

RESEARCH

RESIDENTIAL MARKET UPDATE

March 2021

MARKET OVERVIEW

As the country hit the milestone 15 million vaccine doses given, including all the top four tier groups, there is hope that 2021 will be a year of exceptional growth. With the vaccine programme now going at full speed, a return to 'normal' by the summer or early autumn certainly looks more feasible by the day.

In the meantime, all eyes are on housing market data over the coming weeks and months as it has been one of the best performing sectors of the economy over the last eight months. The approaching end of the Stamp Duty holiday however had started to reflect in the market as the pace of growth slowed. However it has recently been reported that the Chancellor may now extend the tax break holiday for a further three months, a move welcome by the industry as it will help boost demand. Furthermore, but there is still a large group of householders who

are looking to move as changing preferences and priorities together with new remote working patterns means their housing situations are in need of change. This group will help to buoy demand and keep momentum on price growth.

6.4%

annual house price growth in January

(Source: Nationwide)



Sale Prices

- Nationwide recorded annual house price growth of 6.4% in January, the first slowdown in price growth recorded by the Bank for six months. This might be reflective of the growing pace of house price growth last year, following the 'Boris bounce' and before the COVID pandemic struck.

- This same slowing pace of growth was noted by Halifax in their latest update (end January), where they showed annual price growth of 5.4% in January, down from 6.0% the month before and reflects a monthly fall of 0.3%.
- The property portal website Rightmove on the other hand noted a surprise 0.5% monthly rise in asking prices in the last four weeks (most recent report, February 2021), following three consecutive months of declines.
- In the lettings market, Rightmove reported in their latest Rental Tracker that some city centre rents are posting annual falls of up to 12% as demand wanes for urban locations.



