

THE **PROPERTY MARKET**

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



NORTH WEST AND NORTH WALES

Analysis by Dataloft | Summer 2021

MOMENTUM CONTINUES

SALES



↑10.2%

House prices

£232,684 March 2020 vs
£256,405 March 2021



↑180%

Property sales

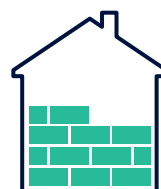
46,160 April 2020 vs
117,860 April 2021



↑439%

Mortgage approvals

16,130 April 2020 vs
86,921 April 2021



↑11.4%

New private homes built (completed)

39,510 Q4 2019 vs
44,030 Q4 2020



↑54.6%

Gross mortgage lending

£23.0bn* April 2020 vs
£35.6bn* April 2021

Source: Dataloft, 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.

Price growth across the UK is at its strongest level in over 13 years as the roadmap to 'normality' continues.

Record-breaking

A year ago the housing market was closed for business. Few would have predicted then the current state of play. Mortgage lending and property sales hit record highs in March, as too the average price of a newly marketed property. That record was broken again in April, with the average asking price now just over £333,500. The time taken to secure a buyer has fallen to just 45 days, the quickest Rightmove has ever recorded. Although sales and mortgage approvals fell slightly in April, they remain significantly higher than the longer-term average and the impetus to move continues.

Demand outpaces supply

Annual price growth across the UK is at its strongest since August 2007 (UKHPI), the more affordable northern regions surging ahead of their southern counterparts. Demand continues to outpace supply; new supply is 30% lower compared to 2017–2019 (Hometrack). This imbalance could well start to ease over the coming weeks, as many focus on enjoying the relaxation of restrictions, but the months ahead look set to remain busy. Family homes (3+ bedrooms) remain highly sought-after. Demand for extra space continues, whether from first-time buyers or upsizers, with business

announcements cementing blended working and flexible commuting as the long-term 'norm' for many.

Economic optimism

Consumer confidence has risen to its highest level since the country entered lockdown over a year ago (GfK) and business confidence is high (IHS Markit). The annual rate of UK inflation rose sharply from 0.7% in March to 1.5% in April as restrictions eased and consumers started spending across the economy. The Bank of England forecasts economic growth of 7.25% over the course of 2021, the strongest in over 70 years.

LETTINGS



↑1.2%

Average rents
April 2020 vs
April 2021



£853

Average monthly
rent across the UK†
April 2021

†Excluding London, based on new tenancies started

3%

Forecast rise
in average
rental prices
over 2021

Source: RICS

Rents rising

As with the sales market, a shortage of new supply and increasing demand (RICS) is helping support rental prices. New instructions in the first quarter are 9% lower year-on-year (TwentyCi). Rental values are significantly higher across all regions of the UK, except London, than at this time last year. Excluding London, the average monthly rent for new tenancies is £853, up 6.2% (HomeLet). The London market remains oversupplied in many areas, values here 5.7% lower year-on-year. Across the UK, average prices were 2.9% higher in the year to April, on par with the projections of 3% price growth in 2021.

Analysis by Dataloft



No one would have predicted that 2021 to date would be one of the busiest sales markets in history, properties flying off our agents' books. 'Normality' is returning, the vaccine rollout is on course and the economy is forecast to rebound more quickly than initially projected; all positives as we head towards the summer.

IAIN MCKENZIE
CEO, THE GUILD OF PROPERTY PROFESSIONALS

WHAT DO RENTERS AND SELLERS WANT FROM AN AGENT?

Professionalism and knowledge top the list



Top 3 reasons for choosing an agent

Sales

Rentals

83% **74%**

Confidence in ability to market my property

78% **76%**

Good market knowledge

76% **67%**

Likeability and trust

Knowledge

Market knowledge and effective marketing are the most important reasons why buyers and sellers choose an estate agent. Recent research by Zoopla has found nearly half (45%) of homeowners in the UK undervalue their property, on average by an astonishing £46,000. A local, knowledgeable agent can make all the difference.

Trust

Similarly, trust and likeability are highly rated. Research in 2020 showed that just 18% of sellers chose an agent primarily on their fee. A similar story is evident in the rental market. Today, just one in twenty landlords choose their agent based on the highest rental valuation, down from one in six in 2014.

Detail

Floor plans are the most important marketing tool rated by buyers, while for renters, photography tops the list. A good-quality property description is also crucial. Affordability and the move towards blended working means more emphasis is being placed on running costs and both broadband connectivity and speed. An agent who takes time to find this information will stand out.

