

THE PROPERTY MARKET

A REVIEW OF THE KEY TRENDS IN THE
NATIONAL AND LOCAL HOUSING MARKET.



NORTH WEST AND NORTH WALES

Analysis by Dataloft | Autumn 2021

AUTUMN OPTIMISM

SALES



↑13.2%

House prices

£234,703 June 2020 vs
£265,668 June 2021



↑4.2%

Property sales

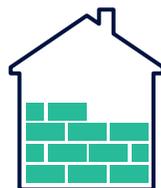
70,790 July 2020 vs
73,740 July 2021



↑98.2%

Mortgage approvals

41,047 June 2020 vs
81,338 June 2021



↑24.4%

New private homes built (completed)

29,090 Q1 2020 vs
36,190 Q1 2021



↑169%

Gross mortgage lending

£16.3bn* June 2020 vs
£43.8bn* June 2021

Source: Dataloft, Dataloft Rental Market Analytics (DRMA), Bank of England, HMRC, ONS, MHCLG, HomeLet

*Figures rounded to nearest £0.1bn

Please note that estate agents were closed during the first lockdown in spring 2020. This will impact year-on-year comparisons.

There is little sign of any significant lull in housing market activity as final restrictions ease. Demand from home buyers continues to exceed available homes to buy.

Jubilant June

The housing market has taken a breath in recent weeks, following the rush of activity leading up to the property tax 'holiday' deadlines. Across the UK, nearly 200,000 sales took place in June, the highest monthly total ever recorded (HMRC), with mortgage lending hitting an eye-watering £43.8 billion, over twice the monthly average of the five years from 2015 to 2019. Unsurprisingly, RICS report the number of new buyer enquires in July fell for the first time since March, while prices nudged downwards month-on-month (Nationwide). However, demand continues to far outpace supply.

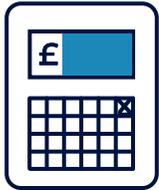
Confident consumers

Consumer confidence has risen above its pre-pandemic levels (GfK), buoyed by the final easing of many restrictions in all parts of the UK. UK inflation slowed to 2% in July 2021, but economists suspect this is a blip and the Bank of England forecasts that inflation will head towards 4% by the end of the year. However, the Bank of England base rate is still just 0.1%. Mortgage rates therefore remain low, with property affordability on par with longer-term averages. At 7.25%, UK economic growth in 2021 is predicted to be the strongest in over 70 years.

Price growth remains strong

Rightmove report there was a shortfall of 225,000 homes for sale in the first six months of 2021 and with little sign of any significant uptick in appraisals or fresh listings (RICS) a lack of supply continues to underpin property prices. Asking prices are at a record high in all regions of the UK, with double-digit property price growth evident in ten regions of the United Kingdom. The demand/supply imbalance may well start to ease as 'normality' returns, but the majority of agents still anticipate price growth over the next 12 months.

LETTINGS



↑6.6%

Average rents
July 2020 vs
July 2021



£1,029

Average monthly
rent across the UK†
July 2021

†Excluding London, based on new tenancies started

29.8%

Average %
renter income
spent on rent

Source: DRMA

Busy season

Renter demand rose for the fifth consecutive quarter during April to June, and with over one in five new rental tenancies agreed in August and September, the market is busy. The number of available properties to rent is down over a third on a year ago, with properties on average snapped up within 21 days of marketing (Rightmove). As in the sales market, a shortage of stock and heightened demand has seen average rents rise across all regions of the UK, including the capital (HomeLet). With the 'work from home if you can' advice now lifted, many of the UK's largest city centres are seeing demand return.

Analysis by Dataloft



After a whirlwind first six months of 2021, we anticipate the market for the remainder of 2021 to remain stable. Property price growth may well moderate over the coming months, but with buyer demand remaining steady it is highly probable that 2021 will prove the busiest sales market in over a decade.

IAIN MCKENZIE
CEO, THE GUILD OF PROPERTY PROFESSIONALS

GOING FOR GOLD

Property a sound investment

Olympic history

Few would fail to be inspired by the performance of Team GB at Tokyo 2020. The medal haul was just two short of the record 67 set in Rio 2016, despite the extraordinary circumstances of the last year. However, it is property, not gold, that has proved the worthy investment proposition in recent years.

