

# reallymoving House Price Forecast

**July 2020:** Post-lockdown boom prompts price surge of 8% between June and October

- House prices could rise by as much as 8.1% between June and October as buyer activity surges
- Annual growth will reach high of 11.4% in October 2020, based on sales agreed in July
- Stamp duty giveaway and high levels of pent up demand have driven a flurry of buyer activity

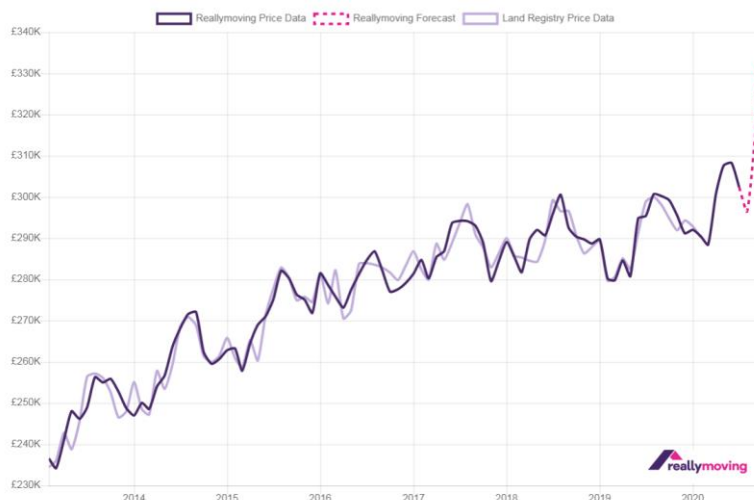
Month	Average price agreed	Monthly change %	Annual change %
June 2020 (actual)	£308,280	0.2%	4.6%
August 2020 (forecast)	£296,485	-3.8%	-1.4%
September 2020 (forecast)	£314,235	6.0%	4.7%
October 2020 (forecast)	£333,331	6.1%	11.4%

Exceptional levels of demand from homebuyers post-lockdown are driving a sharp spike in house price growth which will become evident in Land Registry data when those sales complete this autumn, reports reallymoving in its House Price Forecast July 2020, released today.

Dissatisfaction with existing homes during lockdown, significant pent-up demand from the spring when the market was stopped in its tracks and from previous Brexit uncertainty, topped off with the boost delivered by the Chancellor's stamp duty giveaway, have combined to deliver remarkable levels of housing market activity. This could well be short-lived however, if the wider economy and jobs market struggle to emerge successfully from Government and lender support – and considering the double threat of the impact of Covid-19 which has already pushed the UK into recession, alongside a No Deal Brexit.

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 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

