

# reallymoving House Price Forecast

## July 2021: Housing market brushes off Stamp Duty holiday deadline

*Strong growth forecast for October, based on deals agreed in July*

- House price growth will slow through August and September before rising sharply to +1.7% in October
- Autumn increase indicates Stamp Duty holiday was not main driver of recent home mover activity
- Rate of annual growth will decline from 14.3% in August to 5% in September to 1% in October 2021

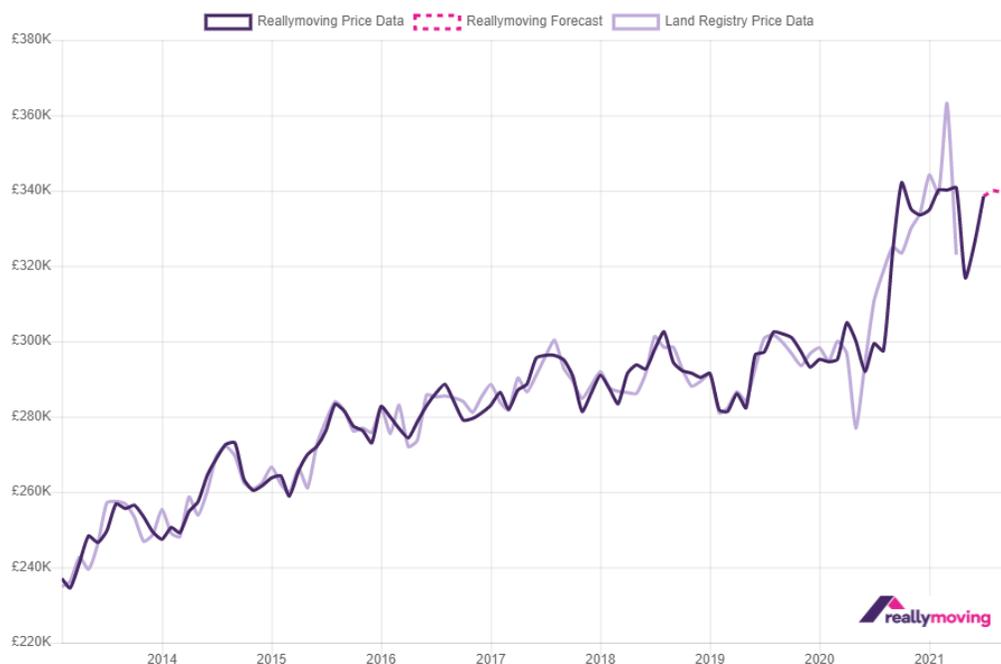
Month	Average price agreed	Monthly change %	Annual change %
June 2021	£326,093	+2.9%	+11.7%
July 2021	£338,494	+3.8%	+13.1%
August 2021	£340,018	+0.4%	+14.3%
September 2021	£339,793	-0.1%	+5.0%
October 2021	£345,477	+1.7%	+1.0%

The housing market in England and Wales appears to have shaken off the end of the most generous part of the Stamp Duty holiday, with prices set to increase by +1.7% month on month in October based on deals agreed in July, according to the Reallymoving House Price Forecast released today. Such a rise in the values of new deals agreed in the month following the tax holiday deadline of 30<sup>th</sup> June indicates that the tax saving was not the main driver of recent home mover activity, with lifestyle changes, new flexible working arrangements and low mortgage rates more important factors.

Conveyancing quote volumes on reallymoving's website peaked this spring at more than double the usual level but dropped by 18% in June and a further 21% in July to reach more normal levels for the time of year, indicating buyer demand is softening. As such, it is likely to be activity at the higher end of the market that is fuelling a rise in the average house price.

Reallymoving captures the purchase price buyers have agreed to pay when they search for conveyancing quotes through the comparison site, typically 12 weeks before they complete. This enables reallymoving to provide a three- month house price forecast that historically has closely tracked the Land Registry's Price Paid data, published retrospectively (Graph 1).

