

# reallymoving House Price Forecast

## September 2020: Further house price growth to come but first signs of slowdown emerge

- House prices are on course to rise by 8.8% in the final quarter of 2020
- Monthly rate of growth to hit 6.1% in October but slow to more normal levels in November and December
- Annual growth to average 14.3% over final quarter of 2020, based on deals already agreed
- London is one of the weakest-performing regions with price growth of 2.4% over next quarter

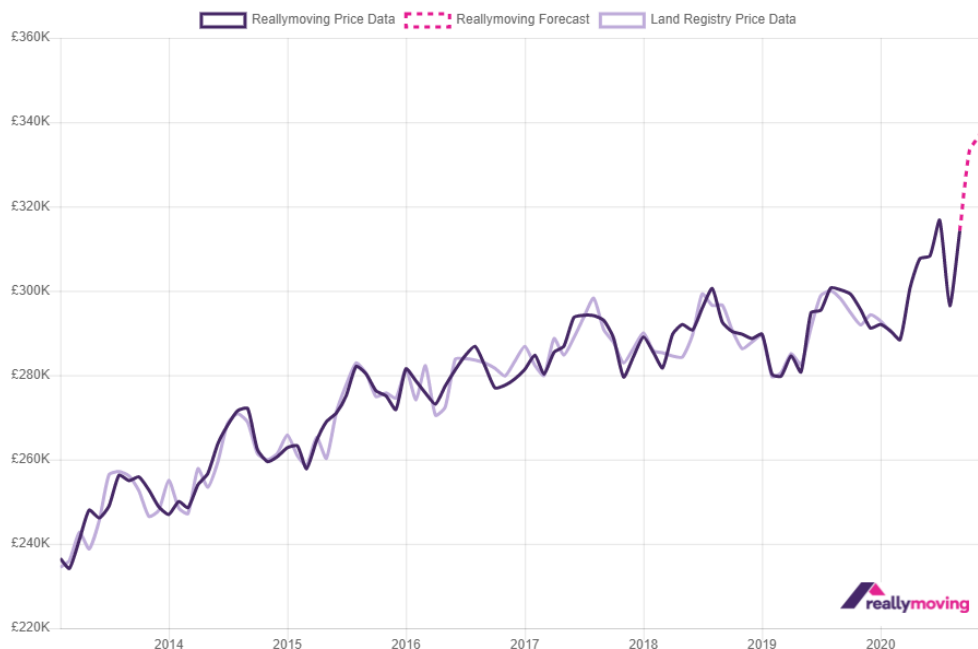
Month	Average price agreed	Monthly change %	Annual change %
August 2020 (actual)	£296,485	-6.4%	-1.4%
September 2020 (actual)	£314,235	6.0%	4.7%
October 2020 (forecast)	£333,331	6.1%	11.4%
November 2020 (forecast)	£336,946	1.1%	14.0%
December 2020 (forecast)	£341,999	1.5%	17.5%

House prices in England and Wales are on track to see further strong gains of 8.8% over the next three months, according to the reallymoving House Price Forecast September 2020 released today, but the first signs are emerging of a slow-down in the rate of growth.

Significant pent-up demand and an urgency to ensure sales are completed before the stamp duty holiday ends next spring have driven a spike in activity and pushed up prices as buyers compete for homes, but the market could be approaching a tipping point as concerns over rising unemployment and further regional lockdowns take their toll on consumer confidence.

As homebuyers register for quotes for home move services on the site typically twelve weeks before their purchase completes, reallymoving is able to provide an accurate three-month property price forecast based on the purchase price agreed. Historically, reallymoving's data has closely tracked the Land Registry's Price Paid data, published retrospectively (see Graph 1).