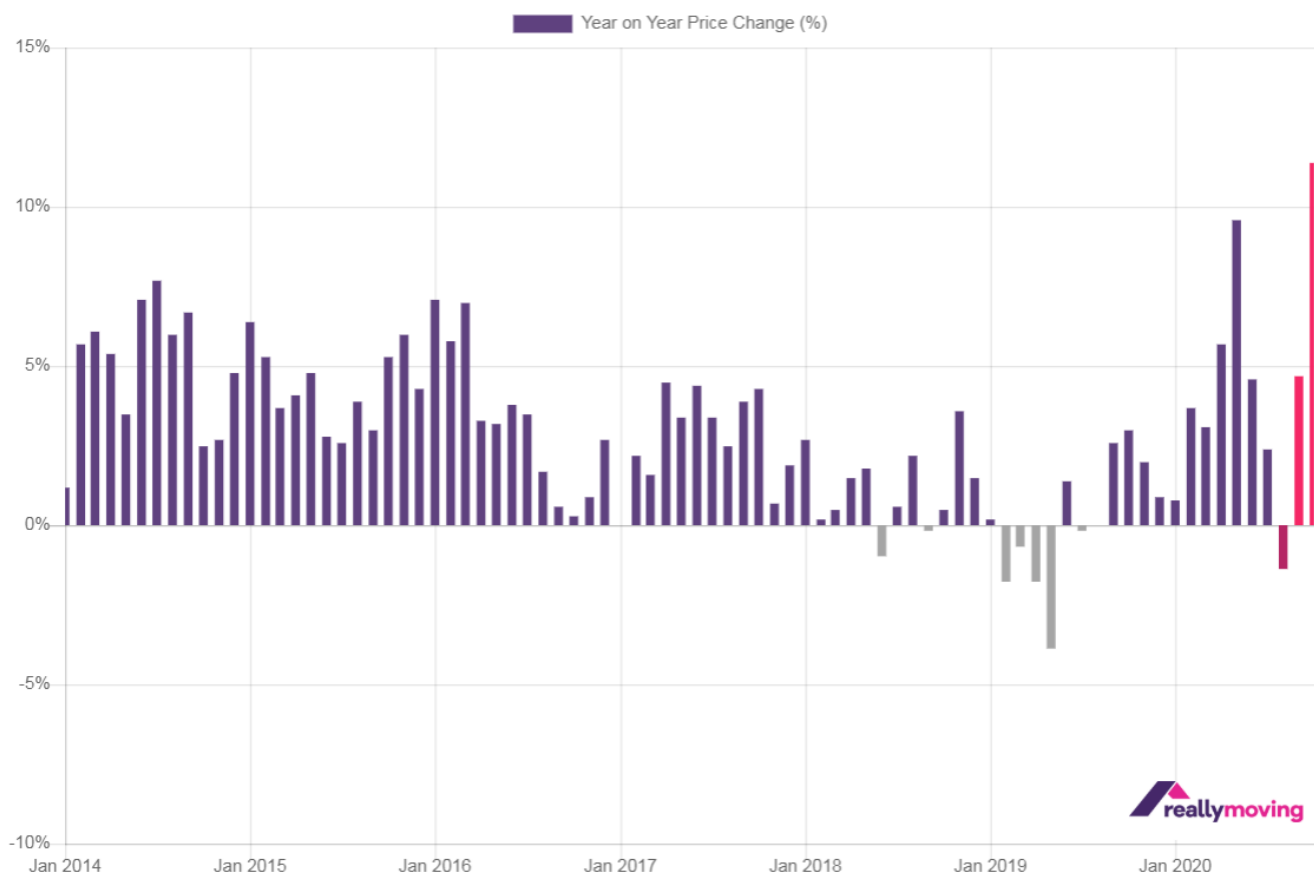
Average house prices in England and Wales are on course to increase by 8.1% between June and October, from £308,280 to £333,331. The trend of post-lockdown growth is clear and shows a significant monthly surge in the value of deals agreed between buyers and sellers in June which will translate into 6% growth when those deals complete in September and a further 6.1% in October. Similar reports of heightened buyer demand have been reported across the market, with Countrywide, one of Britain's largest estate agency groups, noting a 38% increase in buyers since the stamp duty announcement.

## Annual price changes

Reflecting the spring Covid-19 property market freeze, annual growth is set to dip by 1.4% in August 2020, the first annual price fall in thirteen months, before rebounding strongly in September (4.7%) and October (11.4%). October's data represents the most significant year on year increase in house prices seen since the House Price Forecast data began in January 2013.

With gloomy jobs data and economic forecasts weighing heavily, this is likely to be only a short-term hike, with annual price growth recovering to more normal levels towards the end of this year and into early 2021.