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



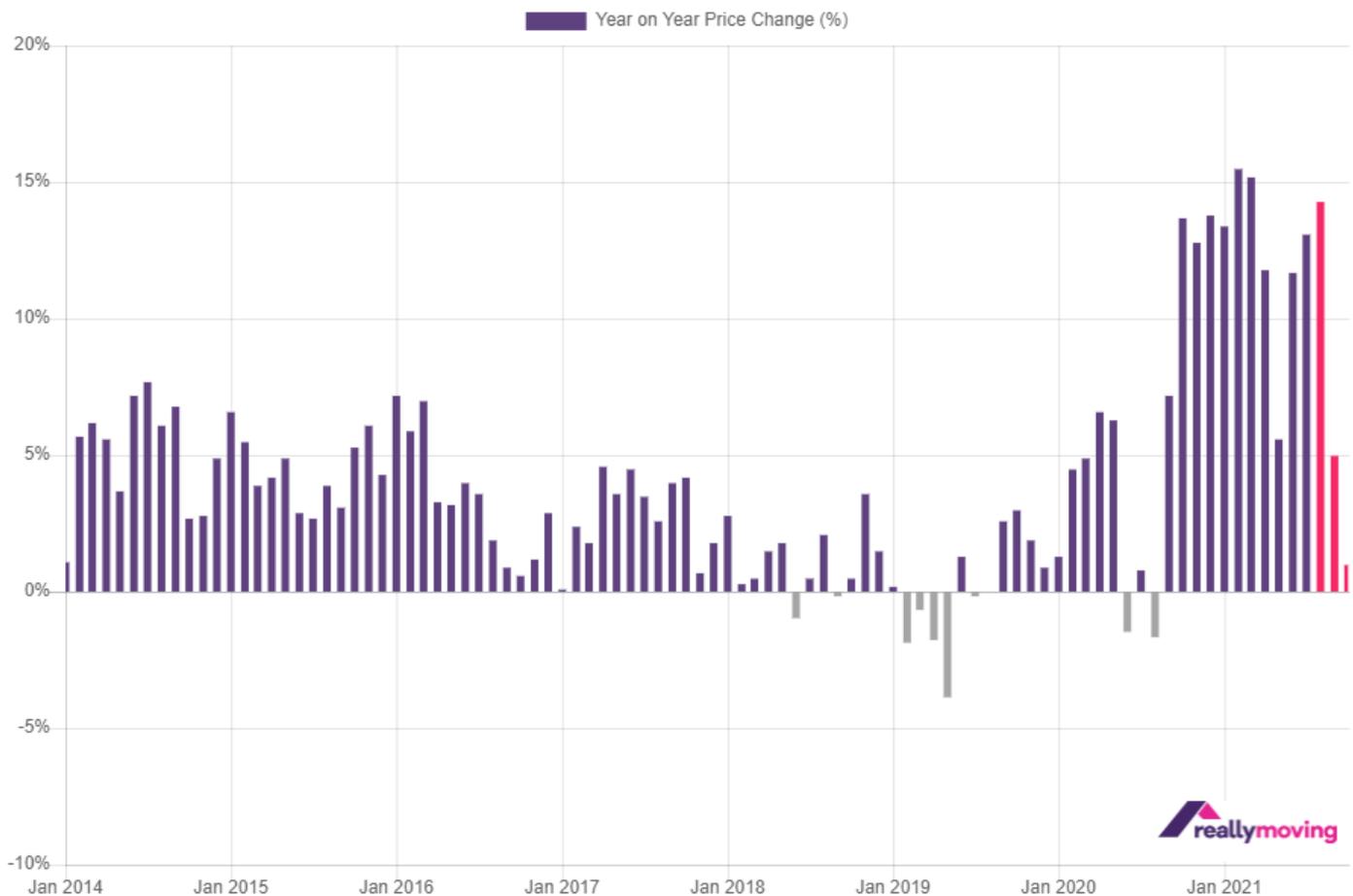
## Monthly price changes

Following an exceptionally busy spring market which saw values rise strongly month on month, the prices agreed between buyers and sellers fell marginally in June which will be reflected in Land Registry data this September (-0.1%). This is likely to be little more than the froth coming off the market as the Stamp Duty holiday deadline approached, with buyers agreeing to pay less as they factored in the tax cost. But this dip appears to be short-lived, suggesting the Stamp Duty holiday was not the main driver of home mover activity in recent months. Deals done between buyers and sellers in July will result in a 1.7% increase in the average house price when those deals complete in October, as once again demand bounces back and the housing market proves its underlying strength and resilience.

## Annual price changes

Throughout the year so far, house prices in England and Wales have been considerably higher than in 2020, but annual price growth is now adjusting back downwards from 14.3% in August to 5.0% in September and 1.0% in October. However, these figures are set against a frenzied period for the housing market last autumn which saw prices rise sharply in October and November, which is having a notable impact the current rate of annual growth.

