

reallymoving House Price Forecast

March 2022: House prices set to continue climbing through spring

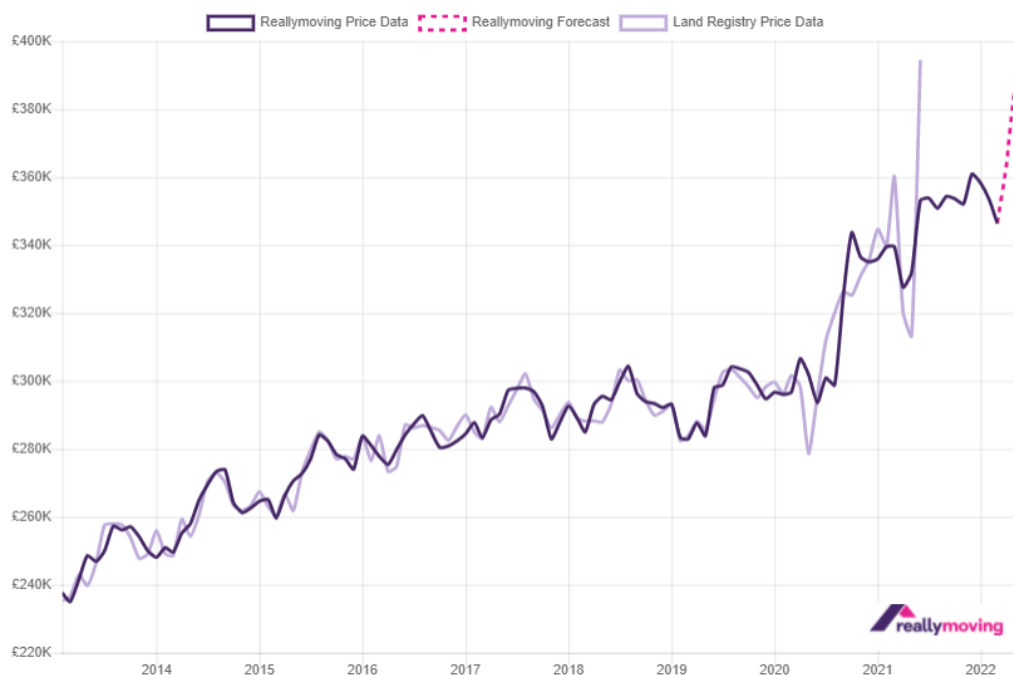
- The average property price will continue to rise over next three months to new record high of £389,712
- Large increases in April (+4.7%) and May (+6.0%) will be followed by a smaller rise of +1.3% in June
- Fierce buyer competition for limited supply of homes is forcing upwards despite rising cost of living
- Annual growth in house prices will remain in double digits over the next quarter

Month	Average price agreed	Monthly change %	Annual change %
February 2022	£353,201	-1.4%	+4.0%
March 2022	£346,420	-1.9%	+2.0%
April 2022	£362,807	+4.7%	+10.7%
May 2022	£384,729	+6.0%	+15.9%
June 2022	£389,712	+1.3%	+10.4%

The imbalance between supply and demand will continue to drive prices upwards through the spring despite growing pressures on household finances and rising borrowing costs, with the average property price in England and Wales set to hit a new record high of £389,712 in June 2022, according to the reallymoving House Price Forecast March 2022, released today. The supply crunch, which has seen the volume of properties for sale plummet to record lows, combined with unseasonably strong buyer demand, is preventing sale prices from falling, as would normally be expected when households experience sudden financial pressure.

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 below).

