

RESEARCH

RESIDENTIAL MARKET UPDATE

January 2021



4%

forecast growth in asking prices to the end of 2021

(Source: Rightmove)

MARKET OVERVIEW

House sales continue to thrive across the UK and with the number of sales reaching over 220,000 in just the last two months this is the strongest the market has been in over a decade. It is therefore no surprise that the professional services of estate agents, mortgage brokers and conveyancers are all

reporting volumes of work which they are struggling to get through. Furthermore, Rightmove reports that there are around 650,000 agreed sales which are in the pipeline, again a huge amount particularly when you consider that the holiday period is traditionally a quieter time of year for the housing market. The government may then wish to announce an extension to the stamp duty holiday so that all these sales may get over the line in time to take advantage of the stamp duty tax break.

Sale Prices and Rents

- House prices rose again during November according to the timely Halifax and Nationwide indices with annual growth of 7.6% and 6.5% recorded, respectively. Both figures were higher than the previous month's data indicating that the market continues its strong run of activity and demand levels.
- The property website Rightmove also reports a rise in asking prices in their latest report with an annual average of 6.6% over the same period last year. This is up from November's figure of 6.3% although on a monthly basis asking prices declined

by 0.6%. This monthly decline will again be due to vendors trying to encourage potential buyers before the tax break deadline in March.

- Looking ahead and Rightmove forecasts a rather punchy 4% growth in asking prices to the end of 2021, saying that changing household priorities and preferences will 'outweigh uncertainties' thus keeping demand elevated through the majority of the year.

53%

rise in agreed sales in our offices in December 2020

(Source: Carter Jonas)



Changing household priorities and preferences will 'outweigh uncertainties'

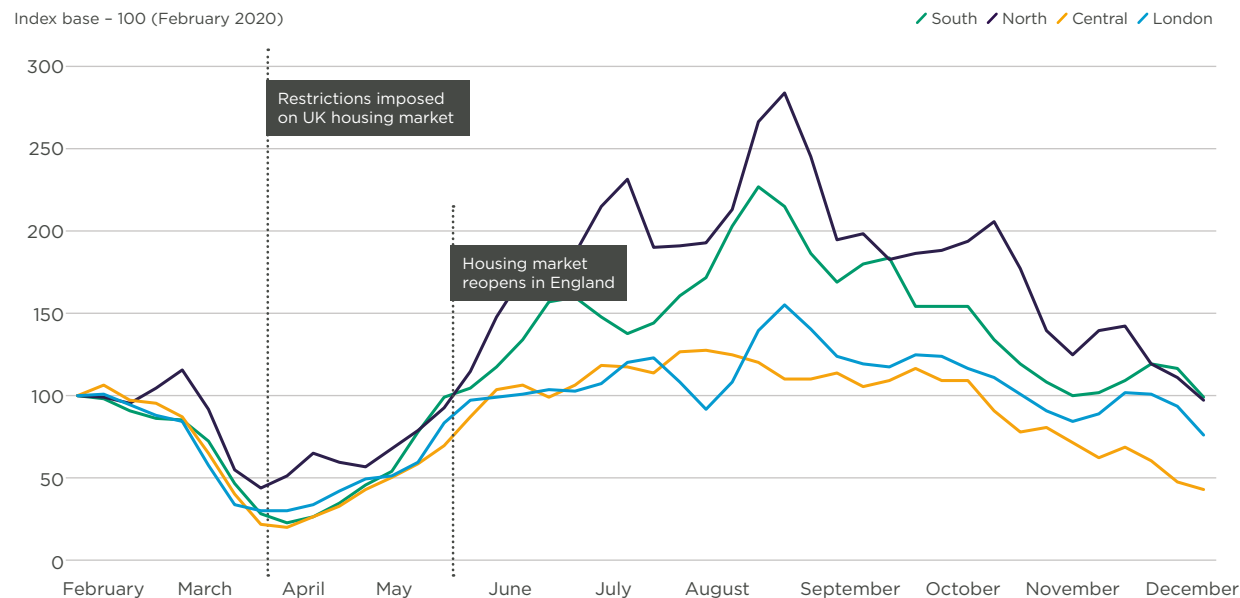
Activity

- Not unexpectedly, enquiries across all of our Carter Jonas offices declined slightly during the first few weeks of December. The Christmas holiday period is traditionally a quieter time in the housing market so this small decline is quite normal.
- Nevertheless, with new, much tighter government restrictions in place over the holiday period we expected that enquiry levels may begin to increase as people stayed home, and in the end they rose by over three times the level they were during the same four weeks in 2019.



Figure 1 Enquiry levels, Carter Jonas offices

Source: Rightmove, Zoopla, Carter Jonas research



- Perhaps reflecting the increasing urgency to get sales agreed and completed before the end of the stamp duty holiday, during December 2020 our offices saw a 53% rise in agreed sales, and a 33% increase in offers, when compared with December 2019. We have also had a 36% rise in new sales instructions compared with the same month in 2019 indicating there is still a strong appetite on the supply side too.

- Mortgage approvals during November continued to indicate a robust and resilient housing market as approvals rose to over 100,000 for the first time since August 2007. Also of note is the time of year - as we move into the Christmas holiday period this level of activity is unprecedented and is 67% above the ten-year average for November.

- Rightmove again finds that momentum remained robust throughout November and into December as buyer demand was up 53% over the same time last year. The property portal notes there are around 650,000 agreed sales currently in the pipeline, unchanged from last month as those that completed or fell through were replaced by additional sales over the period.

- Our lettings offices continue to report that strong demand remains for properties in more rural, suburban or countryside locations and although more urban locations are showing signs of slightly more muted demand, the lack of available properties is putting rising pressure on rents more widely.

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Strong demand remains for properties in more rural, suburban or countryside locations

OFFICIAL HOUSE PRICE DATA

HM Land Registry
October 2020

Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
South Oxfordshire	£452,930	0.3%	9.9%
Oxford	£454,010	4.5%	9.5%
Bath and North East Somerset	£362,529	0.0%	7.4%
Vale of White Horse	£381,355	3.0%	7.0%
Prime Central London	£1,115,750	-2.7%	6.1%
Winchester	£444,674	3.2%	6.1%
Somerset	£252,350	1.9%	6.0%
United Kingdom	£245,443	0.7%	5.4%
England	£262,175	0.6%	5.4%
Leeds	£199,154	0.6%	5.3%
South West London	£682,570	-1.4%	5.0%
Northamptonshire	£237,602	1.5%	4.7%
West Berkshire	£363,276	4.1%	4.3%
Wiltshire	£287,805	1.3%	4.2%
Outer London	£442,427	1.0%	4.1%
Inner London	£594,393	-0.6%	3.9%
London	£490,936	-1.2%	3.9%
West Oxfordshire	£348,054	-0.2%	3.8%
Suffolk	£253,134	0.3%	2.9%
York	£263,280	1.0%	2.4%
Northampton	£217,166	0.9%	2.4%
Harrogate	£297,305	1.9%	1.7%
Cambridgeshire	£297,412	-0.3%	0.9%
Cambridge	£442,012	-1.6%	-0.8%
South Cambridgeshire	£372,764	-1.2%	-0.8%

Source: HM Land Registry



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Carter Jonas



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

28%
LONDON

28%
SOUTH

-27%
CENTRAL

22%
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

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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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