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



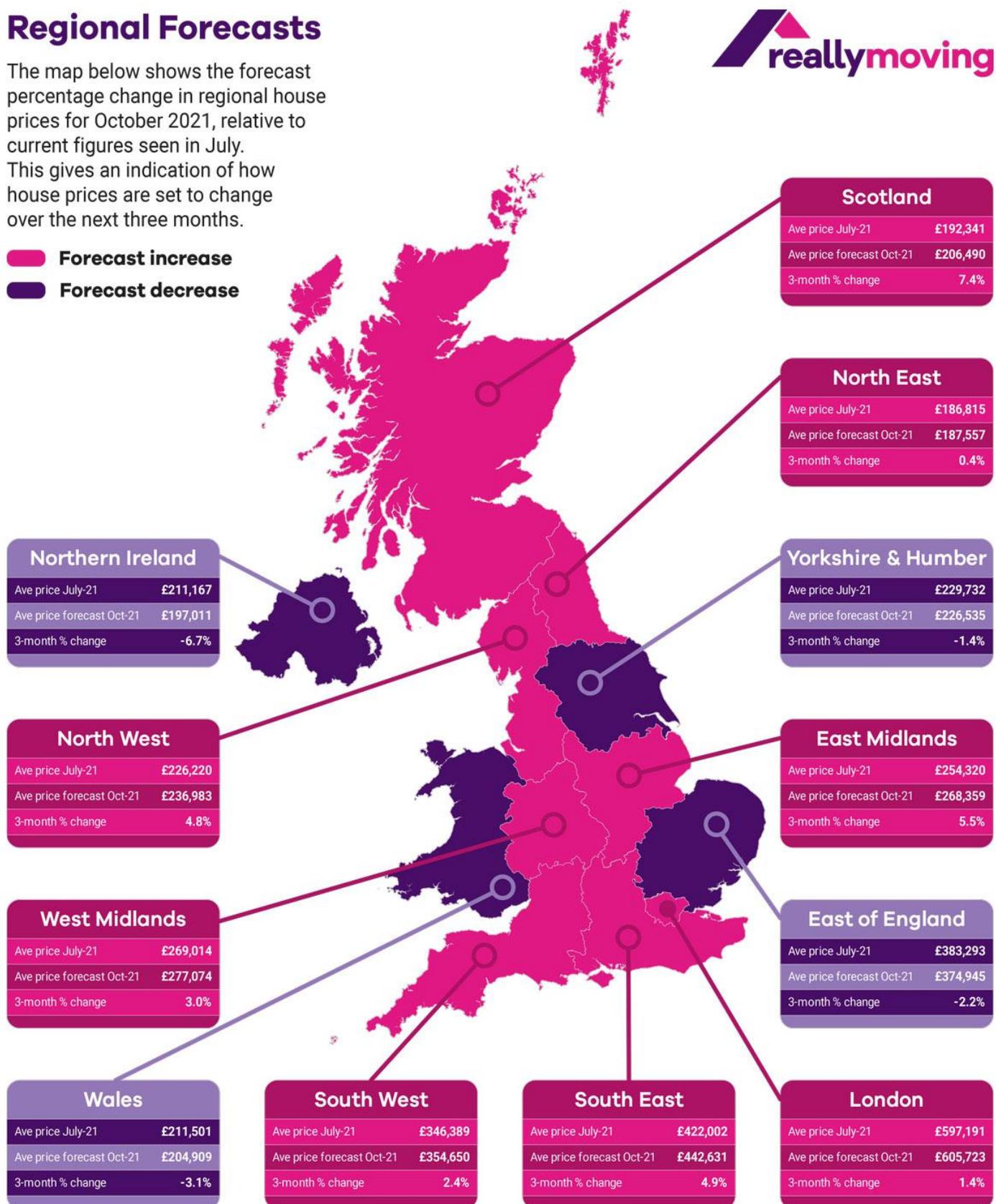
# Regional Forecasts



The map below shows the forecast percentage change in regional house prices for October 2021, relative to current figures seen in July.

This gives an indication of how house prices are set to change over the next three months.

