

**A year to remember**



House price growth across the UK is at its highest level in 17 years, with double-digit increases in all regions except for London and Northern Ireland. This is according to Nicky Stevenson, MD of Fine & Country UK, who adds that while price growth may moderate over the coming months, for many the reassessment of ‘home’ post-pandemic continues, and 2021 will undoubtedly be a year to remember.

She notes that the UK experienced a 13.2% annual increase in house prices in June 2021, the largest annual increase recorded since November 2004. “According to the UK House Price Index, the average price of a UK property is now £265,668, nearly £31,000 more expensive than this time last year. Back in November 2004 the average price of a property was just shy of £152,000, the average price of a property having risen by 13.7%, the equivalent of just over £18,000, in a year,” says Stevenson. “Price growth is currently strongest in Yorkshire and the Humber, Wales and the North West. Across the South West and South East of England, the average price of a property is now over £35,000 more expensive than a year ago.”

Nationwide reported a monthly decline in July house prices of 0.5%, and Rightmove reported that average new seller asking prices were 0.3% lower in August, month on month - the first price drop of 2021. This was led by a 0.8% fall in asking prices for upper-end, four-bedroom-plus properties, where buyers are no longer able to make significant stamp duty savings. “However,” says Stevenson, “the demand and supply imbalance will ensure any price change is moderate and the majority of agents still anticipate price rises over the next 12 months.”

She adds that unsurprisingly, HMRC reported a significant drop in sales figures in July. “An estimated 73,740 sales took place, 63% lower than in June and the lowest monthly total in a year, thanks to significant forestalling of activity prior to the SDLT deadline. However, over 950,000 sales have taken place to date in 2021, making it the busiest sales market since 2007, with predictions that 1.5 million sales will complete by the end of the year,” Stevenson comments.

“The market is fast paced, and demand remains high.  Although down on peak levels of activity earlier in the year, the Bank of England report mortgage approvals in July remain 13% higher than the long-term July average based on figures from 2015 to 2019,” she says. “Rightmove report demand in the first week of August was up 56% on the same period in 2019, and just 17% lower than in the pent-up, post-lockdown period of 2020. Zoopla note that sales agreed in August were up 21% when compared to 2018 and 2019.”

She notes that with new instructions to the market remaining considerably lower than a year ago, it is no surprise that Rightmove report the time taken to sell a property has fallen to yet another record low – just 36 days from marketing to Sold Subject to Contract (SSTC). “Although the volume of new build homes to the market is increasing, there is still ground to make up from the market closure last year, with new supply to the market some 26% lower than in 2020, and down 33% on 2018/19 according to Zoopla. Now the stamp duty savings for higher-value properties has eroded, a greater proportion of market activity is now in the mass market sector, buoyed by buy-to-let and first-time buyers. Zoopla report buy-to let demand is up 21% to date in 2021 versus 2020, while many first-time buyers are benefitting from the increased availability of high loan-to-value mortgage products in the marketplace,” Stevenson concludes.

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Editors Notes:**
Fine & Country specialises in the sale and rental of prime residential properties. The company is in over 300 locations worldwide 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.