**Graph 1: reallymoving House Price Index (England and Wales) including 3-month price forecast**



## Monthly price changes

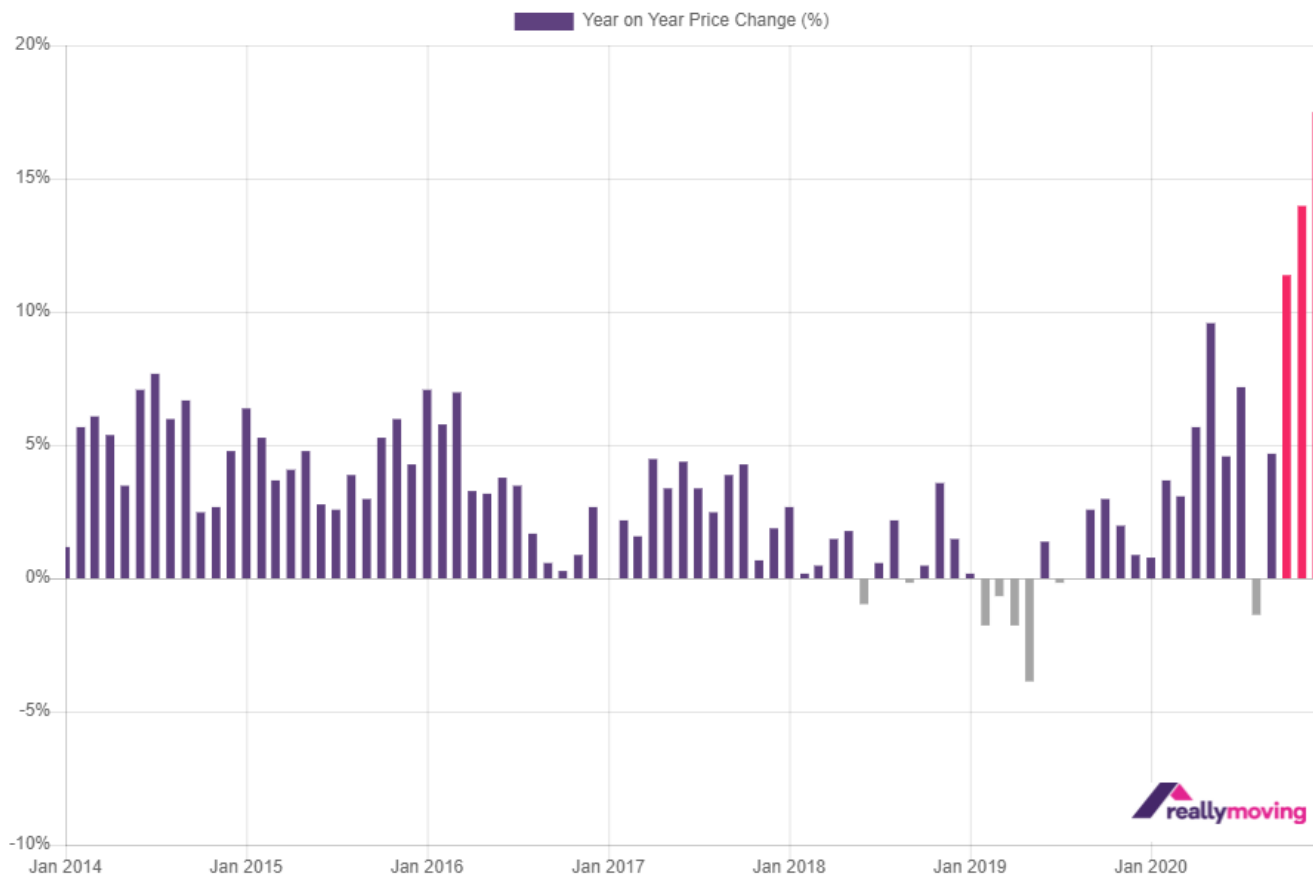
Based on deals already agreed between buyers and sellers, average house prices in England and Wales are set to increase from £314,235 in September to £341,999 in December, largely driven by a very strong performance in July which will deliver price rises of 6.1% in October when those deals complete.

Month on month house price increases will continue into the final two months of the year, but the rate of growth is forecast to reduce to 1.1% in November and 1.5% in December. This could be the first sign that demand from buyers is tailing off to more normal levels following this summer's extraordinary surge in activity.

