

RESEARCH

RESIDENTIAL MARKET UPDATE

May 2021

MARKET OVERVIEW

As lockdown restrictions across the UK continue to ease and more businesses are slowly being allowed to reopen, and the encouragingly high uptake of the vaccine persists, there is a sense of optimism and confidence. This optimism has been reflected in the latest **Deloitte's survey of Chief Financial Officers**;

the report notes that the tone of the respondents was remarkably upbeat, was the most consistently positive survey since its inception in 2007, and optimism amongst the CFO's rose to its highest level in 13 years. It goes on to say that the Brexit issue has fallen sharply from businesses top risk worries, profit outlooks are at their highest levels since 2014, and plans for jobs growth and investment across firms have reached their highest level in almost six years. In all, the report was remarkably sanguine.

The small reduction in activity levels in the housing market at the start of the year seems to have all but vanished. Demand has bounced back rapidly although this has not been met with the same levels of increased supply. House prices have reflected this imbalance with growing prices across nearly all indices and rising asking prices as vendors cash in on the high number of buyers keen to get a sale in before the June stamp duty relief deadline.

Prices and Rents

- Yet again this month we see some inconsistent data between the two major house price indices of Nationwide and Halifax. Halifax notes that monthly house prices rose by 1.1% during March, but rather peculiarly Nationwide found prices fell by 0.2%. These indices base their data on the collection of mortgage applications across their branches, of which there is several weeks delay between application and collation, which may explain some of the discrepancy. More encouragingly, both banks are slightly more aligned on annual price growth with 6.5% (Halifax) and 5.7% (Nationwide) being noted.

- Rightmove meanwhile found that average asking prices rose sharply during the month (four weeks to mid-April), up 2.1%; only the second time in five years that monthly asking prices have risen above 2% according to the web portal.
- Rental growth appears to be following a similar regional trend as with sales prices. The South West and East Midlands continue to record the strongest annual rental growth rates (2.4% and 2.1%, respectively), according to official ONS data, while London lags behind recording 0.5% annually.

6.5%

annual house price growth
(Source: Halifax)