- Forecast increase
- Forecast decrease

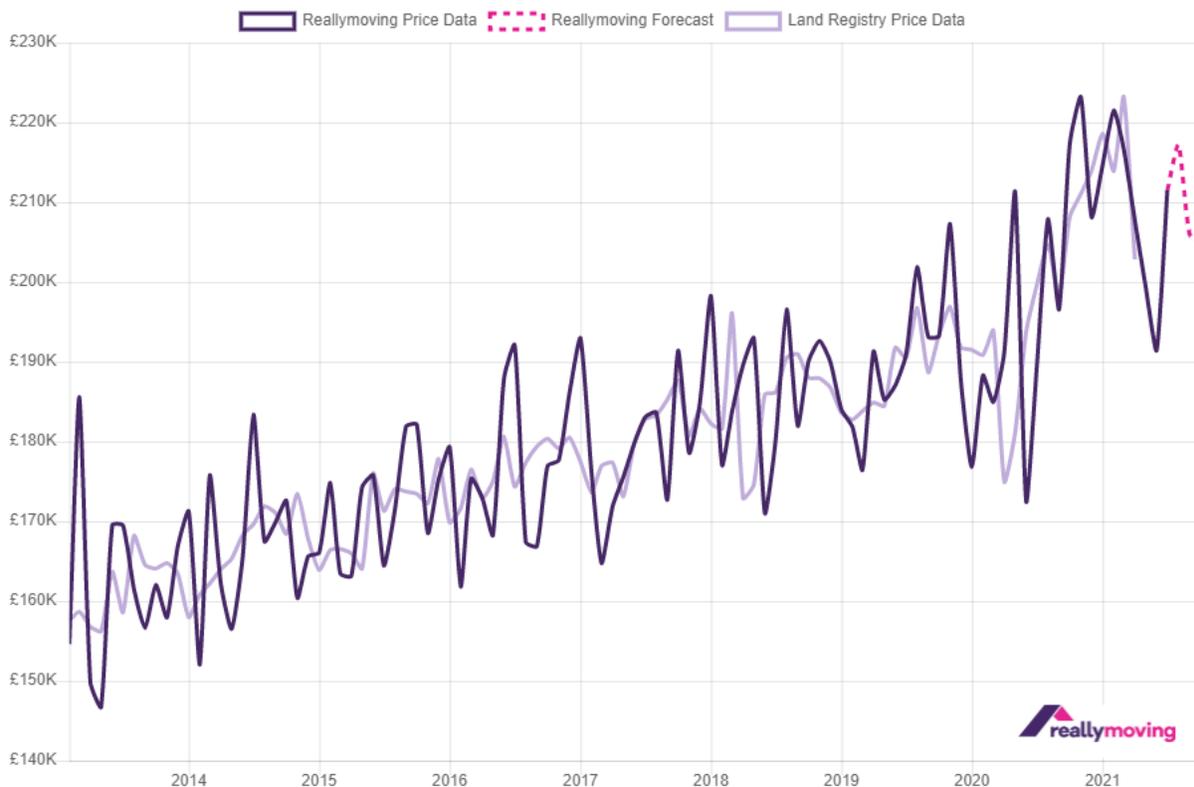


## Regional 3-month price forecasts

Two thirds of the UK's regions will see house prices rise over the coming quarter (August to October 2021), with notable gains in Scotland (+7.4%), the South East (+4.9%) and the North West (+4.8%). Wales, Yorkshire & The Humber, the East of England and Northern Ireland will all see prices fall during the next three months.

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 Wales this month, average prices are set to rise by +2.7% in August to £217,213 before falling by 5.2% in September and a further 0.5% in October, bringing the average house price for Wales to £204,909.

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



## Analysis and commentary

Rob Houghton, CEO of reallymoving, comments: *“This latest data allows us to see further into the autumn and once again the housing market is proving itself to be pretty resilient. It’s becoming evident that the phasing out of the Stamp Duty holiday is not having a significant impact on prices, with buyer demand arising from new working arrangements, a reassessment of housing needs and low mortgage rates likely to be a much larger driver of continued activity. Low new supply of homes coming onto the market is also putting upwards pressure on prices.*

*“Our inaugural Property Market Intelligence Report which launched this month showing that house price inflation is much lower for First Time Buyers at 2.5% than upsizers at 10%. Home movers with more equity are in the best position to move to their dream home now they are less tied to the office and the daily commute. Yet First Time Buyers shouldn’t despair at the sight of climbing prices. They are increasing far more slowly at the lower end of the market and I’d urge anyone wondering if they can afford to buy their first home to look at the specific data for their area and their buyer group, which may be more favourable than they think.”*

-- 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 August – October 2021 is based on registrations from May – July 2021 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 May – July 2021, reallymoving analysed data from 24,000 completed conveyancing quote forms to form the basis of its average property price projections for August – October 2021.

### About reallymoving

Launched in 1999, reallymoving has become the UK's leading provider of free instant quotes for home-moving services, serving over 2 million customers since its inception. It is an independent and privately financed company, majority owned by its management and directors.

During 2020 reallymoving received 280,000 registrations and generated almost a million quotes on behalf of its UK-wide network of partners, representing approximately £220 million worth of work in 12 months. Reallymoving believes approximately 9% of the UK's home movers receive quotes from the site.

Reallymoving provides instant quotes for Conveyancing, Surveys, Removals, Valuations, 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)

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