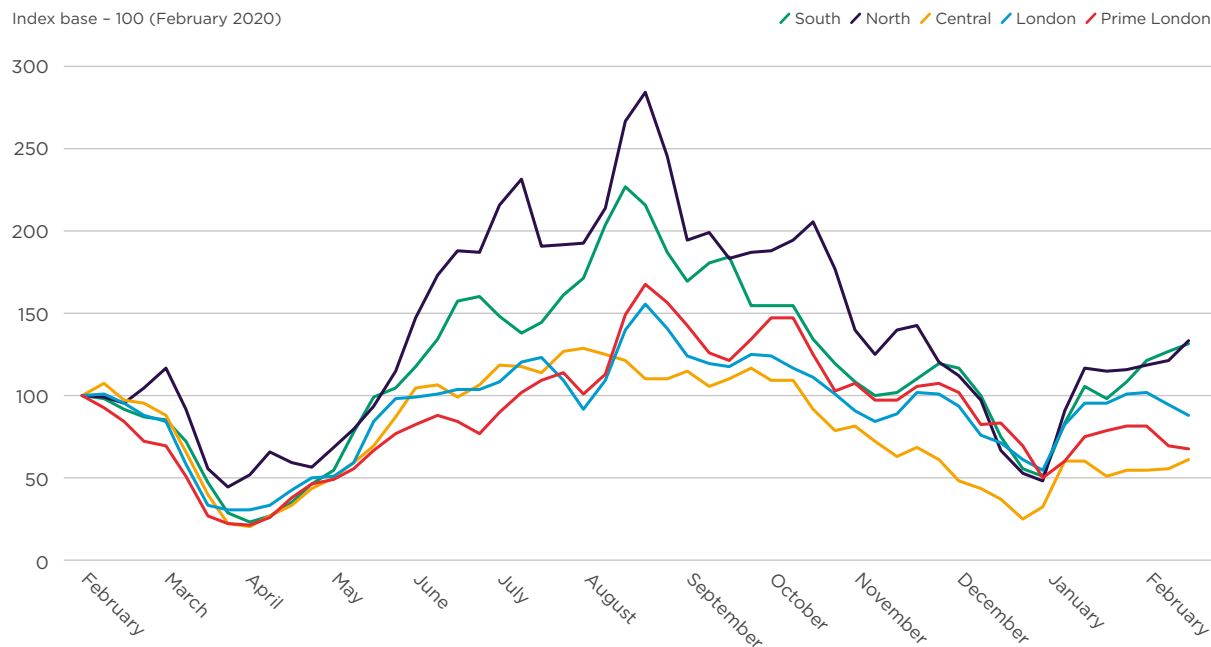
Activity

- Enquiry levels have remained resilient over the last four weeks, despite being in the midst of a national lockdown. In all of our offices outside of London enquiry levels are up by an average of 15% compared with one month ago. In London however the story is slightly different as enquiry levels here are down by around 8% month-on-month with levels of enquiry in Prime Central London down by 10%.
- There was a small 2% monthly decline in mortgage approvals during December according to the Bank of England's latest data. Nevertheless, this still means there were over 103,000 approvals during the month, the second highest monthly figure in over 15 years after November's figure of 105,000. This also means that despite the market lockdown for two months earlier in 2020, there were more approvals during 2020 than the year before, with a rise of 4%.
- Rightmove's latest house price index report notes that buyer demand during January was ahead of the same period one year ago, and this was the case throughout the first week of February as well. On the other



Figure 1 Enquiry levels, Carter Jonas offices

Source: Rightmove, Zoopla, Carter Jonas research



hand, the number of new sellers coming to the market is 21% down over the same four-week period in 2020 and this supply and demand imbalance is contributing to price rises.

- In the private rented sector, the number of rental properties available on Rightmove's property portal has more than doubled in some city centres, leading to a huge supply and demand imbalance that is being

reflected in rent falls in select central locations.

- On the other hand, we are finding rental stock levels rising again in some countryside areas. What's more, demand is strong in these rural and country locations as people continue to look to move due to lifestyle changes and new commuting patterns, as remote working becomes increasingly entrenched.

“
Demand is strong in these rural and country locations as people continue to look to move due to lifestyle changes

OFFICIAL HOUSE PRICE DATA

HM Land Registry
December 2020

Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
Winchester	£473,190	7.1%	15.9%
Bath and North East Somerset	£374,959	0.6%	12.4%
Leeds	£209,892	2.5%	10.8%
South Oxfordshire	£448,976	1.3%	10.6%
Wiltshire	£298,659	2.4%	9.7%
South West London	£681,660	-1.0%	9.1%
West Oxfordshire	£351,083	1.5%	8.8%
United Kingdom	£251,500	1.2%	8.5%
England	£269,150	1.5%	8.5%
Cambridge	£466,564	2.8%	8.1%
Somerset	£254,740	0.9%	7.8%
Suffolk	£261,830	0.7%	6.3%
West Berkshire	£370,628	0.6%	6.2%
York	£267,932	-0.6%	6.0%
Northamptonshire	£240,668	0.7%	5.9%
Outer London	£447,187	0.5%	5.7%
Oxford	£443,509	2.7%	5.5%
Cambridgeshire	£304,743	0.9%	3.8%
Inner London	£594,749	-1.0%	3.7%
London	£496,066	-1.1%	3.5%
Northampton	£221,393	1.4%	3.4%
Vale of White Horse	£369,171	-1.2%	3.1%
Harrogate	£294,690	0.1%	1.3%
South Cambridgeshire	£380,877	-1.6%	0.6%
Prime Central London	£1,109,355	-1.6%	0.5%

Source: HM Land Registry



Follow us on Twitter, LinkedIn
and Instagram @carterjonas



Carter Jonas



MONTHLY CHANGE IN ENQUIRY LEVELS BETWEEN DECEMBER 2020 AND JANUARY 2021

-10%
PRIME
LONDON

-8%
LONDON

24%
SOUTH

2%
CENTRAL

15%
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.

Lisa Simon Partner,
Head of Residential
lisa.simon@carterjonas.co.uk

Leslie Schroeder
Head of Residential Research
leslie.schroeder@carterjonas.co.uk

Sources: Carter Jonas Research, Halifax, Nationwide, ONS, Rightmove, Zoopla

020 7518 3200

**One Chapel Place
London
W1G 0BG**

chapelplace@carterjonas.co.uk

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.

© Carter Jonas 2021. The information given in this publication is believed to be correct at the time of going to press. We do not however accept any liability for any decisions taken following this report. We always recommend that professional advice is taken.