Enquiries have jumped by 15% in our Southern offices

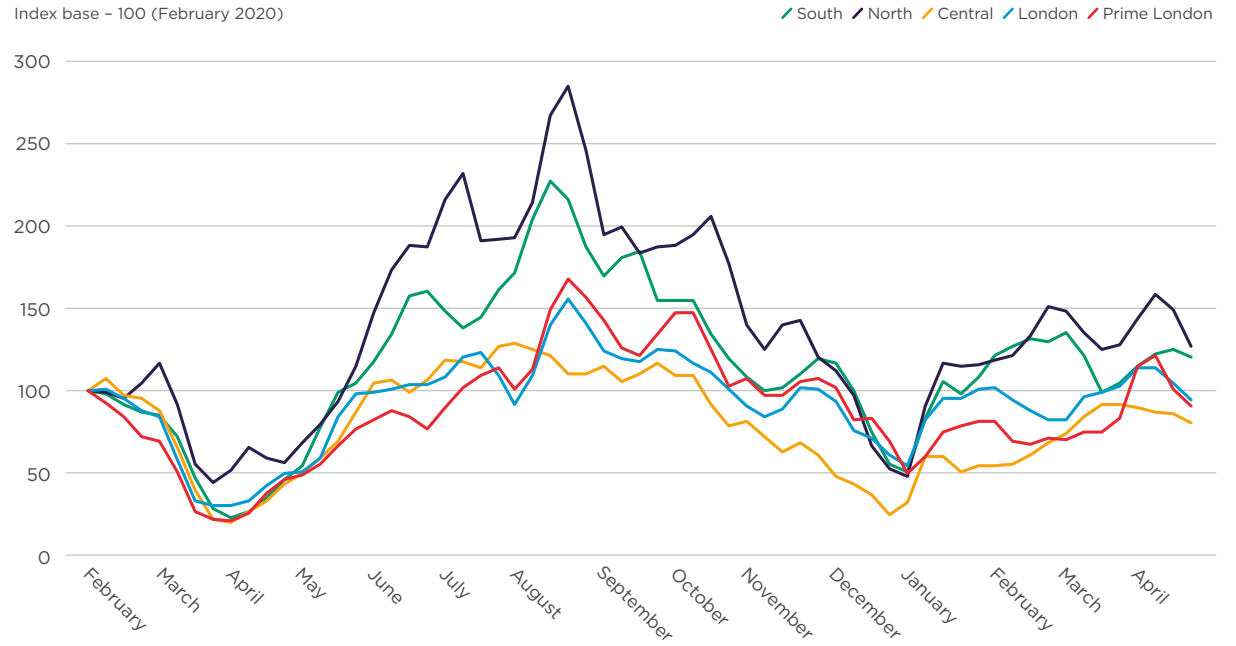
Activity

- In the four weeks to the end of April we have seen no let-up in the high levels of demand for viewings and registrants across our Carter Jonas offices. New buyers registering is up by around 15% compared with the first two months of the year while sales instructions are up by a quarter. The last week of April alone has seen a further surge in activity across nearly all metrics of supply and demand.
- Another mixed bag of enquiry levels between our Carter Jonas offices, with Central locations seeing enquiries level off a bit over the last four weeks, although this is off the back of some strong levels in the four weeks prior to that. Enquiries have jumped by 15% in our Southern offices and by nearly 10% month on month, in our Prime Central London locations.



Figure 1 Enquiry levels, Carter Jonas offices

Source: Rightmove, Zoopla, Carter Jonas research



- Provisional estimates from HMRC show nearly 200,000 residential transactions took place in March, the highest ever recorded in one month as households tried to get their sales across the line before the (original, but now extended) stamp duty holiday deadline of 31st March.
- In Rightmove's mid-April monthly report they note that demand for housing continues

to surge while supply has kept pace. The website notes that agreed sales are up 55% compared with the same period two years ago with two- and three-bedroom semi-detached properties in the highest demand. Of these properties, nearly 30% are being sold within one week of offering to the market.

- Across the rental market stock is in short supply in the

country and rural locations. Our offices are noticing that many applicants are looking to break the chain between selling and buying so want 12-month terms but with the flexibility to leave early, meaning not all candidates are looked on favourably by landlords. This has led to some landlords now stipulating two-year tenancy terms and prices have increased as a result of strong demand as well.

OFFICIAL HOUSE PRICE DATA

HM Land Registry
February 2021

Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
Bath and North East Somerset	£393,883	5.0%	18.7%
Winchester	£453,658	1.2%	11.0%
Somerset	£260,758	1.4%	10.0%
Leeds	£207,238	-0.9%	9.8%
England	£268,291	0.2%	8.7%
United Kingdom	£250,341	0.0%	8.6%
Northampton	£228,706	2.4%	8.4%
West Berkshire	£372,063	2.8%	7.9%
South Oxfordshire	£439,453	-0.5%	7.2%
Oxford	£435,372	-1.6%	7.0%
Cambridge	£474,824	4.0%	7.0%
Northamptonshire	£242,737	0.3%	6.8%
Outer London	£452,056	0.4%	6.7%
Suffolk	£259,482	-0.4%	6.7%
York	£273,341	0.1%	6.6%
Wiltshire	£286,958	-2.4%	6.4%
Cambridgeshire	£312,004	1.3%	5.9%
West Oxfordshire	£332,934	-2.5%	5.7%
South Cambridgeshire	£401,764	2.0%	5.1%
Greater London	£496,269	-1.4%	4.6%
South West London	£654,568	-4.8%	3.0%
Harrogate	£297,867	-0.9%	2.4%
Vale of White Horse	£365,852	-2.2%	1.9%
Inner London	£593,169	-1.0%	1.8%
Prime Central London	£1,110,536	-3.0%	-4.4%

Source: HM Land Registry





MONTHLY CHANGE IN ENQUIRY LEVELS

9%
PRIME
LONDON

-8%
LONDON

15%
SOUTH

-13%
CENTRAL

0%
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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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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