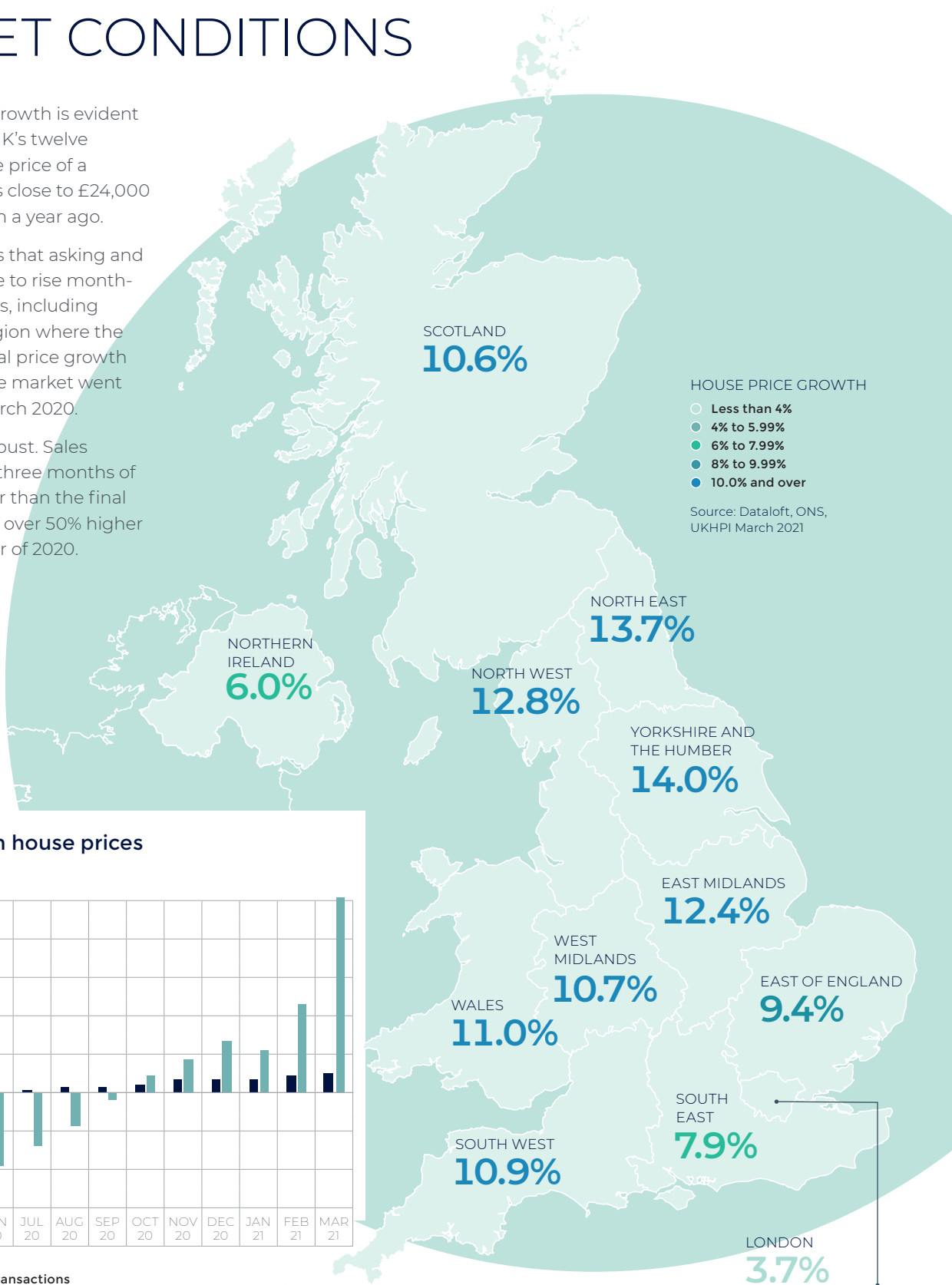
Source: Dataloft, Property Academy, 2020, based on survey of over 35,000 home movers, tenants and landlords

NATIONAL MARKET CONDITIONS

Double-digit price growth is evident across eight of the UK's twelve regions. The average price of a property in the UK is close to £24,000 more expensive than a year ago.

Latest data indicates that asking and sales prices continue to rise month-on-month in all areas, including London, the only region where the current rate of annual price growth is less than when the market went into lockdown in March 2020.

