

reallymoving House Price Forecast

October 2020: New Year to herald start of house price falls following Christmas peak

- Positive house price growth built in for remainder of 2020 based on sales already agreed
- Average house prices in England and Wales to hit all-time high of £342,511 in December 2020
- January 2021 will see the start of the slowdown, with prices in England and Wales set to fall by 1.2%
- Annually, house price growth will remain high over next three months, peaking at 17.5% in December

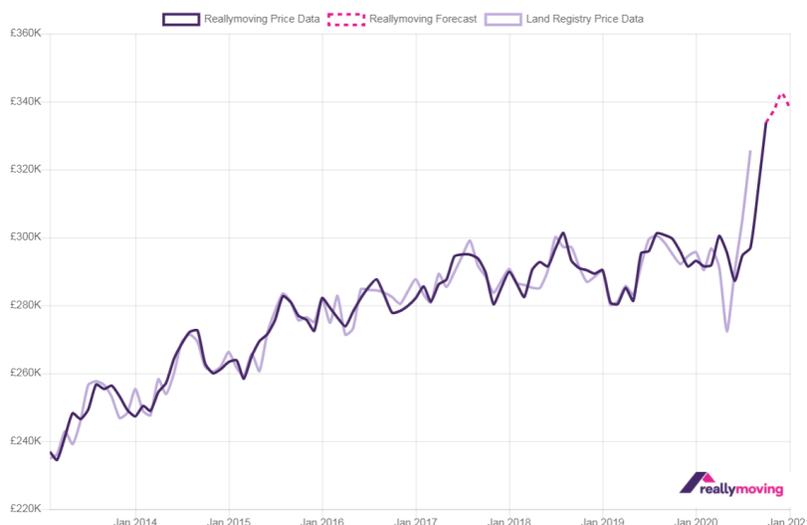
Month	Average price agreed	Monthly change %	Annual change %
September 2020 (actual)	£314,706	6.0%	4.7%
October 2020 (actual)	£333,830	6.1%	11.4%
November 2020 (forecast)	£337,450	1.1%	14.1%
December 2020 (forecast)	£342,511	1.5%	17.5%
January 2021 (forecast)	£338,273	-1.2%	15.4%

The housing market is on course to peak this Christmas with the average house price in England and Wales forecast to hit an all-time high of £342,511 in December, but the New Year will herald the start of the anticipated readjustment, according to the reallymoving House Price Forecast October 2020 released today.

The surge in buyer activity that began this summer when the housing market took off post-lockdown and has continued through the early autumn, means price growth will remain in positive territory through to Christmas based on sales already agreed. Yet the data indicates the market is beginning to run out of steam as the reality of Lockdown 2 and concerns over rising unemployment undermine consumer confidence.

Reallymoving captures the purchase price buyers are planning to pay when they search for conveyancing quotes through the comparison site, typically 12 weeks before they complete. This enables reallymoving to provide an accurate 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

Strong buyer demand in late summer and early autumn means positive growth is already built into the housing market for the remainder of the year, albeit it at a slower rate than has been seen in recent months. Based on deals already agreed between buyers and sellers during August and September, average house prices in England and Wales will increase by 1.1% in November and 1.5% in December, ending the year on an all-time high of £342,511.