## Annual price changes

House prices are significantly higher than this time last year, with annual price growth expected to hit 11.4% in October, 14% in November and 17.5% in December. However, this is almost certainly a spike in demand driven by the stamp duty holiday which has prompted equity-rich homebuyers to secure additional space, especially in light of further lockdowns this autumn and winter. Year on year growth is expected to return to more normal levels in early 2021, when the window of opportunity to complete a sale before the stamp duty holiday deadline begins to close.

Graph 2: Year on Year average price changes (England and Wales) including 3-month forecast

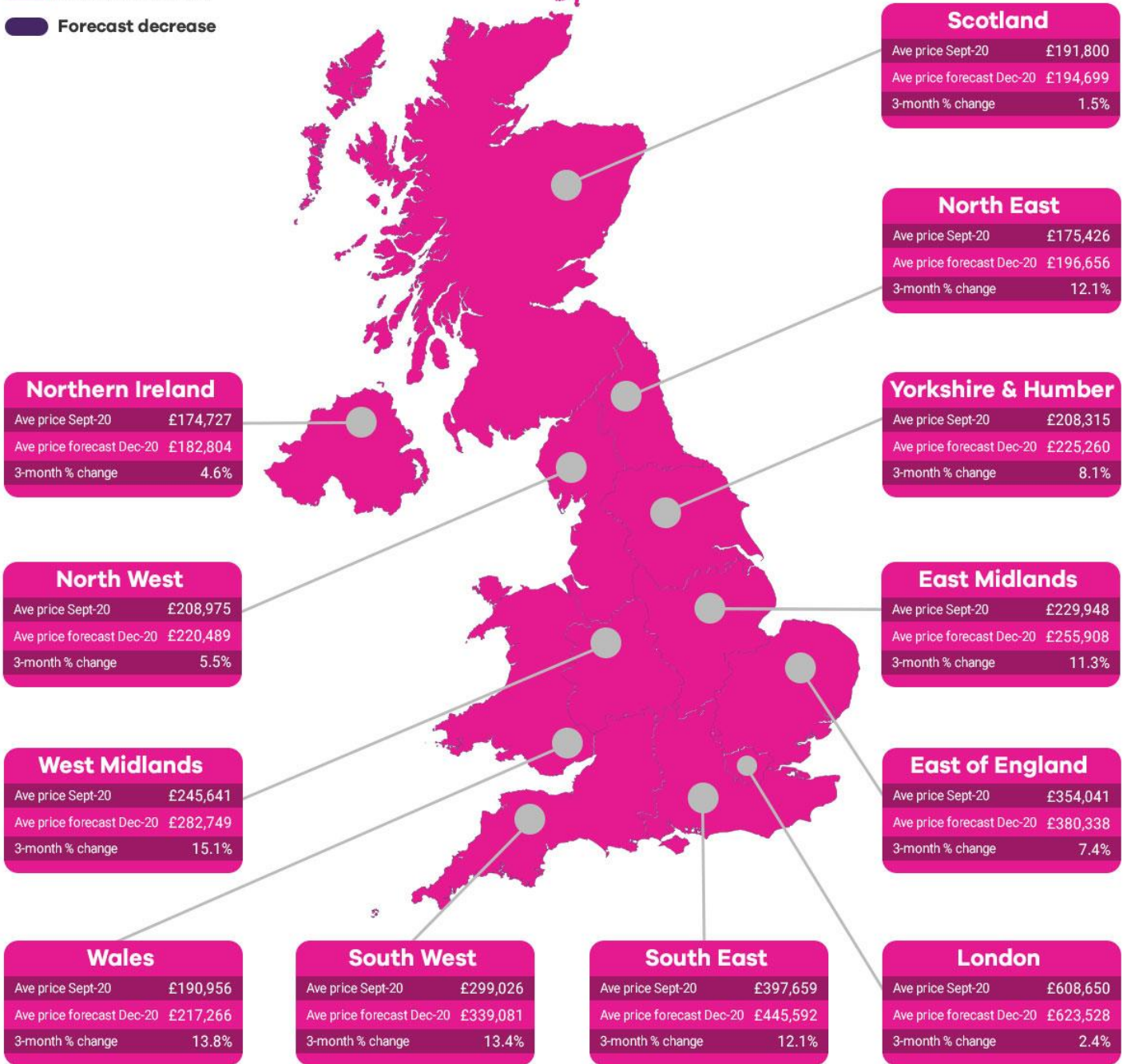


# Regional Forecasts

The map below shows the forecast percentage change in regional house prices for December, relative to current figures seen in September. This gives an indication of how house prices are set to change over the next three months.