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



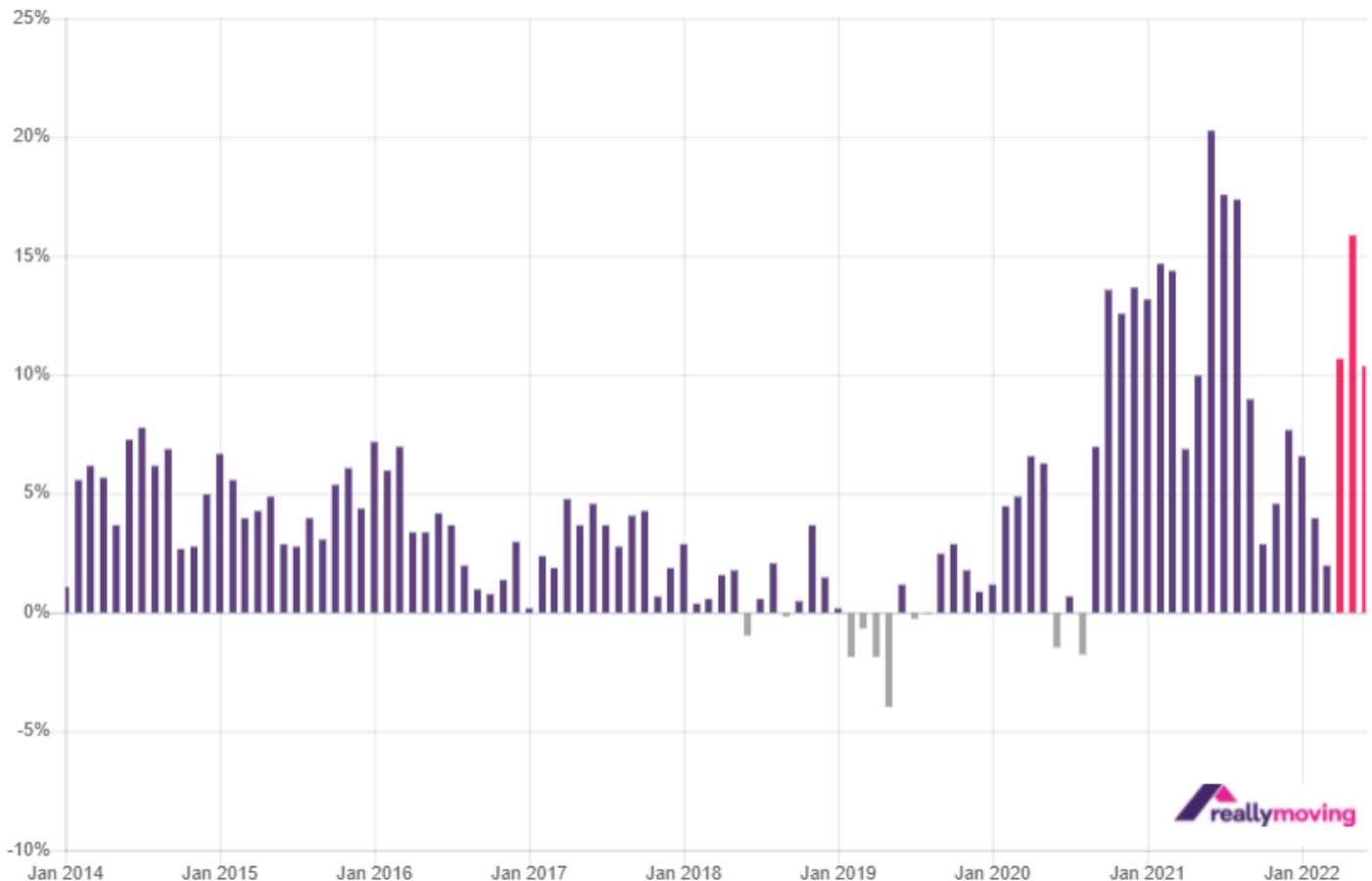
Monthly price changes

Based on deals already agreed between buyers and sellers, prices will rise by +4.7% in April and +6.0% in May before slowing to growth of +1.3% in June – a direct result of buyer competition for a limited supply of homes during the early months of the year. Reports from mortgage brokers of an increase in down-valuations suggests there’s a growing mismatch between what buyers are prepared to pay to secure a property against stiff competition and what lenders are prepared to lend based on their own valuations, which could signal a turning point for the market. With a base rate rise to 0.75% in March, making mortgages more expensive at a time when household finances are already stretched, the current run of house price growth is likely to slow later this year.

Annual price changes

House prices are significantly higher this spring than they were a year ago, with annual growth hitting +10.7% in April, +15.9% in May (the highest rate since August 2021) and +10.4% in June. Trends that emerged during the pandemic, particularly the race for space and a reassessment of where people need to live, are continuing to drive demand and push prices upwards.