Activity levels are robust. Sales volumes in the first three months of 2021 were 31% higher than the final quarter of 2020, and over 50% higher than the first quarter of 2020.

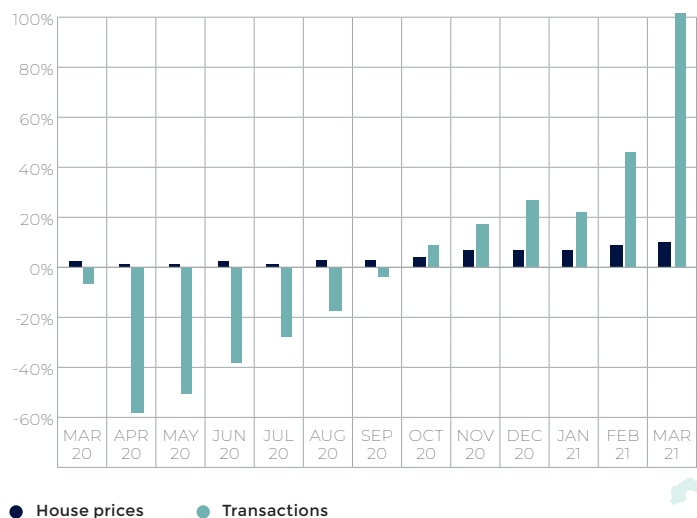


HOUSE PRICE GROWTH

- Less than 4%
- 4% to 5.99%
- 6% to 7.99%
- 8% to 9.99%
- 10.0% and over

Source: Dataloft, ONS, UKHPI March 2021

Annual change in house prices and transactions



Source: Dataloft, HMRC, ONS, UKHPI March 2021

REGIONAL ACTIVITY

NORTH WEST AND NORTH WALES

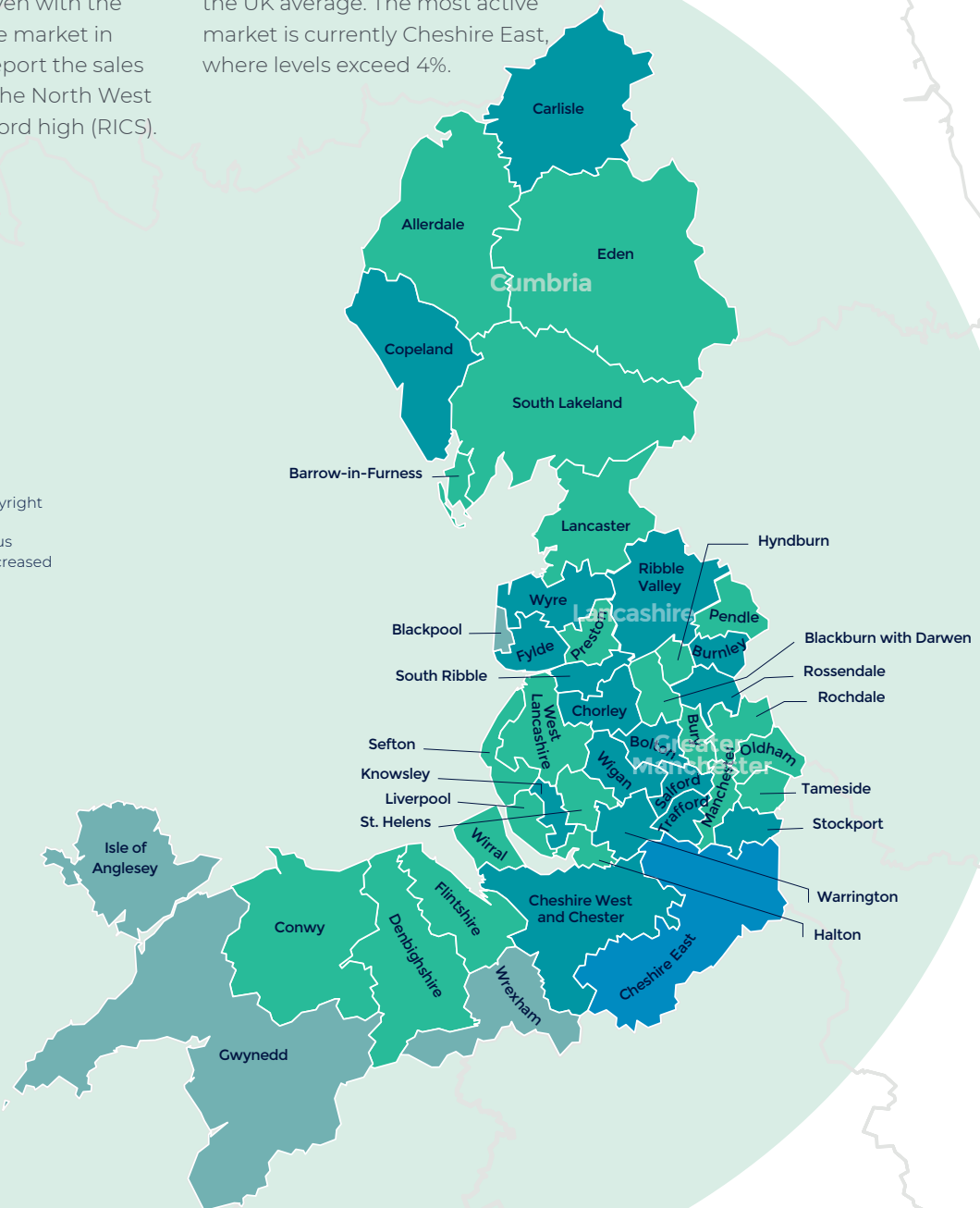
Sales are brisk. In the year to March 2021, HMRC estimate 2% more property sales completed than in the previous 12 months, even with the enforced closure of the market in spring 2020. Agents report the sales to stock ratios across the North West and Wales are at a record high (RICS).

