

**Housing market boom continues as buyers compete for limited supply**

With demand skyrocketing and limited supply, the housing market boom continues to surge forward as we head into the warmer seasons. This is according to Nicky Stevenson, MD of Fine & Country UK, who adds that the imbalance of supply and demand continues to push prices up with over a third of homes now selling for more than the original asking price.

“The Nationwide House Price Index reported further acceleration in annual house price growth in May 2021 to 10.9%, the highest level recorded since August 2014. Monthly house prices rose by 1.8% in May, following a 2.3% rise in April. According to the ONS House Price Index, Yorkshire and the Humber has seen the largest annual increase in prices, at 14%. This is followed by the North East at 13.7%, and the North West with 12.8% growth. House prices continue to increase as housing market demand outweighs supply, putting upward pressure on prices. In April, 32% of properties sold for more than the original asking price,” says Stevenson.

She continues saying, Rightmove reported that housing market demand was 52% higher in April 2021 compared to April 2019. Despite increased demand, stock is still low, with Zoopla reporting a 21% decline in the year to mid-May compared to the 2020 average. “The supply shortage is particularly noticeable for family homes with three or more bedrooms. Available stock for sale in April 2021 was down by an average of 50%, compared to the same period in 2019. In contrast, properties with two bedrooms or fewer have availability down by 24%,” Stevenson comments.

She notes that the overall outlook for the property market remains positive. “Housing market momentum has been maintained following the original stamp duty deadline in March 2021, which caused a huge spike in transactions. According to HMRC, an estimated 117,860 transactions completed in April 2021, 21% higher than the April 2014 to 2019 average. Mortgage approvals also remain high, with 86,921 approved in April 2021, 30% higher than April 2014 to 2019, and an astonishing 439% higher than last year. A recent survey by Nationwide found that the stamp duty extension in England and Northern Ireland was not the key factor in maintaining housing market demand. 68% of homeowners either moving home or considering moving said this would have been the case even if the stamp duty holiday wasn’t extended. This stands the housing market in good stead for when savings from the stamp duty holiday in England and Northern Ireland reduce at the end of June and come to an end in September,” says Stevenson.

So, what does the future hold for the market?  “According to Zoopla, the high level of housing market demand in 2021 has led to £149bn of homes sold subject to contract in the first 15 weeks of the year. With restrictions easing and foreign summer holidays likely to be off the cards, housing market demand is likely to remain high over the summer. Zoopla estimate total sales completions this year will be 1.52 million, making 2021 one of the busiest sales markets since the Global Financial Crisis, and one of the top ten most active years since 1959,” she says. “According to the RICS residential survey, agents remain positive when reporting on house prices, with 3-month price expectations showing a +51% net balance. Agents foresee upwards pressures on prices remaining firm over the next twelve months, with the latest net balance standing at +68%,” Stevenson concludes.

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**Editors Notes:**

Fine & Country specialises in the sale and rental of prime residential properties. The company has offices in 300 locations around the world including Hong Kong, South Africa and Australia. Fine & Country has won Best Estate Agency Marketing and Best International Estate Agency Marketing seven times in the past 10 years at the International Property Awards.