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



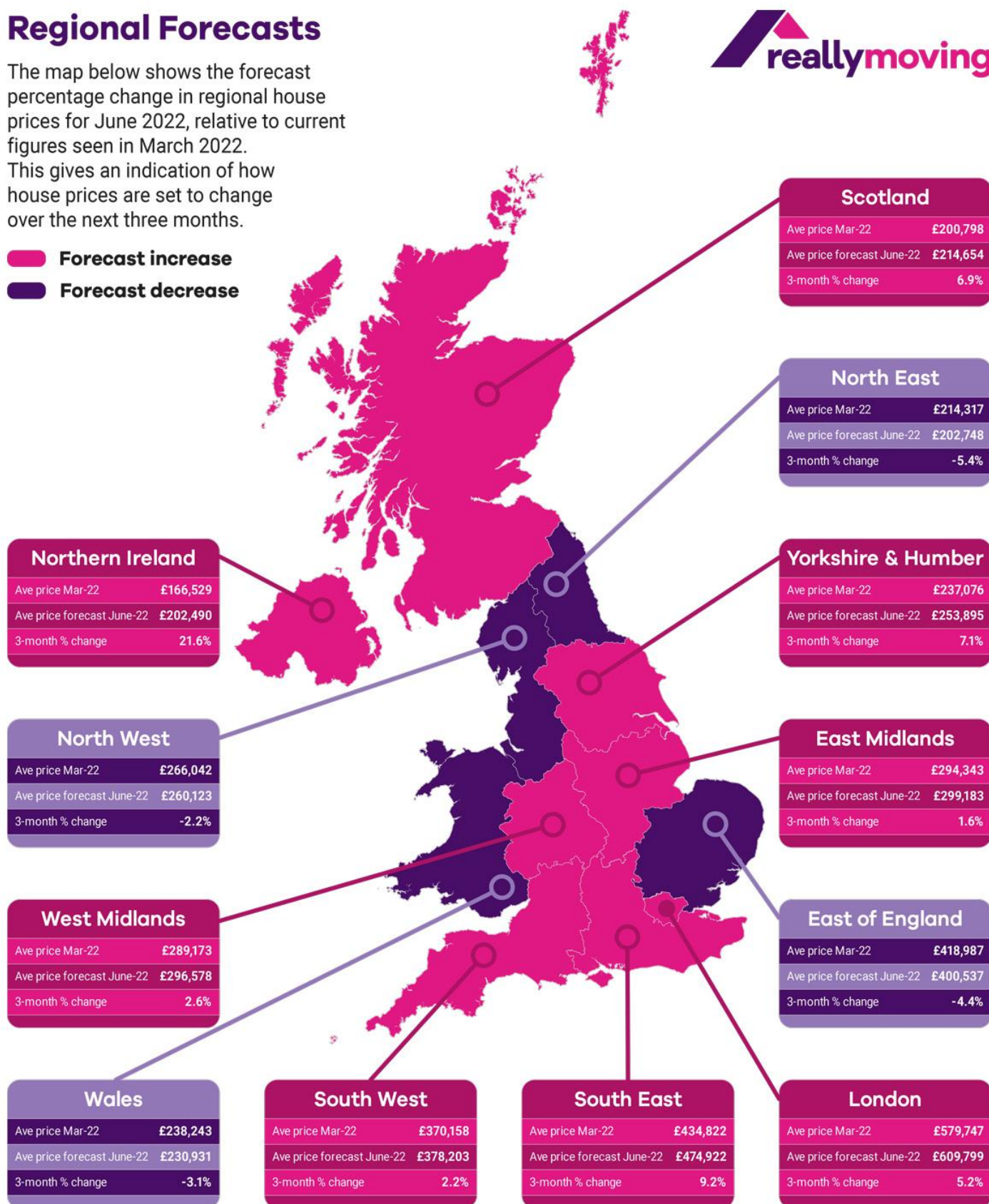
Regional Forecasts



The map below shows the forecast percentage change in regional house prices for June 2022, relative to current figures seen in March 2022.