Gold, Silver, Bronze

During the past decade, the average price of residential property in the UK has increased by 46%, more than double that of the price of gold. Over the same period the FTSE 100 has risen just 18%, remaining below its pre-pandemic high, despite the positive economic recovery in recent months.

Buy-to-Let

Across the UK there are believed to be in excess of 2.6 million private landlords, and, for many, the reason for investing in property is a financial one. Despite significant legislative changes in recent years, property remains a valuable asset. If well kept and managed, it can provide additional income in the short term, via rental or holiday let. Over the longer term, rising values can give capital growth.

Property pips gold for return on investment

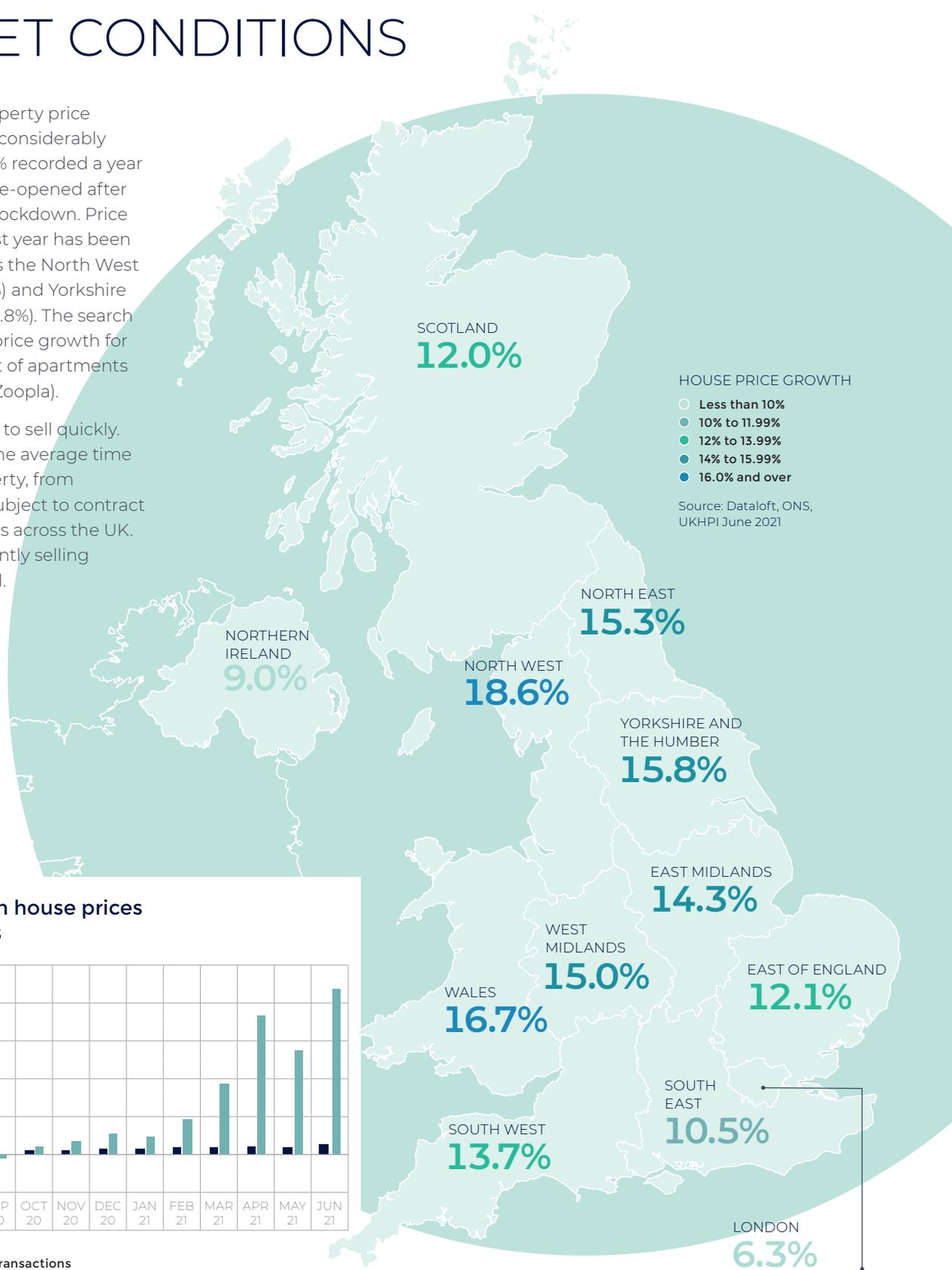


Source: Nationwide, LBMA, Financial Times, June 2011 to June 2021
For general information only. Specialist advice on investments must always be sought.

