

RESEARCH

RESIDENTIAL MARKET UPDATE

November 2021

MARKET OVERVIEW

Rising inflation, wage pressures, food and goods supply shortages and disruptions at petrol stations have been dominating the economic and political headlines over the last four weeks. Many of these issues however don't look set to ease anytime soon meaning that the prospect of interest rate

rises towards the end of this year is becoming increasingly likely. Having said that, these supply-side inflationary issues may be temporary so the Bank of England's Monetary Policy Committee may take the view that waiting another few months to make a move is more prudent.

And while the housing market has been one of the shining beacons of the economy it has meant that house price and rental growth is becoming an increasing financial burden on many would-be buyers and renters. This is particularly unhelpful at a time when other household costs are also

climbing. While interest rate hikes may help to dampen the strong demand in the housing market it will also add yet another financial burden to those looking to buy a home.

Sales and Lettings Prices

- House price growth remained in double digit territory during September, according to Nationwide's latest index. At

10.0% annual UK growth this has eased from the previous month's 11.0%.

- This month the bank released their regional data where it shows Wales with the highest growth of 15.3% recorded (annual change this quarter) followed by Yorkshire & the Humber at 12.3% and the North West (11.4%). All areas of the south are found at the bottom of the table although even here house price growth would still be considered strong: London (4.2%), Outer Met (6.8%),

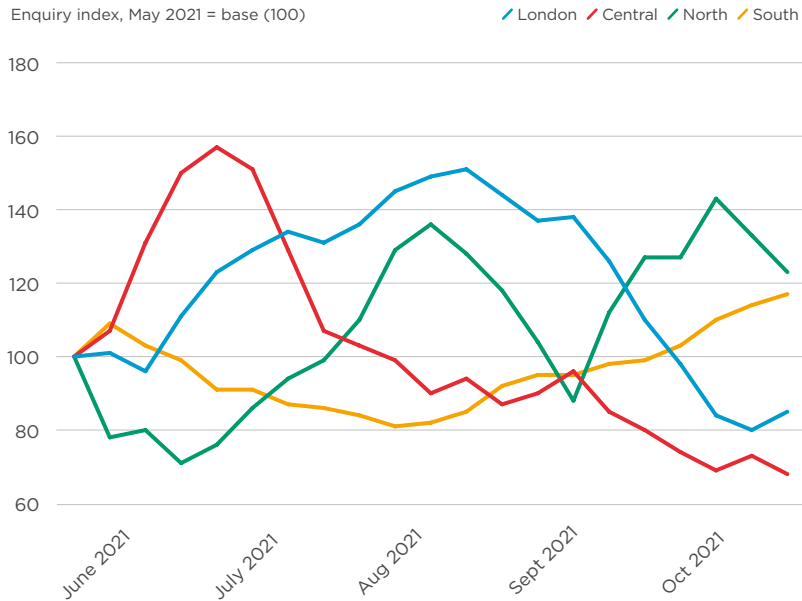
East of England (8.9%).

- Halifax indicates that UK house prices rose by 7.4% annually, up from 7.2% last month. Unlike Nationwide data however, Halifax notes monthly growth is still very strong at 1.7%, equating to an additional £4,000 to the price of an average property in just one month.
- Annual growth in asking prices reached 6.5% in the four weeks to mid-October according to Rightmove's latest House Price Index report, a robust increase from last month's 5.8%. On a monthly basis the web portal notes that average prices rose 1.8% month on month, the highest monthly figure for this time of year since October 2015.
- Rightmove's latest Rental Tracker report notes that strong and rising demand for properties has led to rents outside of London rising at their fastest rate ever recorded, with an annual rise of 8.6%. Demand for London properties has also started to recover with rents here increasing for the first time since the pandemic, up 2.7% according to the web portal.



Figure 1 Enquiry levels, Carter Jonas offices

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



8.6%

increase in rents outside of London, the fastest growth ever recorded.

(Source: Rightmove)



Activity

- In Rightmove's latest House Price report they find that the number of agreed sales was up 15.2% in September compared with the same month in 2019. Encouragingly, they note that the number of new properties on the market increased compared with the summer months, but it is still not enough to narrow the supply / demand gap and ease the upward pressure on prices just yet.
- Tenants are heading back to city centres at a quickening pace now that COVID-related restrictions have eased. Rightmove finds that tenant demand is now up 39% compared with the same period in 2019, and 11% more than one year ago.

- On the supply side Rightmove notes that suburban and rural rental properties are suffering from a lack of availability with suburban properties now making up just 33% of all available rental stock compared with 46% pre-pandemic. Urban properties on the other hand make up 64% of total availability compared with 48% pre-pandemic.
- The supply of new instructions, particularly across our Carter Jonas London offices continues to be very tight. This means that while in some cases we have seen overall enquiry levels down, enquiries per property are still very high. This has been the case across our London and central offices where new supply is particularly stretched.



22%

increase in enquiries at Carter Jonas offices in the North

(Source: Carter Jonas)

OFFICIAL HOUSE PRICE DATA

HM Land Registry
August 2021

Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
North Northamptonshire	£244,496	2.9%	13.6%
Somerset	£270,093	2.0%	12.7%
Cambridge	£493,297	6.6%	11.7%
York	£284,750	-0.9%	11.3%
Leeds	£216,580	0.6%	10.6%
United Kingdom	£264,244	2.9%	10.6%
Suffolk	£272,839	1.2%	10.4%
Vale of White Horse	£390,939	0.1%	10.3%
Wiltshire	£303,916	2.2%	9.9%
West Northamptonshire	£269,154	0.2%	9.9%
England	£280,921	3.2%	9.8%
South Oxfordshire	£479,651	2.7%	9.1%
Cambridgeshire	£320,693	1.9%	8.4%
Bath and North East Somerset	£383,537	2.7%	8.3%
South West London	£747,088	4.7%	8.1%
London	£525,893	5.6%	7.5%
Winchester	£453,746	-2.1%	7.4%
Harrogate	£305,685	-2.0%	7.0%
Outer London	£461,955	1.8%	7.0%
West Berkshire	£363,887	2.4%	6.7%
West Oxfordshire	£365,626	5.7%	6.4%
Prime Central London	£1,225,471	6.9%	5.9%
South Cambridgeshire	£396,531	1.0%	4.5%
Inner London	£605,491	2.9%	2.6%
Oxford	£428,298	-4.2%	1.0%

Source: HM Land Registry



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Carter Jonas



MONTHLY CHANGE IN ENQUIRY LEVELS

-30%
LONDON

9%
SOUTH

-17%
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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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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