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

- Forecast increase
- Forecast decrease

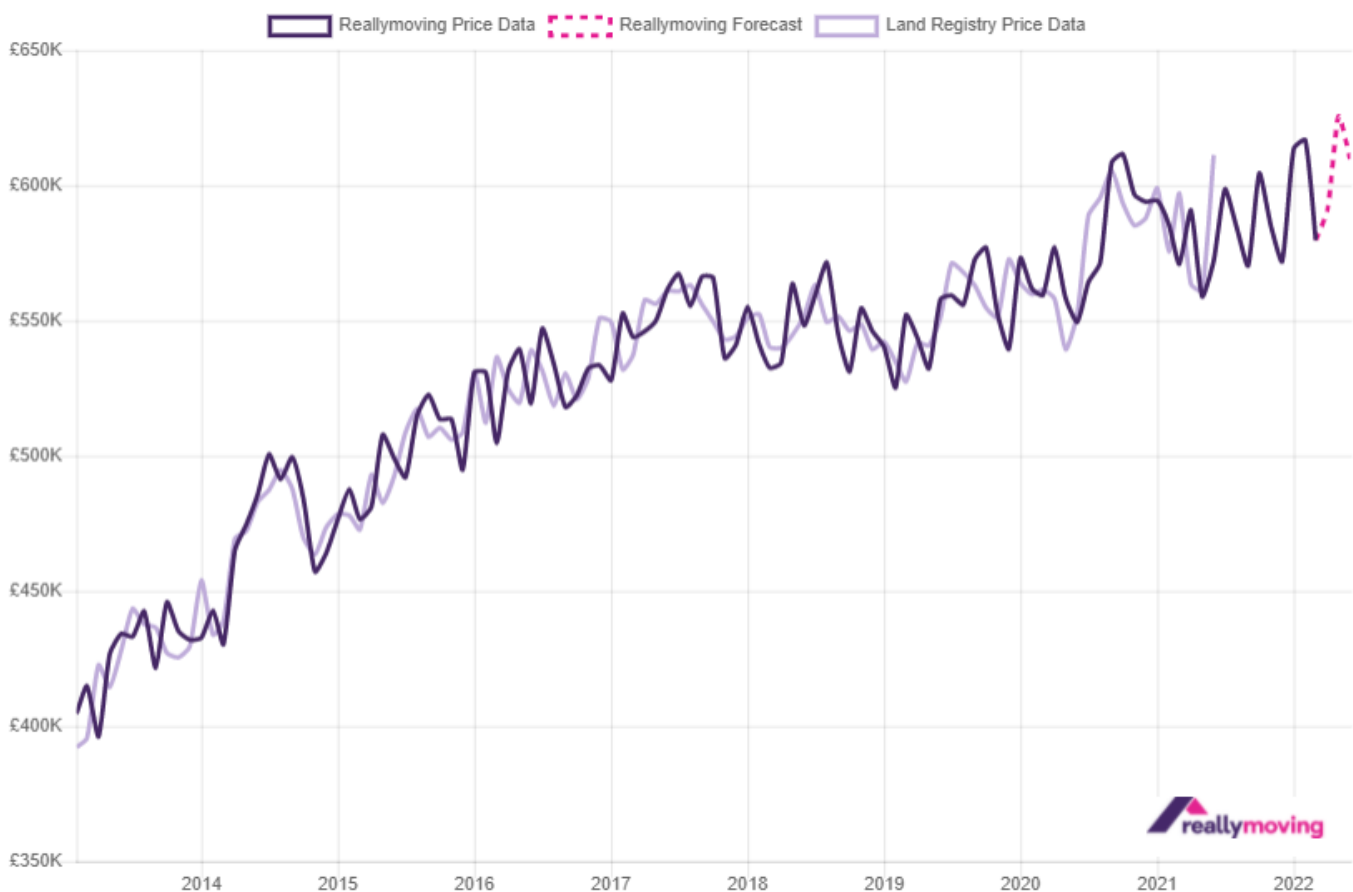


Regional 3-month price forecasts

Eight out of twelve UK regions are set to see prices rise over the second quarter of 2022, with notable increases in London (+5.2%), the South East (+9.2%) and Scotland (+6.9%). Price falls will be seen in the North East (-5.4%), North West (-2.2%), the East (-4.4%) and Wales (-3.1%). Ten regions (all except Northern Ireland and Scotland) will see prices fall in June indicating this could be the point at which the market begins to soften, although it's too early to say for certain.

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 1.9% in April and 5.9% in May, before falling 2.5% in June to £609,799.

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



Analysis and Commentary

How are First Time Buyers being affected?

Saving for a deposit is extremely challenging against a backdrop of sharply rising rents, shopping bills and fuel costs. Some First Time Buyers will be tempted to wait in the hope that prices will begin to fall, but it's worth bearing in mind that house prices have risen by more than 10% compared to this time a year ago and are £66,000 higher than when the pandemic began. Buying with a long-term view – at least 3 to 5 years – will help First Time Buyers ride out any short-term fluctuations and, with borrowing costs rising, locking in a fixed-rate deal now will almost certainly save money in the long run. Homes are selling quickly, so be prepared to move fast and ensure you have a mortgage offer in principle before you start searching.



How about downsizers?

Homeowners whose families have flown the nest may be more inclined to consider downsizing to a smaller property in light of rising fuel bills and the cost of living, particularly if they're on a fixed income such as a pension. Releasing equity now will help ensure they secure the maximum price for their property, at a time when demand is strongest for family houses with gardens, giving them the financial flexibility to deal with rising costs and putting them in a strong position to secure a smaller property for cash or with a small mortgage.

Rob Houghton, CEO of reallymoving, comments: *"House price forecasts for the coming quarter suggest we're heading into a period of strong price growth, but when taken in the wider context what we're actually seeing are prices being inflated by a severe supply squeeze. This is forcing the market upwards, masking the impact of inflation and rising costs on household budgets which we would normally expect to rein in price growth."*

"Having less money in their pockets will ultimately deter people from taking on more debt as they move up the ladder, and at some point in the near future this will slow house price growth. Much will depend on the volume of new listings we see coming onto the market and the speed at which lenders push up the price of fixed rate mortgages."

-- 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 April to June 2022 is based on registrations from January – March 2022 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 17,000 completed conveyancing quote forms to form the basis of its average property price projections for April to June 2022.

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

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

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