

reallymoving House Price Forecast

September 2020: House price growth to flatten in early autumn

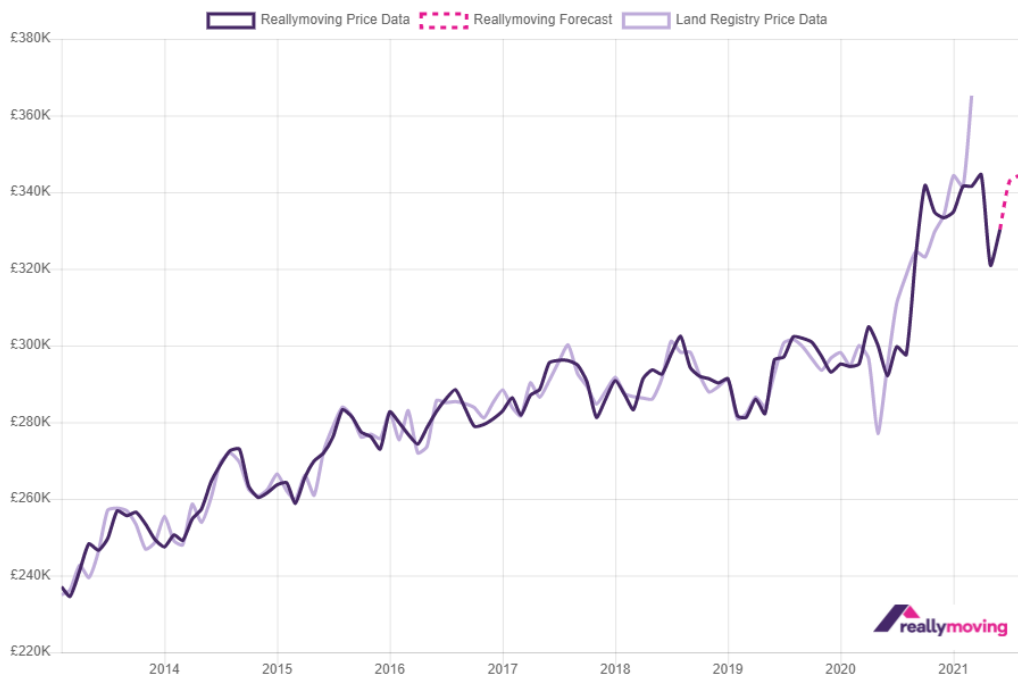
- Strong house price growth forecast for July, slowing to +0.4% in August and -0.1% in September
- Softening in demand from end of SDLT holiday is reflected in prices, based on deals already agreed
- Rate of annual growth is also set to fall by more than half to +6.3% in September

Month	Average price agreed	Monthly change %	Annual change %
May 2021	£320,950	-6.9%	+6.9%
June 2021	£330,279	+2.9%	+13.1%
July 2021	£342,767	+3.8%	+14.4%
August 2021	£344,264	+0.4%	+15.7%
September 2021	£343,968	-0.1%	+6.3%

The post-lockdown housing market boom is showing signs of slowing this autumn, according to the Reallymoving House Price Forecast, released today. House prices in England and Wales will grow by +3.8% in July, with the rate of growth declining in late summer and tipping marginally into negative growth in September (-0.1%) based on new deals agreed in June, which were too late to benefit from the Stamp Duty holiday.

Conveyancing quote volumes on reallymoving's website peaked in March at more than double the usual level and remained high in April but dropped by 13% in May and a further 18% in June, suggesting buyer demand is beginning to fall. 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 (see Graph 1).