NATIONAL MARKET CONDITIONS

At 13.2%, annual property price growth in the UK is considerably higher than the 2.0% recorded a year ago, as the market re-opened after an unprecedented lockdown. Price growth over the past year has been the strongest across the North West (18.6%), Wales (16.7%) and Yorkshire and the Humber (15.8%). The search for space has seen price growth for houses outstrip that of apartments over the past year (Zoopla).

Properties continue to sell quickly. Rightmove report the average time taken to sell a property, from marketing to sold subject to contract (SSTC), is just 36 days across the UK. Properties are currently selling quickest in Scotland.



HOUSE PRICE GROWTH

- Less than 10%
- 10% to 11.99%
- 12% to 13.99%
- 14% to 15.99%
- 16.0% and over

Source: Dataloft, ONS, UKHPI June 2021

Annual change in house prices and transactions



● House prices ● Transactions

Source: Dataloft, HMRC, ONS, UKHPI June 2021

4.8%

Cheshire East

Most active housing market across the region

Source: Dataloft, ONS, UKHPI

Most active housing markets across the region

RANK		% OF PRIVATE STOCK TURNOVER	AVERAGE HOUSE PRICE
1	CHESHIRE EAST	4.8%	£266,439
2	RIBBLE VALLEY	4.5%	£239,692
3	COPELAND	4.3%	£136,197
4	CARLISLE	4.3%	£149,851
5	ROSSENDALE	4.3%	£175,648
6	STOCKPORT	4.3%	£265,962
7	FYLDE	4.2%	£219,428
8	CHESHIRE WEST AND CHESTER	4.2%	£241,723
9	CHORLEY	4.2%	£215,679
10	TRAFFORD	4.2%	£322,426
11	WARRINGTON	4.1%	£230,392
12	SOUTH RIBBLE	4.1%	£187,317
13	SALFORD	4.1%	£198,353
14	WYRE	4.1%	£167,993
15	SOUTH LAKELAND	4.0%	£277,691
16	WIGAN	3.9%	£160,548
17	BOLTON	3.9%	£164,206
18	BURNLEY	3.8%	£98,805
19	BARROW-IN-FURNESS	3.8%	£136,762
20	EDEN	3.8%	£234,831

Source: Dataloft, ONS, UKHPI
N.B. Stock levels relate to 2011 Census data. Some areas have seen increased amounts of new development activity since then, which will enhance turnover.

Surge in sales

It is estimated 880,000 property sales took place across the UK in the first six months of 2021, the highest half year total ever recorded and 50% higher than the same period in 2019 (HMRC). It is anticipated sales will top 1.5 million over the course of the year. Buyers have been spurred on by a desire for change and financial savings as a result of taxation 'holidays', with over 60% paying no tax on their purchase. Across the North West and North Wales, the most active housing markets over the past year have been in Cheshire East and Ribble Valley.

881,320

Number of sales in the UK
January to June 2021

HMRC

Space to be

The search for space continues to drive many buying decisions. As businesses adopt more flexible ways of working, blended working patterns are set to become the norm for many, and personal wellbeing has shot up the agenda. The local environment, gardens, greater internal square footage and a demarcated space to work from home, all continue to be deemed more important property features in a new home.

64%

House purchasers won't buy a property without a garden

Rated People, 2021



ABOUT THE

GUILD OF PROPERTY PROFESSIONALS

The Guild is a UK-wide network of independent estate and letting agents. Each of our Members has been carefully chosen by us, all agents adhering to our Code of Conduct.

If you want independent guidance on moving home or are looking for the best agent in your area, visit [guildproperty.co.uk](https://www.guildproperty.co.uk)

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Analysis by Dataloft

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Dataloft is an established property market intelligence company with a long track record of analysing and reporting on the housing market. We are committed to stripping away the mystique of complex data analysis and adding value for clients through interpretation, insight and creativity.

[dataloft.co.uk](https://www.dataloft.co.uk) | [dataloftinform.co.uk](https://www.dataloftinform.co.uk)

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