

RESEARCH

RESIDENTIAL MARKET UPDATE

October 2021

MARKET OVERVIEW

The continuing narrative across the housing market is that of rising prices and rents, we have all seen this in the news and media for months now. Both sectors (sales and lettings) are suffering from both a lack of supply and rising demand resulting in a widening gap that refuses to shrink. Price

growth and rent rises are the result of buyers' and renters' desperation and a vendor and landlord advantage.

The summer months were unusually busy but still suffered from a lack of available stock. There is hope that more vendors will come to the market during the autumn which will lead to more balance in the sales market. However, there are deeper structural issues in the lettings market that will continue to widen the supply and demand gap: private landlords have been leaving the sector for some time now as various tax rises are disincentivising

many from staying and yet more from entering the market. The result has been declining stock more generally but the rise in demand over the last 18 months is exacerbating the problem.

Sales and Lettings Prices

- There seems no let-up in the pace of house price growth even two months after the tapering of the Stamp Duty (SDLT) tax holiday. Nationwide

reports double-digit annual house price growth for the fourth month in a row in August, to 11.0%, up from July's figure of 10.5%. What is perhaps more notable is the monthly rise in prices of 2.1%, which the bank reports as the second-highest monthly rate in 15 years.

- The Halifax has also reported robust house price inflation reaching 7.1% in August, and although this is down slightly from July's 7.6% it still indicates there has been no immediate



The summer months were unusually busy

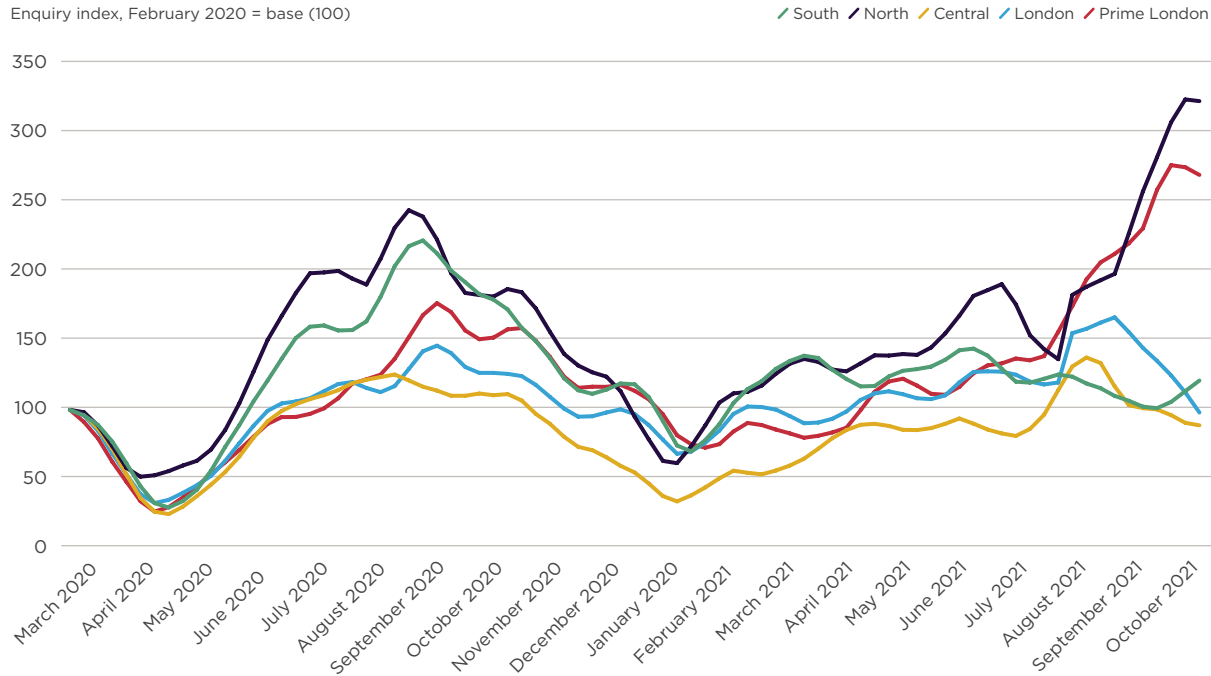
relaxation in demand stemming from the end of the higher-rate SDLT tax break.

- According to Rightmove, the pace of rising asking prices is also not showing signs of deteriorating as at a rate of 5.8% annually this is an increase from July's figure of 5.6%. The average asking price on the web portal is now £338,462, a record high.
- In the private rental market rents are also rising rapidly as Zoopla's latest quarterly report indicates a 5.0% annual average rise (UK), the largest recorded since their records began in 2008. Even London rents are showing some rapid growth with HomeLet noting a 3.6% annual increase, only the second time in over 18 months that positive rental growth has been recorded in the capital.