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

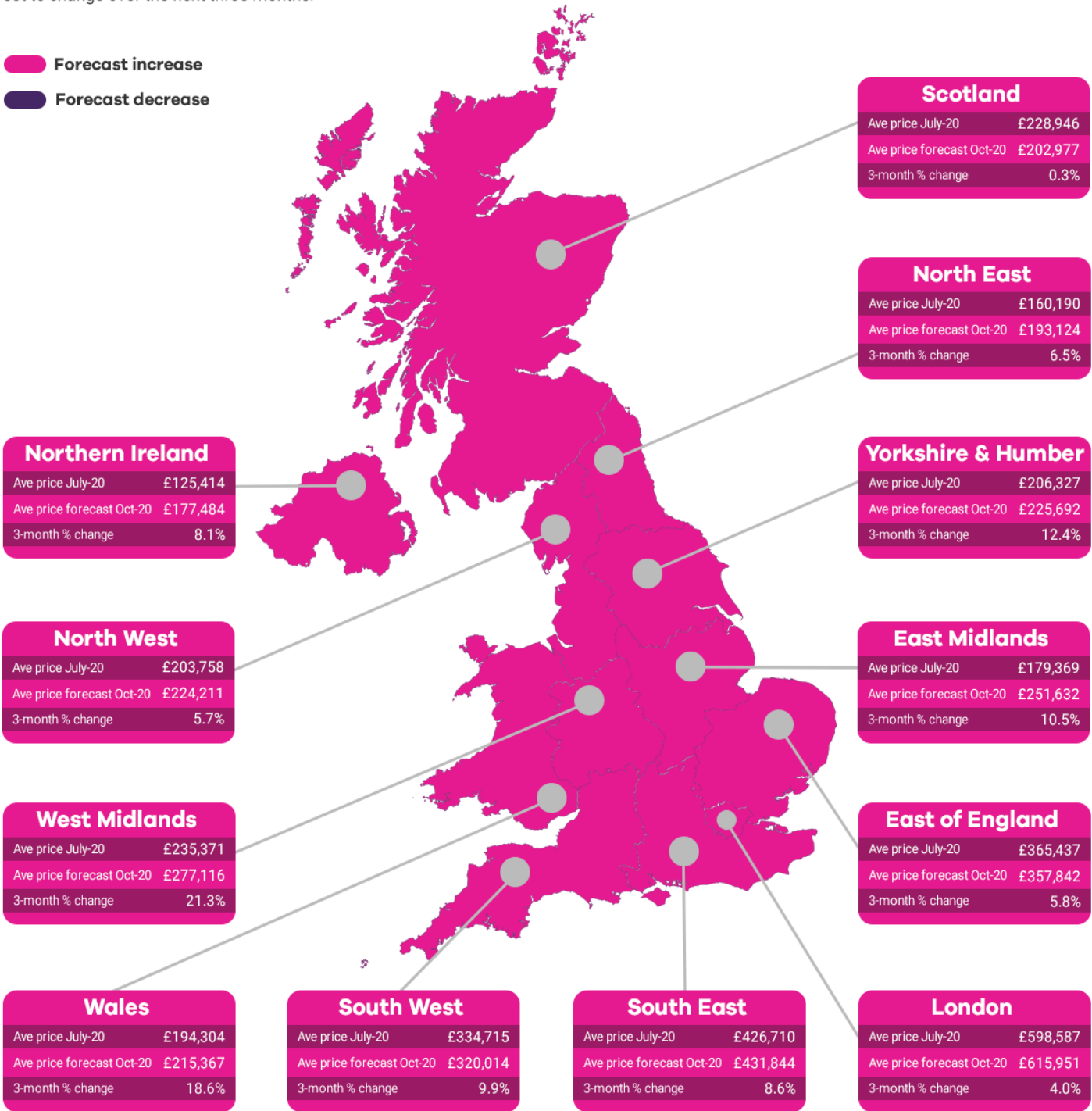


# Regional Forecasts

The map below shows the forecast percentage change in regional house prices for October, 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