- █ Forecast increase
- █ Forecast decrease



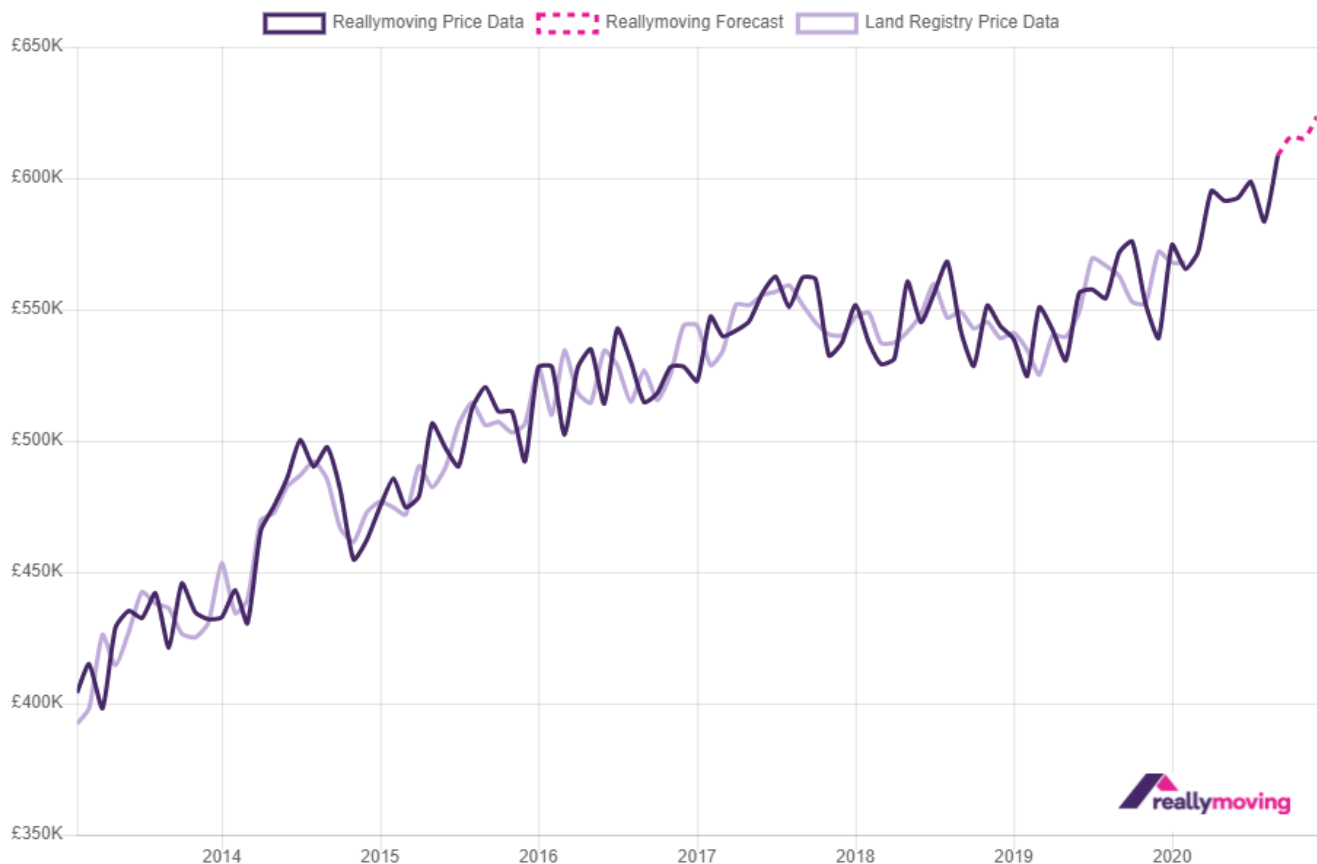
## Regional 3-month price forecasts

Every region of the UK is following the national trend, with prices forecast to rise strongly between September and December as the post-lockdown bounce continues, with the highest gains expected in the West Midlands (+15.1%), Wales (+13.8%) and the South West (+13.4%).