Figure 1 Enquiry levels, Carter Jonas offices

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



Activity

- Nationwide reports that buyer demand is now very high in the £125,000 - £250,000 house price range, where buyers are still able to take advantage of the SDLT holiday.
- Both the Halifax and Rightmove latest reports on the sales market note that

the structural issues of an increasing prevalence to work from home is helping to fuel demand while at the same time the lack of supply means buyers are having to increase their offers to 'win' the sale.

- Across our Carter Jonas offices enquiry levels in the northern offices of York and Harrogate saw a significant increase during August, up

by around 37% compared with July's figure. This is quite a significant figure considering the summer months tend to be quieter for the housing market. This was also the case in our Prime London offices where enquiries also rose by around 35%. This level of interest was sustained even into the first weeks of September although naturally we have seen a small decline since then.

- In the lettings market, tenant demand is rising yet further. Zoopla's latest rental market report finds that city centre demand has seen a resurgence as students and others begin to return to these locations as 'normality' resumes. Despite the rising demand, stock levels are falling, with available properties down 13% compared to the same time last year.



35%

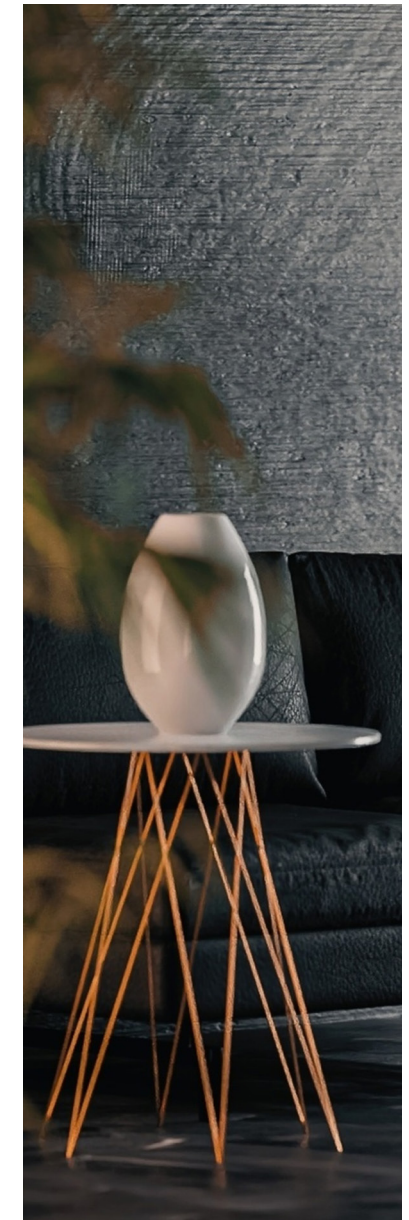
**increase in enquiries
at Carter Jonas
offices in London**
(Source: Carter Jonas)

OFFICIAL HOUSE PRICE DATA

HM Land Registry
July 2021

Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
Oxford	£459,973	2.4%	15.3%
Winchester	£470,583	3.3%	15.1%
York	£287,935	0.1%	12.0%
Leeds	£214,925	0.1%	11.7%
Northamptonshire	£256,153	1.6%	11.6%
Somerset	£263,808	0.0%	10.9%
Northampton	£235,990	1.4%	10.7%
Harrogate	£311,961	-0.5%	10.3%
South West London	£708,185	2.7%	9.7%
Vale of White Horse	£384,907	2.0%	9.6%
Bath and North East Somerset	£380,787	-0.3%	9.5%
South Oxfordshire	£453,469	-2.8%	8.2%
Wiltshire	£297,804	-1.2%	8.2%
Suffolk	£267,257	-0.2%	8.1%
United Kingdom	£255,535	-3.7%	8.0%
England	£270,973	-4.5%	7.0%
Cambridgeshire	£312,647	-1.6%	6.2%
Outer London	£453,182	-0.4%	6.0%
South Cambridgeshire	£387,759	-4.9%	5.5%
West Berkshire	£349,539	-4.8%	5.2%
Cambridge	£460,188	-2.1%	3.9%
West Oxfordshire	£345,774	1.7%	3.0%
London	£494,673	-2.0%	2.2%
Inner London	£586,951	0.0%	0.8%
Prime Central London	£1,115,253	6.2%	-1.2%

Source: HM Land Registry





MONTHLY CHANGE IN ENQUIRY LEVELS

35%
PRIME
LONDON

-9%
LONDON

-14%
SOUTH

-26%
CENTRAL

37%
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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