

## RESEARCH

# Residential Market Update

April 2022

## Market overview

This month we have seen food, fuel and energy prices rise steeply, which has contributed to a 30-year high inflation rate of 6.2%. This is at the same time as the invasion of Ukraine which resulted in sanctions against Russia ramping up. And while the humanitarian crisis is clearly huge, there is also a significant global economic fallout, which will play out in terms of lower growth and higher

commodity prices, including gas, oil and ultimately fuel. And while the UK is not heavily reliant on Russian oil and gas imports, it is still subject to global market prices which have risen significantly.

Amidst all of this, the residential market continues its strong run of activity and price growth. Prices are up, as are transaction levels, whilst in the lettings market demand continues unabated with availability of properties still scarce. The strength of current house price figures is surprising given that consumer confidence has fallen, interest rates have risen,

and household incomes are being squeezed. With many of us facing further energy price increases in April, and National Insurance contributions set to rise for some, it may be that demand in the housing market begins to slow around this time

## Sales and Lettings prices

- February's house prices increased yet again, according to both Nationwide and Halifax latest indices. Nationwide recorded 12.6% annual house price inflation, and a robust 1.7% monthly growth. Halifax meanwhile noted 10.8% annual growth. According to Halifax data, the average UK House price has now increased by nearly £39,000 since February 2020, the start of the COVID pandemic.
- Slightly more timely data from Rightmove found that another record was set in March for asking prices as the price of property coming to the market averaged £354,564 according to their latest house price index report. This is the first time that the average price has risen past £350,000 and reflects an annual increase of 10.4%, up from 9.5% in the previous month. Four + bedroom houses saw the sharpest growth with average prices rising 3.8% in just one month.

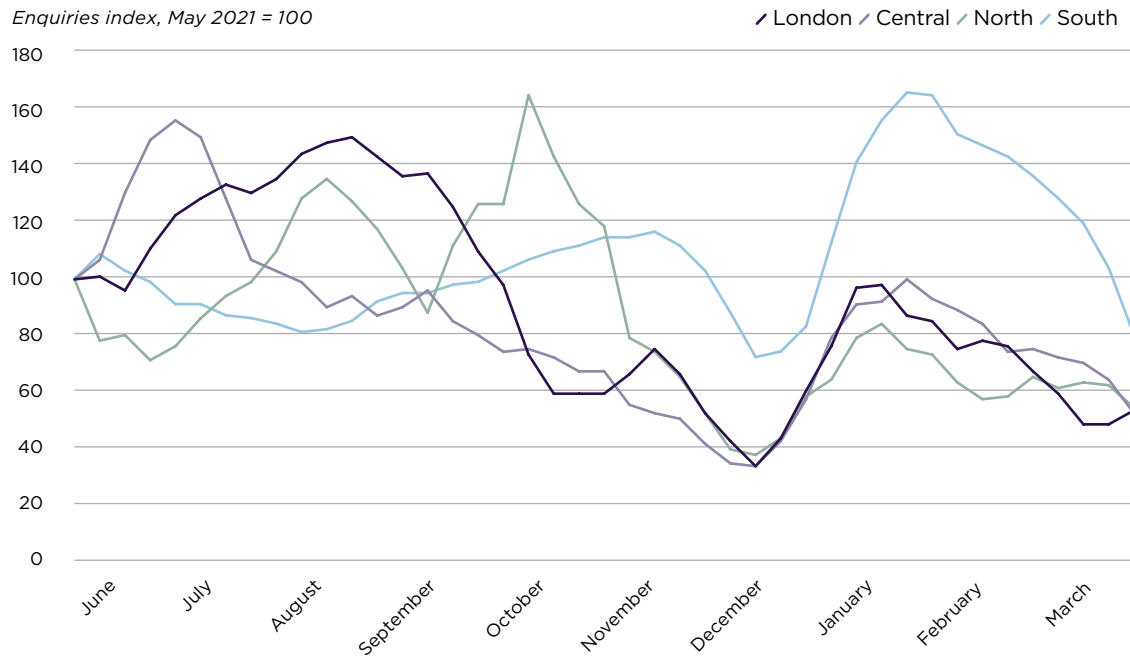


- The private rented sector continues to show a wide disparity between rising tenant demand and falling available supply, reflected in rental growth rates maintaining their upward momentum. HomeLet's latest report on the private rented sector shows that average UK rents have risen 8.6% over the last year, to £1,069 per calendar