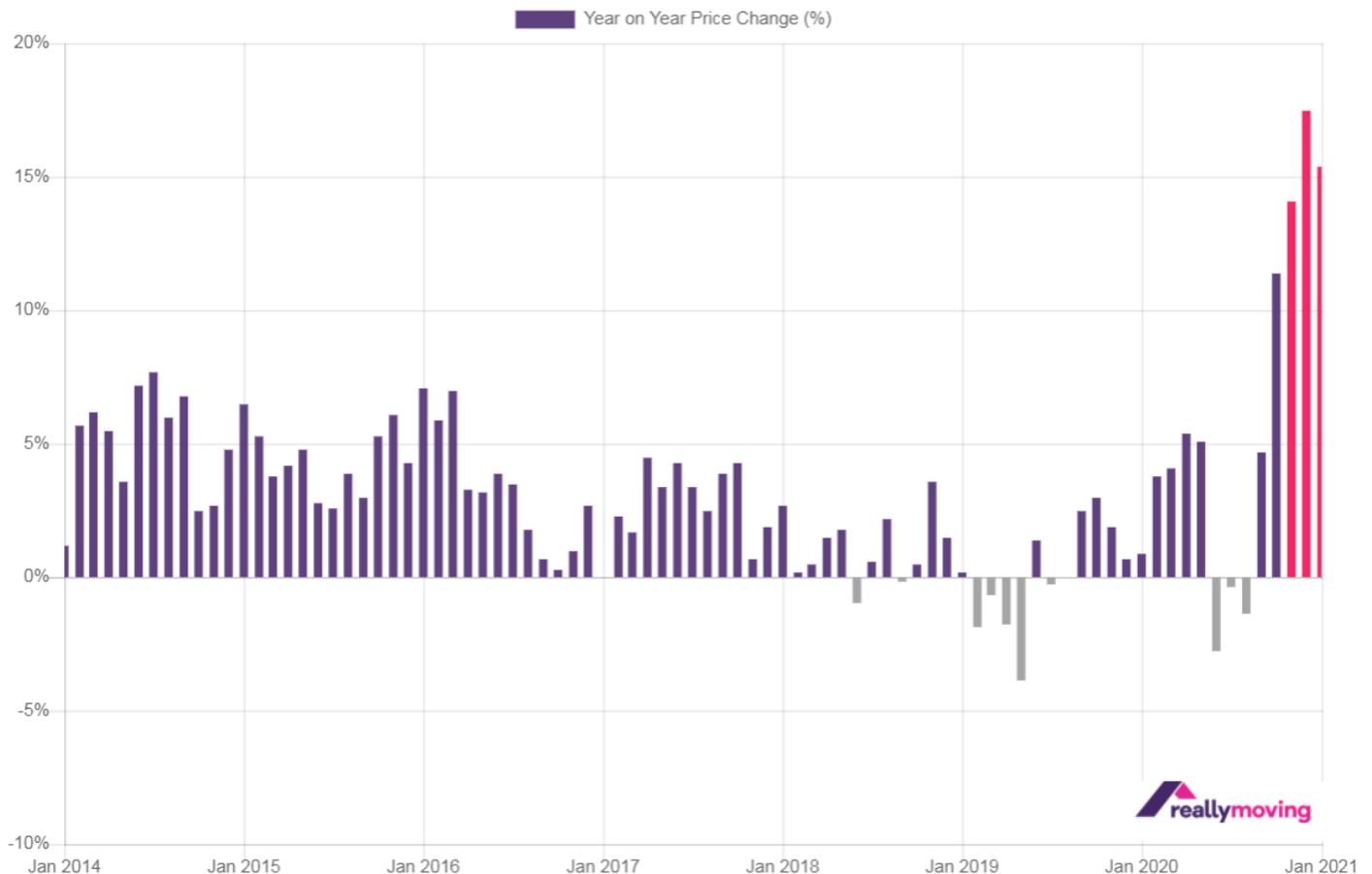
Price growth is forecast to dip into negative territory for the first time in seven months as we head into the New Year, falling by 1.2% in January 2021. This reflects a slowdown in buyer demand in October, as Covid-19 cases began to soar, the unemployment rate continued to rise and gloomy economic projections dominated the headlines.

Annual price changes

Fuelled by the stamp duty holiday, the post-lockdown surge has pushed year on year growth to exceptionally high levels which will become evident in Land Registry data as those deals complete over the next three months. According to reallymoving's data, annual price growth is forecast to reach 14.1% in November, 17.5% in December and 15.4% in January 2021.

With the market now clearly beginning to cool, this trend is not expected to continue and reallymoving anticipates the rate of annual growth will readjust downwards during the first quarter of 2021.