However, six out of the twelve regions are forecast to see price falls in December, providing further evidence that buyer demand may have begun to taper off in September which will be reflected in prices agreed at the end of the year.

Reallymoving's online [House Price Forecast](#) is an interactive tool providing house price information and forecasts for every region of the UK alongside Land Registry Price Paid data. Highlighting London this month, average prices are set to rise by 2.4% from £608,650 in September to £623,528 in December, a considerably lower rate of growth than most other regions. This is likely to be a result of reduced demand for property in London as the home-working trend becomes entrenched.

Graph 3: reallymoving House Price Index (London) including 3-month price forecast



## Analysis and commentary

Rob Houghton, CEO of reallymoving, comments: *“Our data indicates continued strong price increases in the run up to Christmas but the slowdown in the rate of growth in November and December could be an early sign that the post-lockdown spike in activity is beginning to run out of steam.*

*“For the remainder of the year the stamp duty holiday will continue to support demand but the real test will be the start of 2021, when the window for offering on a property and completing before the March 31<sup>st</sup> deadline begins to close. This is likely to be in the context of rising unemployment and continued lockdowns, impeding economic activity and denting consumer confidence.*

For press information please contact: Sarah Lawrence [sarah@lawrencepr.co.uk](mailto:sarah@lawrencepr.co.uk) 07984 422 461



*“Increasing numbers of First Time Buyers have been locked out of the market in recent months due to competition for homes and the withdrawal of high Loan to Value mortgages. But if the Government presses ahead with the launch of its proposed 95% loans in spring 2021, that would help overcome the biggest barrier to home ownership for thousands of First Time Buyers, boosting demand at the lower end of the market at a crucial time.”*

-- ENDS --

## Notes to Editors

### About the reallymoving House Price Forecast

The Index, which launched in May 2019, uses average house prices calculated from data submitted on conveyancing quote forms at reallymoving.com. Registrations for conveyancing quotes are completed typically three months prior to the transaction date, giving reallymoving a unique perspective and forecast of house prices. As such, forecasted data for October – December 2020 is based on registrations from July – September 2020 respectively.

The data is mix adjusted but not seasonally adjusted. Seasonally adjusted data is available on request.

Reallymoving recognises that, as a price comparison site, its average user profile is skewed towards the lower end of the market. Therefore, forecast values are lifted by the average difference seen between reallymoving and Land Registry Price Paid data during the previous quarter. The difference is fairly constant in percentage terms.

Only non-commercial properties between £40,000 and £2,000,000 are included in the calculation, to account for errors in submitting the quote form.

Between July – September 2020, reallymoving analysed data from 33,400 completed conveyancing quote forms to form the basis of its average property price projections for September - December 2020.

### About reallymoving

Launched in 1999 and celebrating its 20<sup>th</sup> birthday last year, reallymoving has become the UK's leading provider of free instant quotes for home-moving services, serving its 2 millionth customer at the beginning of 2018. It is an independent and privately financed company, majority owned by its management and directors.

During 2019 reallymoving received 270,000 registrations and generated 1,050,000 quotes on behalf of its UK-wide network of partners, representing approximately £190 million worth of work in 12 months. reallymoving believes approximately 9% of the UK's home movers in 2019 received quotes from the site.

reallymoving provides instant quotes for Conveyancing, Surveys, Removals, Home Reports (in Scotland) and Energy Performance Certificates.

Reallymoving also owns The Law Superstore, the comparison site for legal services.

[www.reallymoving.com](http://www.reallymoving.com)

For press information please contact: Sarah Lawrence [sarah@lawrencepr.co.uk](mailto:sarah@lawrencepr.co.uk) 07984 422 461