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



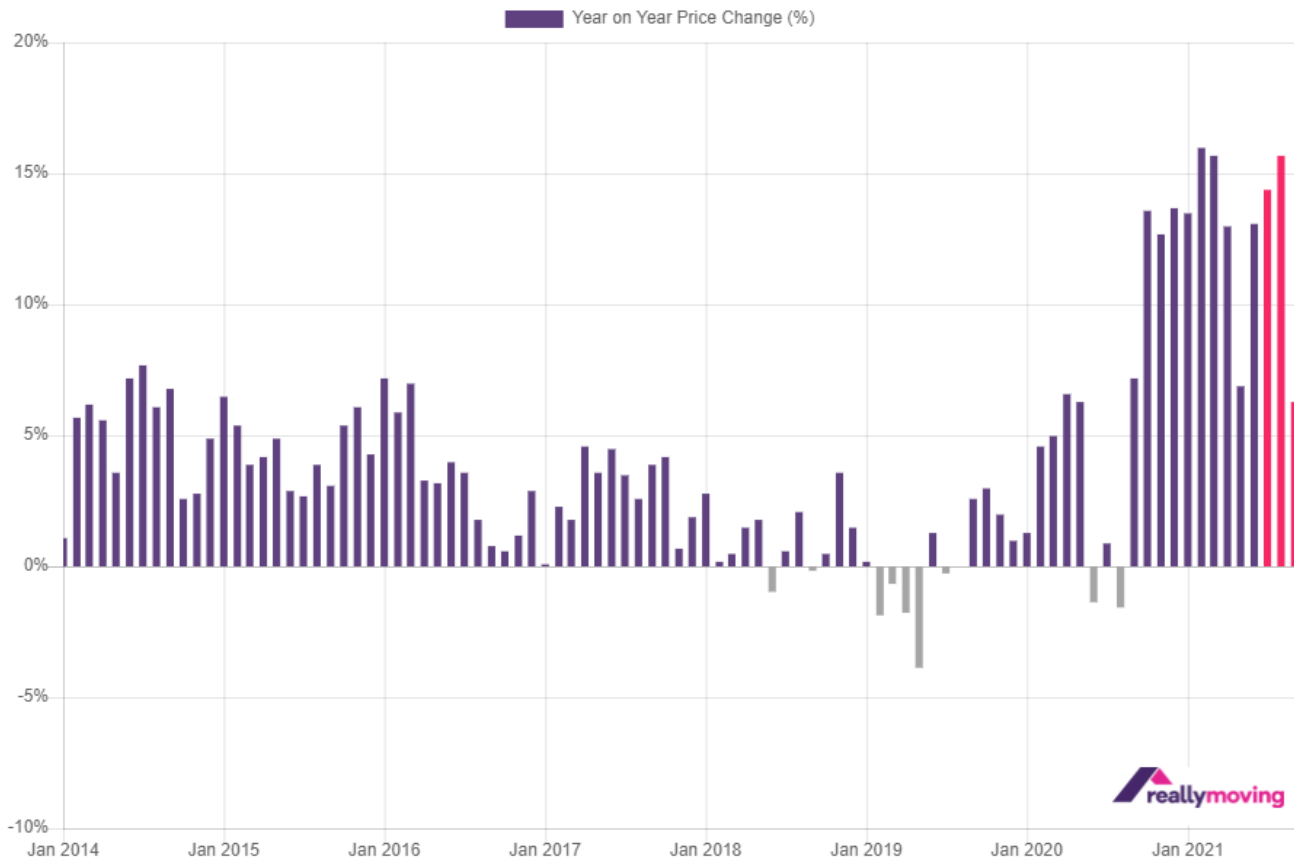
Monthly price changes

Completed sale prices will rise strongly in July (+3.8%) based on deals agreed in April as buyers rushed to meet the Stamp Duty holiday deadline. However, a slowdown is clearly evident in August when price growth will decrease to +0.4%, before falling to -0.1% in September when the average house price will be £343,968. This flattening of the market in the early autumn clearly correlates with the end of the holiday, reflecting reduced competition for homes and buyers clearly agreeing to pay less as they factor in the additional cost of the transaction tax.

Annual price changes

House prices in England and Wales are substantially higher than a year ago and will remain so into the early autumn. A lack of new stock coming on the market (Rightmove has identified a 225,000 shortfall in the number of new properties coming onto the market – and RICS report that new instructions fell in June for the third successive month) will continue to support prices through the summer. Nevertheless, the rate of annual growth is showing a similar trend to the monthly figures, falling from +15.7% in August to +6.3% in September – a decrease of more than half (60%).

