

## RESEARCH

# RESIDENTIAL MARKET UPDATE

December 2021

## MARKET OVERVIEW

Current high levels of inflation and a potential interest rate rise might be dominating news reports and consumer confidence this month but on the bright side the labour market is still going strong. The furlough scheme finally ended in September but this hasn't (yet) impacted negatively; October

saw a rise in the number of workers on the UK payroll register and job vacancies continue to be at record levels as the disparity between skills and available jobs continues.

In the residential sales market the taper period for the stamp duty holiday ended in September but this doesn't appear to have diminished demand for house buying. Halifax reported a rise in annual house price growth to 8.1% in October while Nationwide reported nearly 10% growth for the second month in a row. With the festive season nearly upon us sales rates will

almost certainly fall, but demand is still strong and with available supply currently constricted this will maintain upward pressure on prices. On the lettings side, available properties are lower than they would normally be at this time of year, while at the same time demand is rising, causing rent rises across many parts of the country.

## Sales and Lettings Prices

- Strong demand levels continued into October fuelling price

growth which remained high according to Nationwide. 9.9% annual house price inflation was little changed from 10% in September as buyers put pressure on dwindling stock levels.

- Halifax figures reinforce this as they reported a UK average 8.1% annual house inflation in October, up from September's 7.4%. The bank notes that first-time buyer house price inflation is now stronger than home-movers at 9.2% and 8.1%, respectively. This indicates that even though prices have been rising fast over the last



year many first-time buyers are still in the market.

- The rate of growth in asking prices however appears to have softened. Rightmove reports that asking prices grew by an average of 6.3% in the four weeks to mid-November, down slightly from last month's 6.5%. Interestingly, the web giant also found that month on month asking prices fell by 0.6%, down for the first time since January.
- Over to the lettings market and average UK rents are said to have grown by an average of 4.6% annually (to September), according to the latest report from Zoopla, resulting in 3% quarterly growth and the highest rate of rental growth for 13 years. Although rent rises in London have lagged compared with other regions over the last year the report notes there has been a resurgence in demand for central London rental properties resulting in rental inflation here of 4.7% in the third quarter alone.

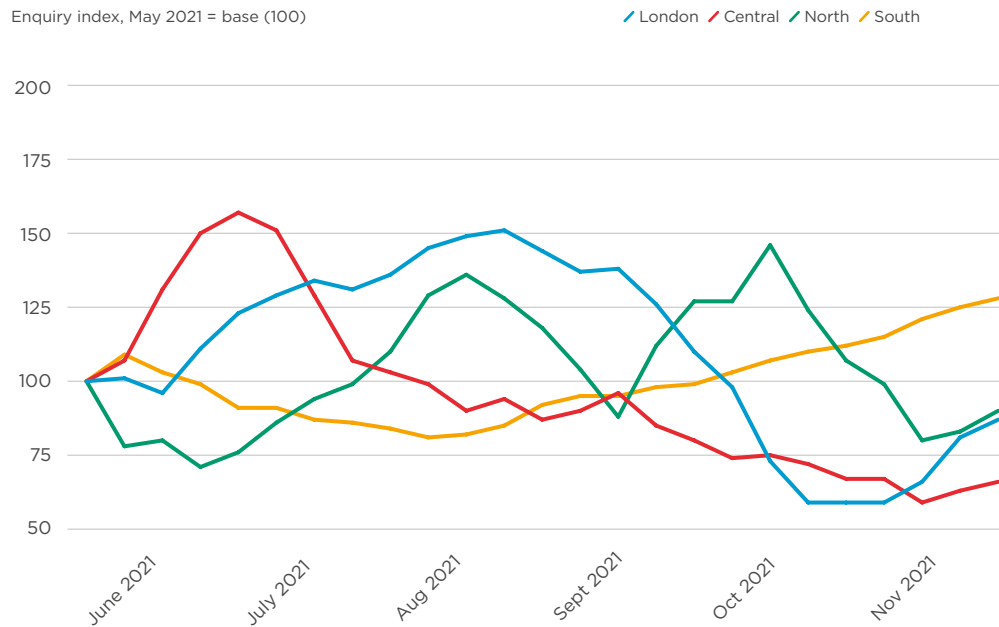


**Average annual house price inflation of 8.1%**

(Source: Halifax)

**Figure 1** Enquiry levels, Carter Jonas offices

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



## Activity

- Rightmove's latest house price report finds there was a 14% increase in the number of requests by homeowners for valuations from estate agents (over the same period last year), suggesting that many may be getting ready to sell post-Christmas. This follows a traditionally slow period in the home buying sector in the

run up to Christmas, which is probably why the average price of property coming to the market has declined this month, to attract more buyers.

- The highly seasonal rental market (when a large proportion of lettings activity takes place during the third quarter of the year), has been even busier than usual this year, according to Zoopla's latest

quarterly rental market report. They also found that the availability of properties to let is currently 43% below the five-year average while at the same time clearly demand has surged which is contributing to rising rent rates.

- Interestingly the level of enquiries across our Carter Jonas offices in the south continues to rise following a trough in early August this

year. While our other offices experienced a slowdown during October (not at all surprising following the end of the Stamp Duty holiday tax break) over the most recent few weeks enquiries have again begun to rise. The London offices have seen a resurgence of enquiries which have more than doubled over the last two weeks.



# 14%

**increase in valuation requests from homeowners**

(Source: Rightmove)

## OFFICIAL HOUSE PRICE DATA

HM Land Registry  
September 2021

Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
Cambridge	£512,494	5.4%	15.4%
Somerset	£276,165	3.6%	13.1%
North Northamptonshire	£243,487	0.8%	12.7%
<b>United Kingdom</b>	<b>£269,945</b>	<b>2.5%</b>	<b>11.8%</b>
<b>England</b>	<b>£287,895</b>	<b>2.9%</b>	<b>11.5%</b>
York	£284,081	-0.7%	10.6%
West Oxfordshire	£379,284	2.7%	10.1%
West Northamptonshire	£270,581	1.4%	9.6%
Vale of White Horse	£396,018	2.0%	9.2%
Oxford	£467,236	5.9%	9.0%
Wiltshire	£303,276	0.4%	8.3%
Winchester	£459,678	-0.5%	8.1%
Outer London	£466,575	1.1%	7.2%
Suffolk	£267,854	-0.9%	7.1%
Leeds	£211,437	-1.4%	7.1%
Cambridgeshire	£316,819	0.5%	6.6%
West Berkshire	£368,059	2.9%	6.2%
Bath and North East Somerset	£379,843	1.3%	5.6%
South West London	£725,432	-1.6%	5.0%
South Oxfordshire	£465,618	-0.4%	4.6%
South Cambridgeshire	£389,786	-1.5%	3.1%
Prime Central London	£1,176,058	-2.5%	3.1%
London	£507,253	-2.9%	2.8%
Harrogate	£292,170	-3.9%	1.0%
Inner London	£595,297	-1.2%	-0.1%

Source: HM Land Registry



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## MONTHLY CHANGE IN ENQUIRY LEVELS

**-39%**  
LONDON

**11%**  
SOUTH

**-10%**  
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.

**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.

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