

RESEARCH

RESIDENTIAL MARKET UPDATE

August 2021

MARKET OVERVIEW

House price inflation over the last 12 months has been exceptional and is certainly not something many would have predicted even a year ago much less during a global pandemic. Nationwide reported 13.4% annual growth in June, the highest since 2004, while Halifax bank noted nearly 10% house price inflation in May, although this declined slightly to 8.8% by June, while ONS official data (to May 2021) showed robust levels of growth across all regions leading to an overall UK house price inflation rate of 10%.

Upward pressure on sale price growth has been partly fuelled by exceptional demand due to the Stamp Duty holiday, so there will undoubtedly be a slowdown over the course of the next few weeks as this demand starts to fall away. But as we have said many times, there is still strong levels of demand from households looking for a change of lifestyle, a form of demand that has become very acute over the last 18 months, during the pandemic.

Sales and Lettings Prices

- House prices rose sharply again in June, with average UK growth of 13.4% (annually) according to Nationwide. This marks the highest annual growth since November 2004, although on a monthly basis the pace of growth seems to be easing with 0.7% recorded in June, compared with 1.7% in May and April's punchy 2.3%.
- By comparison, Halifax has reported annual house price growth of 8.8% in June, down from May's 14-year high 9.6%. This makes an overall average house price of £260,358 following a monthly fall of 0.5%, which the bank notes is the first monthly fall since January.
- The pace of growth in asking prices softened in July, with the property portal Rightmove reporting annual growth of 5.7%, down from 7.5% last month. On a monthly basis prices are up by 0.7% (the largest July increase since July 2007), leading to a national

average asking of £338,447. Rightmove reports that this means asking prices have risen by an average of £21,389 in just the last six months.

- Positive rental growth in the London lettings market has been recorded for the first time in over 12 months, according to HomeLet's latest report. Rents in the capital increased 1.5% in June 2021. Outside London, rents continue to rise rapidly with a recorded annual average growth of around 8.0%.



13.4%

average annual
house price growth

(Source: Nationwide)

Activity

- The number of new buyer registrations remained relatively unchanged in our Carter Jonas offices during July, increasing by 1% over the previous four weeks. Given the tapered end of the Stamp Duty holiday from 30th June we would have expected a more obvious fall in registrations so

the fact that this has not been the case has been encouraging.

- Enquiry levels across our offices this month can be described as a little unpredictable and sporadic. With the end of the Stamp Duty holiday, it was expected that there would be a fall in demand and across our Northern offices this was clearly evident, with month-on-month enquiries there

declining by around 23%. However, across our Central and Prime London offices we saw enquiries jump by 37% and 17%, respectively.

- Across our lettings division new tenant registrations continues its upward climb, with tenant registrations rising 4% over the previous four weeks. This means that over the latest four weeks, 25% more tenants have registered for rental enquiries at

our offices compared with six months ago, and 10% more than the same period last year.

- Conversely, the number of rental properties available through our agency fell slightly over the last four weeks. The supply of newly available rental stock has remained almost unchanged for most of the last year, a similar trend which has been noted across the wider lettings market. This supply and demand

imbalance continues to fuel the strong levels of rental growth being reported in many parts of the country.

- Rightmove's Q2 rental tracker notes that record tenant demand has led to an average of just 21 days to let out a property. The fast pace of the market means there are now 36% fewer rental properties available compared with the same period last year.