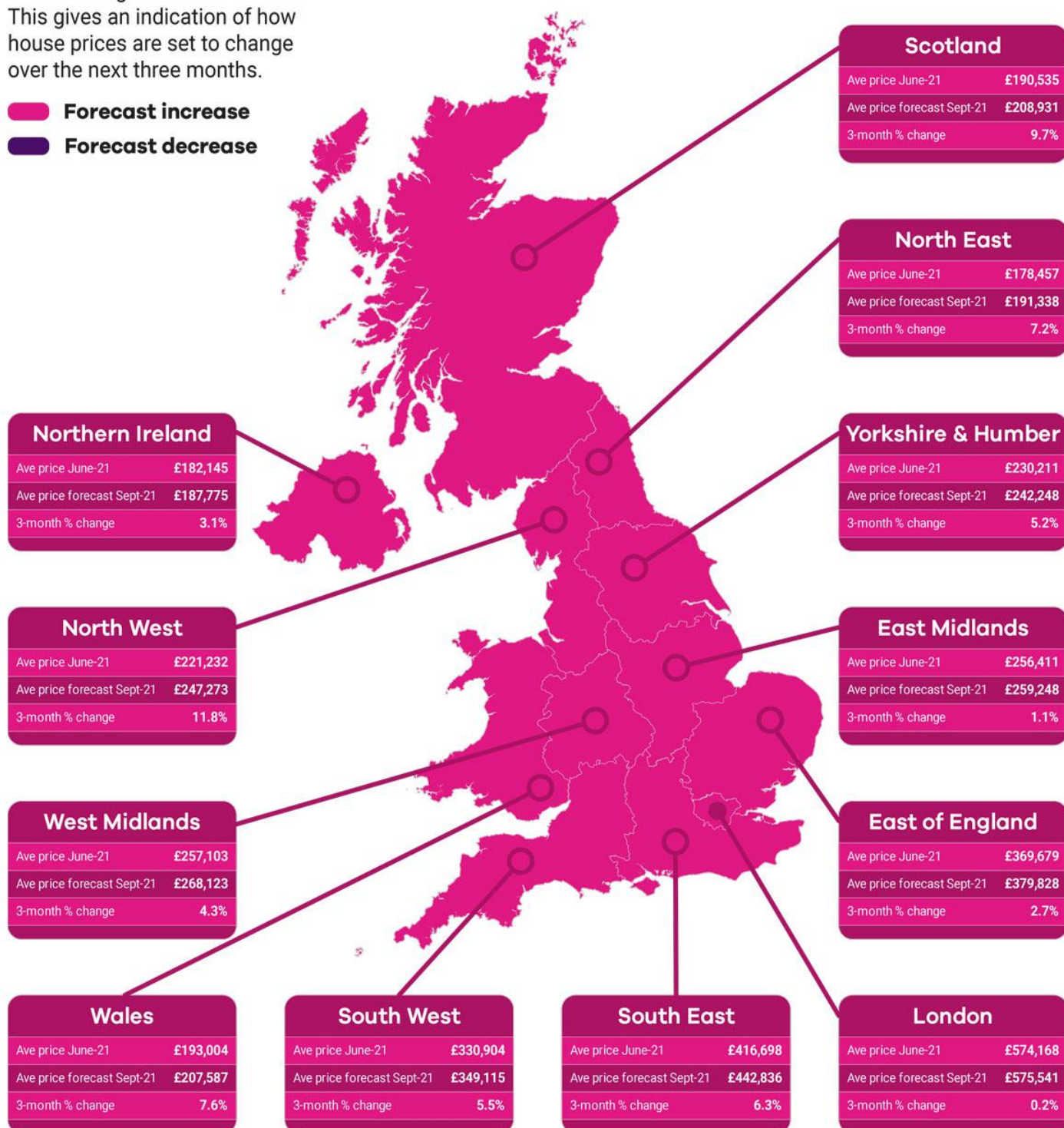
Graph 2: Year on Year average price changes (England and Wales) including 3-month forecast



Regional Forecasts

The map below shows the forecast percentage change in regional house prices for September 2021, relative to current figures seen in June. This gives an indication of how house prices are set to change over the next three months.