Across the North West and North Wales, the annual rate of housing stock turnover is 3.4%, on par with the UK average. The most active market is currently Cheshire East, where levels exceed 4%.

PERCENTAGE OF PRIVATE STOCK TURNOVER

- Less than 2.5%
- 2.5% to 2.99%
- 3.0% to 3.49%
- 3.5% to 3.99%
- 4.0% and over

Source: Dataloft, ONS, UKHPI. Contains OS data © Crown copyright and database right 2016. Stock levels relate to 2011 Census data. Some areas have seen increased amounts of new development activity since then, which will enhance turnover rates.



2021 is set to be one of the busiest sales years in over a decade

20.5%

West Lancashire

Current annual rate of price change (%)

Source: Dataloft, ONS, UKHPI

Current annual rate of price change (%)

RANK		CURRENT ANNUAL RATE OF PRICE CHANGE (%)	AVERAGE HOUSE PRICE
1	WEST LANCASHIRE	20.5	£221,023
2	EDEN	20.2	£228,051
3	LIVERPOOL	18.1	£156,855
4	WIRRAL	17.6	£180,350
5	MANCHESTER	16.2	£211,107
6	BARROW-IN-FURNESS	16.2	£136,403
7	ISLE OF ANGLESEY	15.8	£211,450
8	CHESHIRE EAST	15.7	£262,936
9	BURY	15.3	£209,652
10	FYLDE	15.0	£214,368
11	HALTON	14.9	£160,524
12	PENDLE	13.5	£118,771
13	BOLTON	13.1	£160,095
14	PRESTON	12.8	£143,228
15	KNOWSLEY	12.8	£148,758
16	ROCHDALE	12.7	£159,555
17	ST HELENS	12.7	£148,513
18	DENBIGHSHIRE	12.5	£177,226
19	WYRE	12.5	£172,597
20	LANCASTER	11.8	£173,419

Source: Dataloft, ONS, UKHPI

Price growth strengthens

Although new instructions to the market have improved slightly in recent weeks, demand continues to outpace supply, placing sustained pressure on prices. Month-on-month average property prices are rising in all regions of the UK. Year-on-year price growth across the North West and Wales is substantially stronger than the 3.7% and 4.5% respectively recorded this time a year ago (UKHPI). Double-digit annual price growth is evident in over two-thirds of local areas in the North West and North Wales.

↑52%

Buyer demand in UK
April 2021 v April 2019

(Rightmove)

A seller's market

Market activity is fast-paced. The proportion of properties selling within their first week of listing is at a record high (Zoopla) and the average time taken to sell a property in the UK is nearly three weeks quicker than in April 2019 (Rightmove). Lifestyle change continues to drive demand, buyers also aided by the extension of elements of tax relief and the new 95% government-backed mortgage guarantee scheme, available on either new or resale properties.

42 days

Average time taken to sell a property in the North West, 49 days in Wales

(Rightmove)



ABOUT THE

GUILD OF PROPERTY PROFESSIONALS

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If you want independent guidance on moving home or are looking for the best agent in your area, visit 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.

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