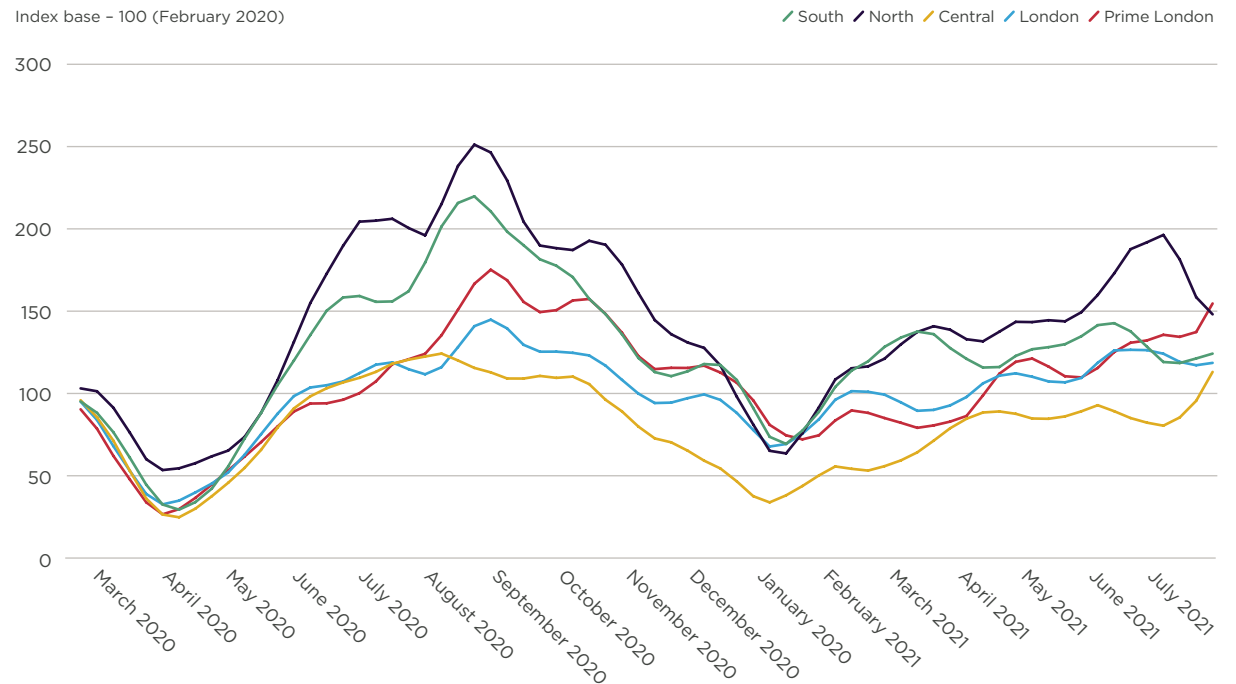


36% fewer rental properties available compared with the same period last year

(Source: Rightmove)

Figure 1 Enquiry levels, Carter Jonas offices

Source: Rightmove, Zoopla, Carter Jonas research. Enquiry levels are four-week rolling average.



OFFICIAL HOUSE PRICE DATA

HM Land Registry
May 2021

Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
Oxford	£455,537	2.2%	16.1%
Somerset	£267,439	1.7%	13.7%
Leeds	£210,358	0.3%	13.6%
South West London	£710,044	3.5%	13.3%
South Oxfordshire	£463,698	1.1%	11.3%
Harrogate	£308,596	3.7%	11.3%
West Oxfordshire	£373,452	6.9%	10.8%
Winchester	£458,691	4.8%	10.7%
United Kingdom	£254,624	0.9%	10.0%
West Berkshire	£372,169	3.2%	9.7%
England	£271,434	0.4%	9.7%
Cambridge	£470,710	-1.0%	8.9%
South Cambridgeshire	£398,007	-1.0%	8.9%
Cambridgeshire	£315,094	0.0%	8.4%
York	£280,348	-0.4%	7.8%
Northampton	£229,671	1.4%	7.6%
Suffolk	£261,932	-1.4%	7.3%
Wiltshire	£292,556	-1.1%	7.0%
Northamptonshire	£247,865	1.0%	7.0%
Vale of White Horse	£375,192	1.9%	6.8%
Bath and North East Somerset	£368,151	-2.3%	6.6%
Outer London	£453,877	0.4%	6.6%
London	£497,948	-0.7%	5.2%
Inner London	£594,624	0.2%	2.5%
Prime Central London	£1,091,867	0.0%	-4.7%

Source: HM Land Registry





MONTHLY CHANGE IN ENQUIRY LEVELS

17%
PRIME
LONDON

-6%
LONDON

-3%
SOUTH

37%
CENTRAL

-23%
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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