

reallymoving House Price Forecast

March 2021: House prices on course for summer bounce

- Homebuyers agreed to pay 2.8% more in March, following the stamp duty holiday extension
- This summer bounce will be reflected in Land Registry Price Paid data in June 2021
- House prices were heading down before the tax holiday extension, but this trend has been reversed
- Annually, completed sale prices will fall in May (-1.2%), but return to positive growth (+4.4%) in June

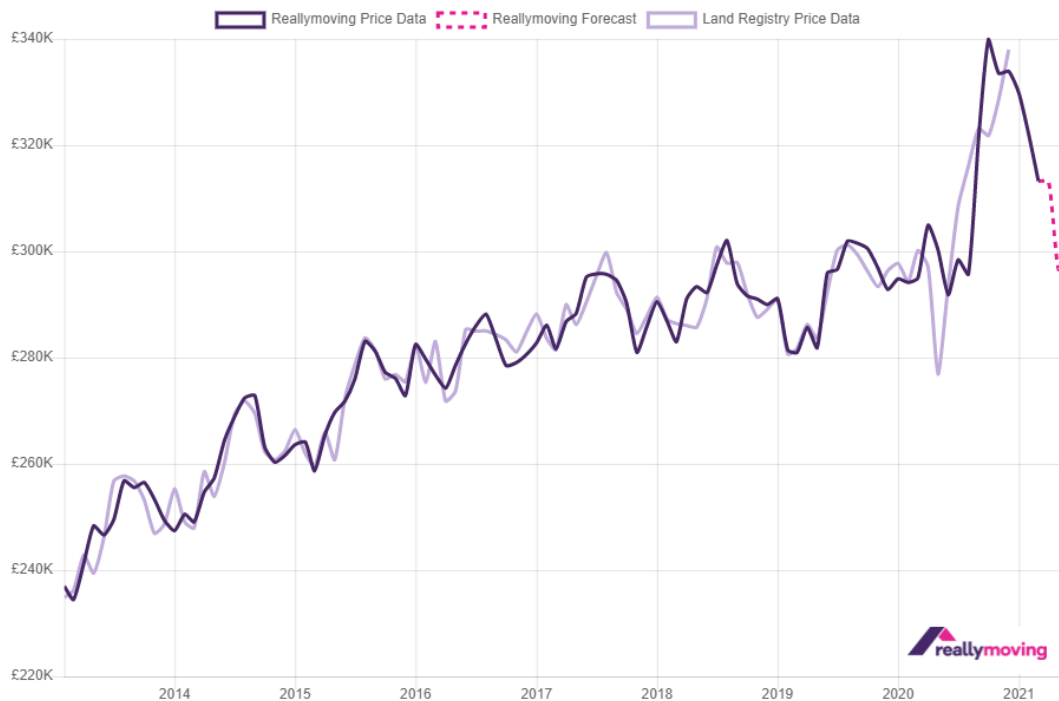
Month	Average price agreed	Monthly change %	Annual change %
February 2021 (actual)	£321,659	-2.5%	9.4%
March 2021 (actual)	£313,235	-2.6%	6.2%
April 2021 (forecast)	£313,120	0.0%	2.7%
May 2021 (forecast)	£296,560	-5.3%	-1.2%
June 2021 (forecast)	£304,782	2.8%	4.4%

House prices will rise in June as a result of deals agreed between buyers and sellers in March, following confirmation of the stamp duty holiday extension, according to the Reallymoving House Price Forecast March 2021.

Conveyancing quote volumes began to accelerate around Budget Day (3rd March), and by mid-March had reached 51% above normal levels, rising to 101% higher by the end of the month. As buyer demand surged, supply failed to keep up, resulting in a 2.8% increase in the average value of deals being agreed, which will be reflected in Land Registry Price Paid data in June.

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

In the first three months of the year house prices followed a downward trend, as values recovered from strong growth in the second half of 2020 to more normal levels, in anticipation of the end of the stamp duty holiday. The announcement of its extension led to a clear and immediate change in direction, with a rapid surge in buyer demand accelerating through the month.