 **Forecast increase**
 **Forecast decrease**



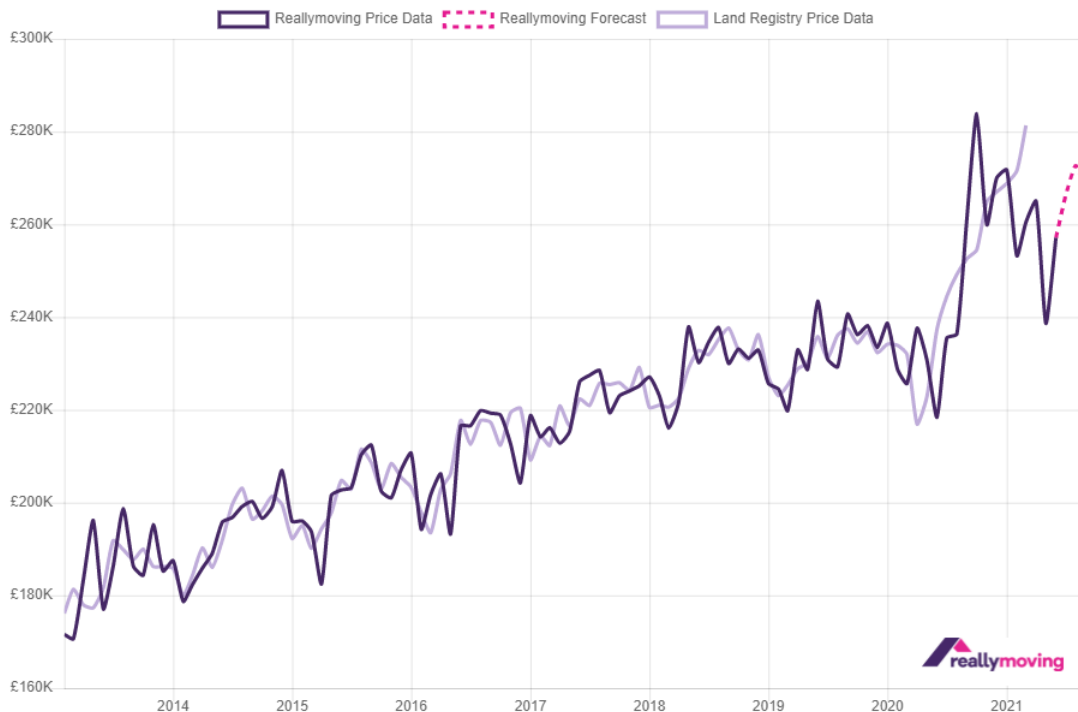
Regional price forecasts

All regions of the UK will see house prices rise over the next quarter (July to September), with notable gains in the North West (11.8%), North East (+7.2%) and Wales (+7.6%). But looking more closely at the monthly data, it's possible to see the national trend playing out with most of this growth will occurring in July. Five regions of the country (London, East of England, East Midlands, West Midlands and Wales) will see prices dip in September.

London is the only region in the UK to also see negative annual growth in September, when prices in the capital will be 5.5% lower than September 2020.

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 the West Midlands this month, prices are set to rise by +3.6% in July, with the rate of growth slowing to +2.4% in August and falling to -5.2% in September when the average house price in the region will be £268,123.

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



Analysis and commentary

Rob Houghton, CEO of reallymoving, comments: *“A slowdown in the remarkable rate of growth we’ve seen over the last few months was inevitable and looking ahead over the next three months, the data indicates that the market is softening which will be reflected in completed sales data heading into the autumn. With the influence of the Stamp Duty holiday now largely expired alongside early signs that buyer demand is returning to more normal levels, we can expect prices to follow suit and return to a more stable trajectory.*”

“Despite this period of readjustment, we believe the market will continue to perform well over the longer term. Long-term working arrangements for many people are yet to be tested and finalised, with the rise in home-working no doubt continuing to drive home movers for some time to come. There will be a contingent of buyers who realised pretty quickly that rising prices were wiping out any tax savings and decided to hold off until the market cooled, who, along with First Time Buyers who largely didn’t benefit from the stamp duty saving, may decide to make their move later this year.”

-- 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](https://www.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 July – September 2021 is based on registrations from April – June 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 April – June 2021, reallymoving analysed data from 29,000 completed conveyancing quote forms to form the basis of its average property price projections for July – September 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

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