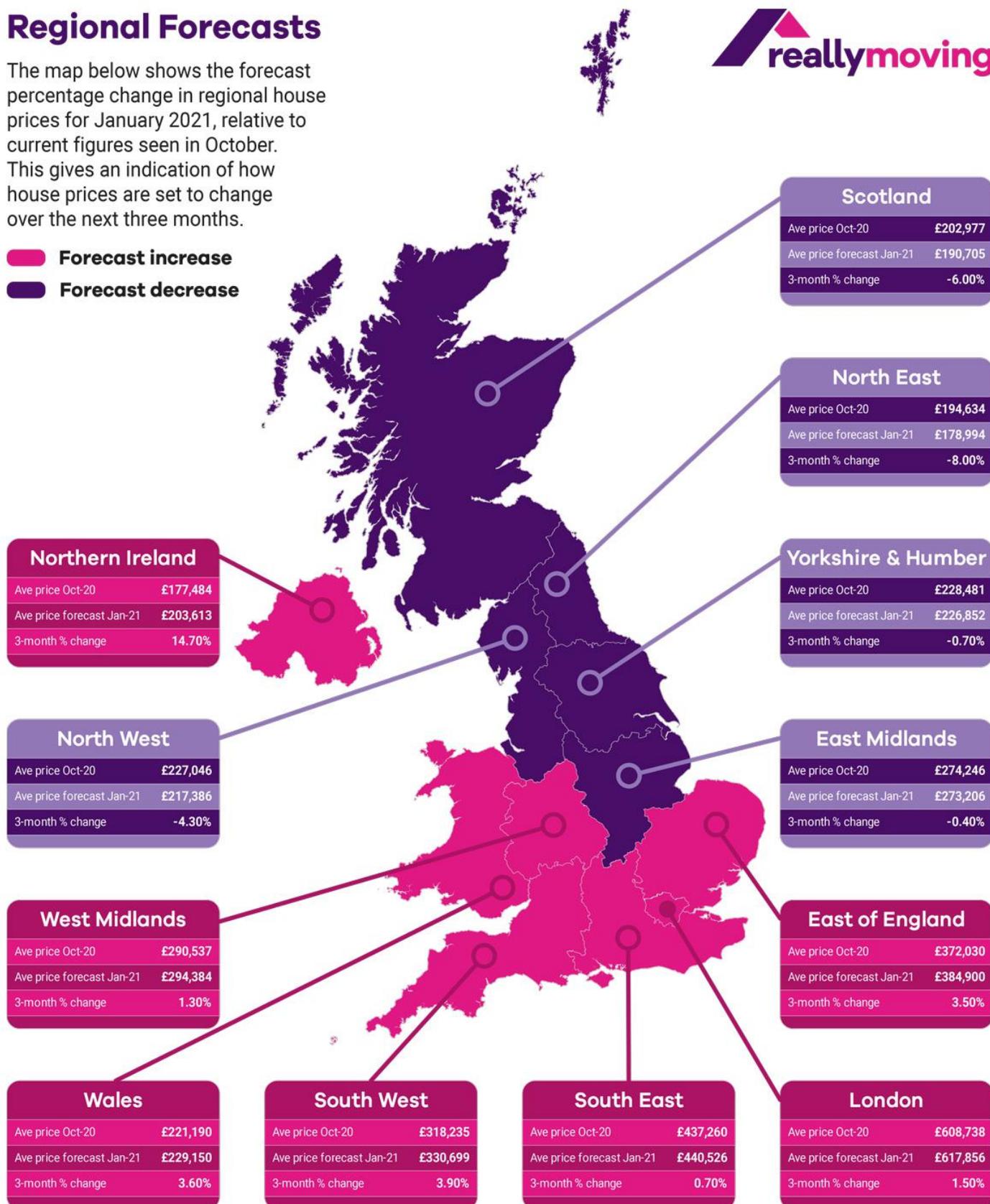
Graph 2: Year on Year average price changes (England and Wales) including 3-month forecast



Regional Forecasts

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

- Forecast increase
- Forecast decrease





Analysis and commentary

Rob Houghton, CEO of reallymoving, comments: *“As predicted, the New Year looks set to herald a change in fortunes for the housing market following an exceptional summer and early autumn which has pushed prices to record highs. But it was never sustainable. House prices cannot continue to defy macroeconomic influences such as rising unemployment, shrinking economic growth and the prospect of a No Deal Brexit at the end of the year.*

“While we will continue to see positive growth through to Christmas based on deals already agreed, momentum is now slowing and we expect to see a reversal in the recent spike in house price growth over the first quarter of 2021.

“One of the biggest challenges facing buyers going forward will be securing mortgages, particularly for first time buyers with small deposits, the self-employed and those on furlough which has now been extended to the end of March. Government intervention to support First Time Buyers may be necessary next spring to prevent the market from stalling.”

-- 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 November 2020 – January 2021 is based on registrations from August to October 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 33,478 completed conveyancing quote forms to form the basis of its average property price projections for October 2020 – January 2021.

About reallymoving

Launched in 1999 and celebrating its 20th 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



For press information please contact: Sarah Lawrence sarah@lawrencepr.co.uk 07984 422 461