month, and reflecting a monthly rise of 0.5%. Double digit growth has been recorded in Scotland (12.1%), Greater London (11.8%), and the North West (10.0%). This is also the fourth consecutive month of double-digit annual rental growth across London although on a monthly basis rents are said to have declined by 0.2% in February.

**Figure 1** Carter Jonas Enquiry levels trends

Source: Carter Jonas. Enquiry levels are four-week rolling average



## Activity

- Property transactions have continued to grow throughout the start of 2022, according to data from HMRC. For the fourth consecutive month the number of monthly residential sales has grown, reaching 112,240 in February, up from 107,490 the month prior. Although this is down quite significantly from the same time last year (~21%), it is still 22% more than the ten-year average for February.
- Latest data from Zoopla's house price index shows that the overall supply of new homes being listed and available to purchase is up in every region, compared with the same time last year. Encouragingly, in Scotland, the East Midlands, the North East, and Yorkshire and the Humber new listings over the last two months is now above those over the same period in 2017-2020. This suggests that the supply and demand imbalance that has been experienced over much of the last 18 months may be on the way to closing in across some of those locations.
- By way of contrast though, Rightmove's latest house price index report for March finds there are currently twice as many buyers in the market as there are available properties. This is the largest disparity between supply and demand that Rightmove has ever recorded for this time of year. They go on to report that the speed of the market is still very intense with 22% of deals on homes being agreed within the first week of being marketed on the site.
- Enquiry levels in our Carter Jonas offices has softened over the most recent four weeks, in nearly all locations. This may be the first indication that buyer demand is finally moving back to more stable and sustainable levels.
- Over the most recent four-week period enquiries have fallen by between 15% and 20% across the South, Central and London offices while the Northern offices have seen only a slight decline of 3%.

# Official House Price data

HM Land Registry  
January 2022

Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
North Northamptonshire	£253,600	1.0%	14.9%
Somerset	£291,633	1.2%	14.6%
South Cambridgeshire	£440,157	1.2%	13.5%
Cambridgeshire	£342,212	1.6%	13.2%
Suffolk	£292,012	2.0%	13.1%
Bath and North East Somerset	£413,611	2.9%	12.6%
West Oxfordshire	£380,806	1.5%	11.9%
Winchester	£495,550	3.7%	11.8%
York	£303,200	-0.2%	11.4%
West Northamptonshire	£284,488	1.6%	10.5%
South Oxfordshire	£496,997	-0.4%	10.4%
West Berkshire	£393,111	-1.0%	9.9%
<b>United Kingdom</b>	<b>£273,762</b>	<b>0.4%</b>	<b>9.6%</b>
<b>England</b>	<b>£291,560</b>	<b>0.1%</b>	<b>9.4%</b>
Leeds	£224,943	2.9%	8.1%
Cambridge	£483,126	4.7%	7.7%
Prime Central London	£1,209,561	0.3%	7.6%
Harrogate	£318,737	-0.2%	7.3%
Wiltshire	£314,257	-0.8%	7.0%
Oxford	£460,629	3.2%	6.3%
South West London	£714,524	-1.8%	6.3%
Outer London	£470,537	0.1%	5.4%
Vale of White Horse	£395,226	0.1%	4.6%
London	£510,102	-1.8%	2.2%
Inner London	£604,940	-1.0%	1.8%

Source: HM Land Registry



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## Monthly change in enquiry levels

**-21%**  
LONDON

**-15%**  
SOUTH

**-19%**  
CENTRAL

**-3%**  
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, Halifax, 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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