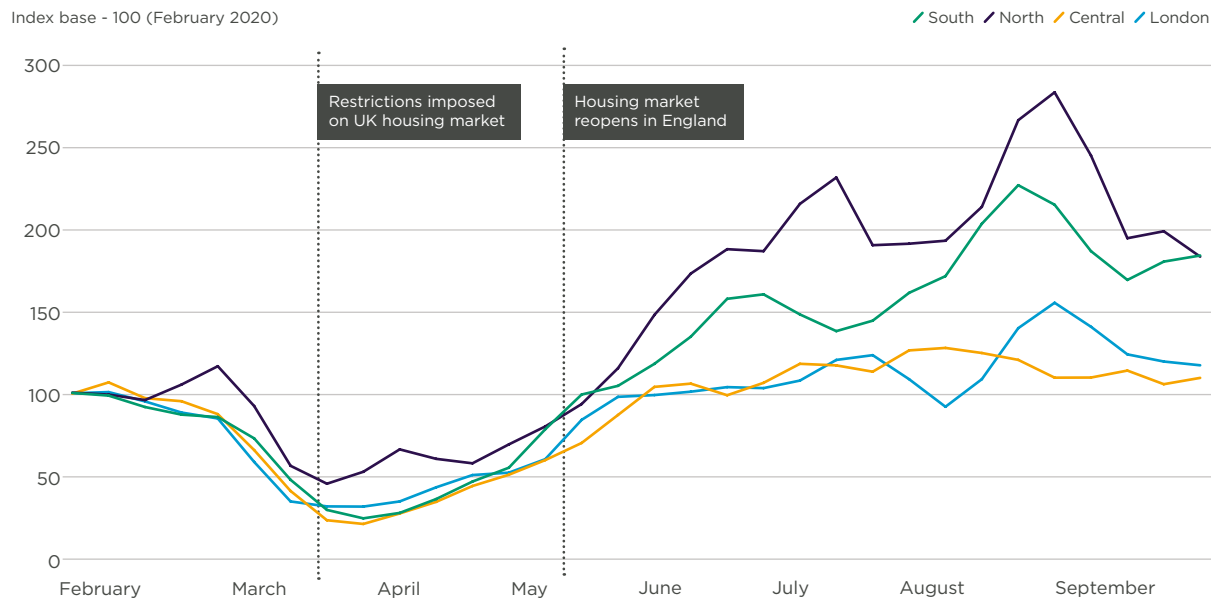


2.0%

Nationwide recorded the highest monthly house price growth in over 16 years

Figure 1 Enquiry levels, Carter Jonas offices

Source: Rightmove, Zoopla, Carter Jonas



Activity

- **Enquiry levels across the Carter Jonas offices have stabilised** in London and the central areas, while those in the north and south have declined slightly but this is only after weeks of unprecedented, and in many ways unsustainable, levels of demand. We have begun to see new buyer and new tenant registrations decline slightly across many of our offices.
- Nevertheless, enquiries remain well above pre-pandemic levels with **our offices in the north and south still seeing over 80% more enquiries now than in February**, while our London offices are experiencing nearly 20% more enquiries, with 10% more across our central offices.
- Our offices in **London and the south have seen the**

highest rise in enquiry levels following the stamp duty holiday announced in early July. This follows a stronger rise in enquiries earlier in the summer in our more rural offices from people looking to upsize or for more outdoor space.

- The web portal Rightmove reported in late September that home buyers do appear to be looking for the larger properties as housing priorities

and preferences change following lockdown and the related consequences of the pandemic crisis: the number of agreed sales of three- or four-bedroom homes (excluding detached homes) was up 55% compared with last year, **while agreed sales of four-bedroom detached houses (what they term 'top of the ladder' properties) has doubled, rising by 104% over the same period last year.**



104%

Rise in agreed sales of four-bedroom detached homes, compared with last year
(Source: Rightmove)

OFFICIAL HOUSE PRICE DATA

HM Land Registry
June 2020*

Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
West Oxfordshire	£339,307	-0.5%	7.5%
Bath and North East Somerset	£354,739	0.0%	7.5%
London	£490,495	3.6%	4.2%
South Oxfordshire	£428,108	-0.6%	3.9%
Wiltshire	£278,773	1.1%	3.8%
Inner London	£585,224	0.4%	3.5%
England	£254,423	2.8%	3.5%
Prime Central London	£1,185,575	2.3%	3.4%
United Kingdom	£237,834	2.7%	3.4%
Suffolk	£249,728	1.5%	3.3%
York	£261,560	-0.4%	3.2%
Northamptonshire	£233,451	-0.1%	2.9%
Leeds	£187,745	1.5%	2.8%
Somerset	£239,317	0.9%	2.6%
South West London	£661,335	1.1%	2.5%
Vale of White Horse	£361,023	1.0%	2.4%
Outer London	£427,227	0.5%	2.0%
Cambridge	£439,803	0.5%	1.6%
Cambridgeshire	£298,045	1.7%	1.4%
South Cambridgeshire	£378,656	3.4%	1.2%
Northampton	£214,194	-0.3%	0.7%
Winchester	£407,048	-1.6%	0.5%
West Berkshire	£349,121	0.8%	-1.4%
Oxford	£382,444	-2.0%	-1.8%
Harrogate	£268,083	-2.0%	-4.9%

Source: HM Land Registry
*In May, the ONS suspended the Official House Price Index until further notice. On 19 August, the publication resumed and the catch-up schedule means data is now up to and including June 2020



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Carter Jonas



INCREASE IN ENQUIRY LEVELS SINCE THE MARKET REOPENED IN MID-MAY, AT CARTER JONAS OFFICES

30%
LONDON

63%
SOUTH

82%
CENTRAL

106%
NORTH

We're closely analysing what happens next

We're monitoring the market so we can get you the best possible price for your property. If you're keen to sell your property as soon as possible or simply curious to know what it's worth during these changing times **CLICK HERE** to book a complimentary market appraisal.

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Sources: Carter Jonas Research, ARLA PropertyMark, Bicycle Association, Cycling Weekly, Halifax, HBF, Nationwide, ONS, Rightmove, Zoopla

ABOUT CARTER JONAS

Carter Jonas LLP is a leading UK property consultancy supported by a national network of 33 offices and 800 property professionals. Our team is renowned for their quality of service, expertise and the **simply better advice** they offer their clients.

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