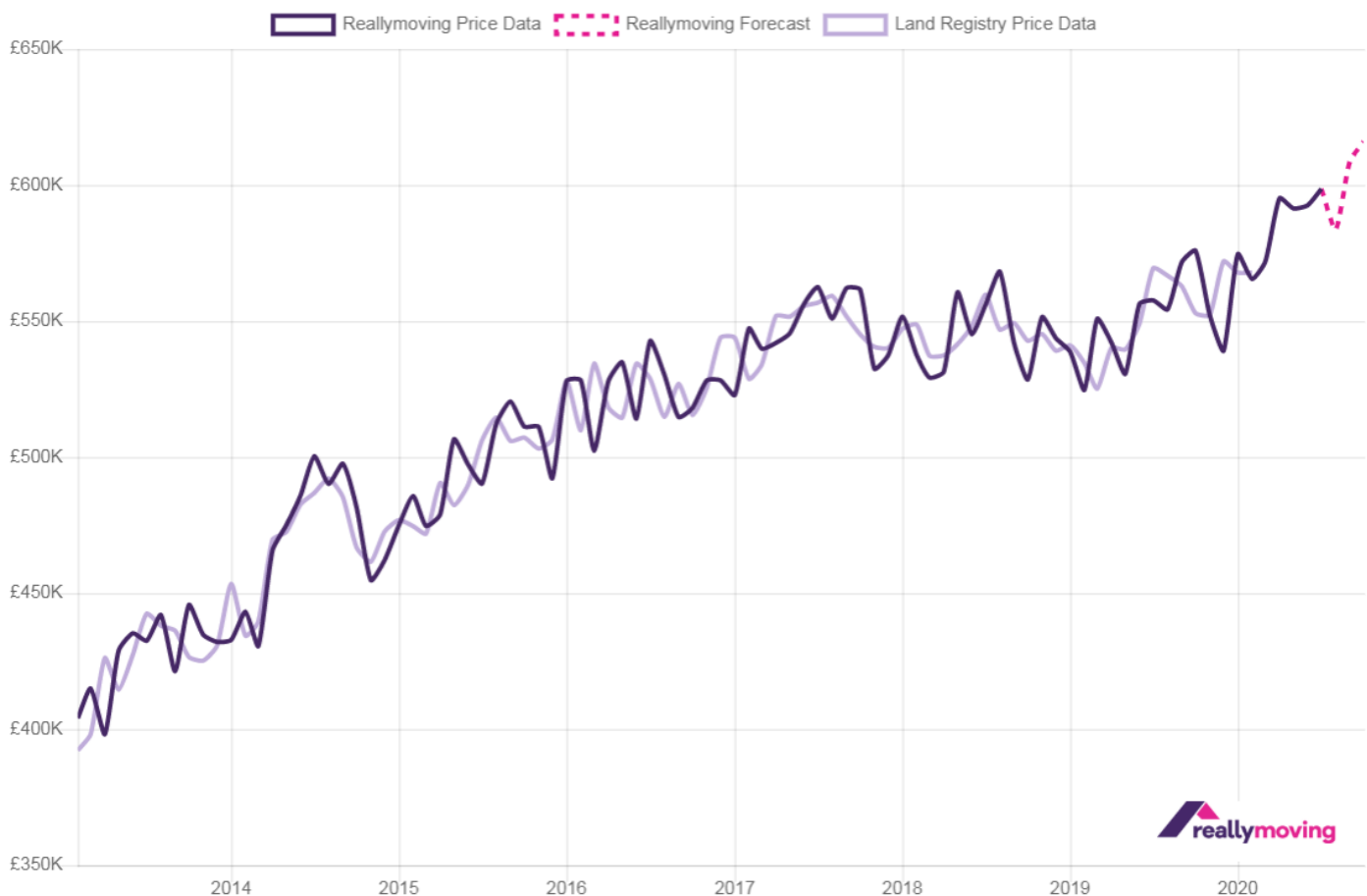


## Regional 3-month price forecasts

Every region of the UK is set to see prices rise between June and October this year. The regional markets have followed the national trend to bounce back strongly since lockdown with a surge in activity translating to higher prices being agreed between buyers and sellers. Interestingly, Midlands and Yorkshire & Humber are performing particularly strongly, despite the impact of local lockdowns and the fact that they benefit less from the stamp duty giveaway than more expensive regions in the south. This could be a result of there being greater capacity for growth in locations where prices have risen more slowly in recent years.

Reallymoving's online [House Price Forecast](#) is an interactive tool providing house price information and forecasts for every region of the UK, from January 2013 to present, alongside Land Registry price paid data. Highlighting London, average prices are set to rise by 4% from £592,526 in June to £615,951 in October 2020.

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



## Analysis and commentary

Rob Houghton, CEO of reallymoving, comments: *“We’ve seen an unusual set of factors come together this summer which has created a significant surge in housing market activity, yet we expect price hikes to be short-term.*

*“This perfect storm has been driven by people having recently spent large amounts of time at home - prompting them to bring forward moves in order to seek additional features such as offices and larger gardens - combined with pent up demand that has been present in the market throughout Brexit and was heightened by this year’s storming*



*spring market being suddenly stopped in its tracks. The temporary stamp duty changes have also provided a massive incentive to buyers to move now, rather than wait.*

*“The UK is now officially in recession and a sharp rise in unemployment is on the horizon when the furlough scheme comes to an end in October. Combined with the recommencement of mortgage repayments for thousands of homeowners who arranged payment holidays, households could find themselves under significant financial pressure. These factors will dampen demand for property through the late autumn and winter, which is likely to reverse the current spike in house price growth.”*

**-- ENDS --**

## **Notes to Editors**

### **About the reallymoving House Price Forecast**

The Forecast, 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. This month's House Price Forecast (July 2020) is based on the last full set of data pre-lockdown, as heavily reduced volumes during lockdown in April makes the usual three-month timeline unreliable.

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 and July 2020, reallymoving analysed data from 20,997 completed conveyancing quote forms to form the basis of its average property price projections for August - October 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.

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

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