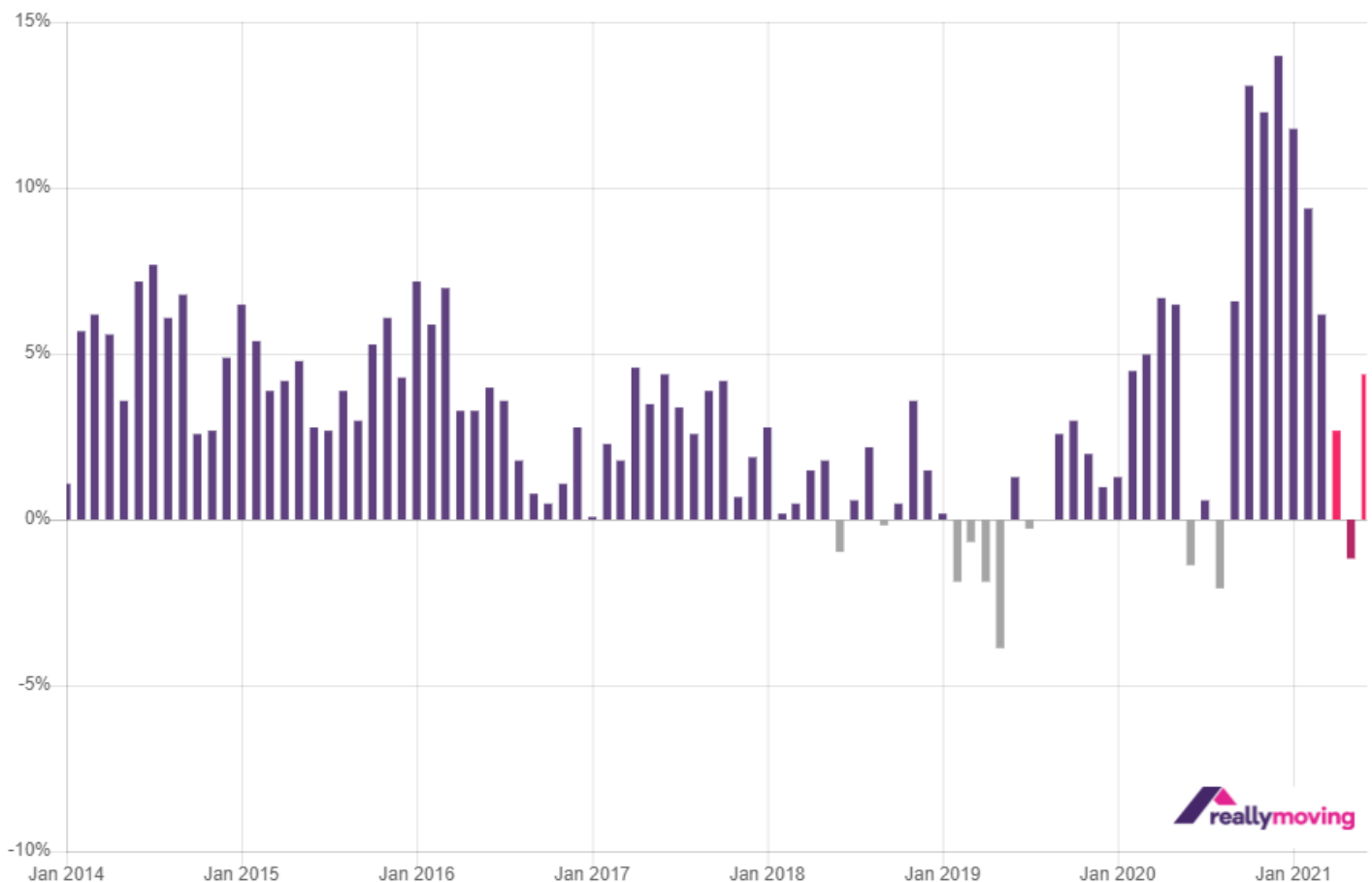
Freed from making the substantial up front tax payment on purchases up to the value of £500,000 until the end of June and £250,000 until the autumn, buyers are enjoying greater affordability and a boost in confidence, with many also having accrued substantial cash savings during lockdown. Meanwhile, Rightmove reported the greatest excess of demand over supply seen in the last decade.

Prices will remain stable in April (0.0%) and dip by 5.3% in May, before rising by 2.8% in June – three months after the stamp duty holiday extension announcement.

Annual price changes

The last six months have seen exceptionally strong year on year growth in house prices, but the rate of growth has been slowing since the end of 2020. This trend will continue into April when annual growth will slow to 2.7% before dipping into negative territory in May (-1.2%) and beginning to climb again from June (4.4%) - reflecting the sharp increase in buyer activity post-Budget.

Graph 2: Reallymoving annual price change (England and Wales) including 3-month forecast

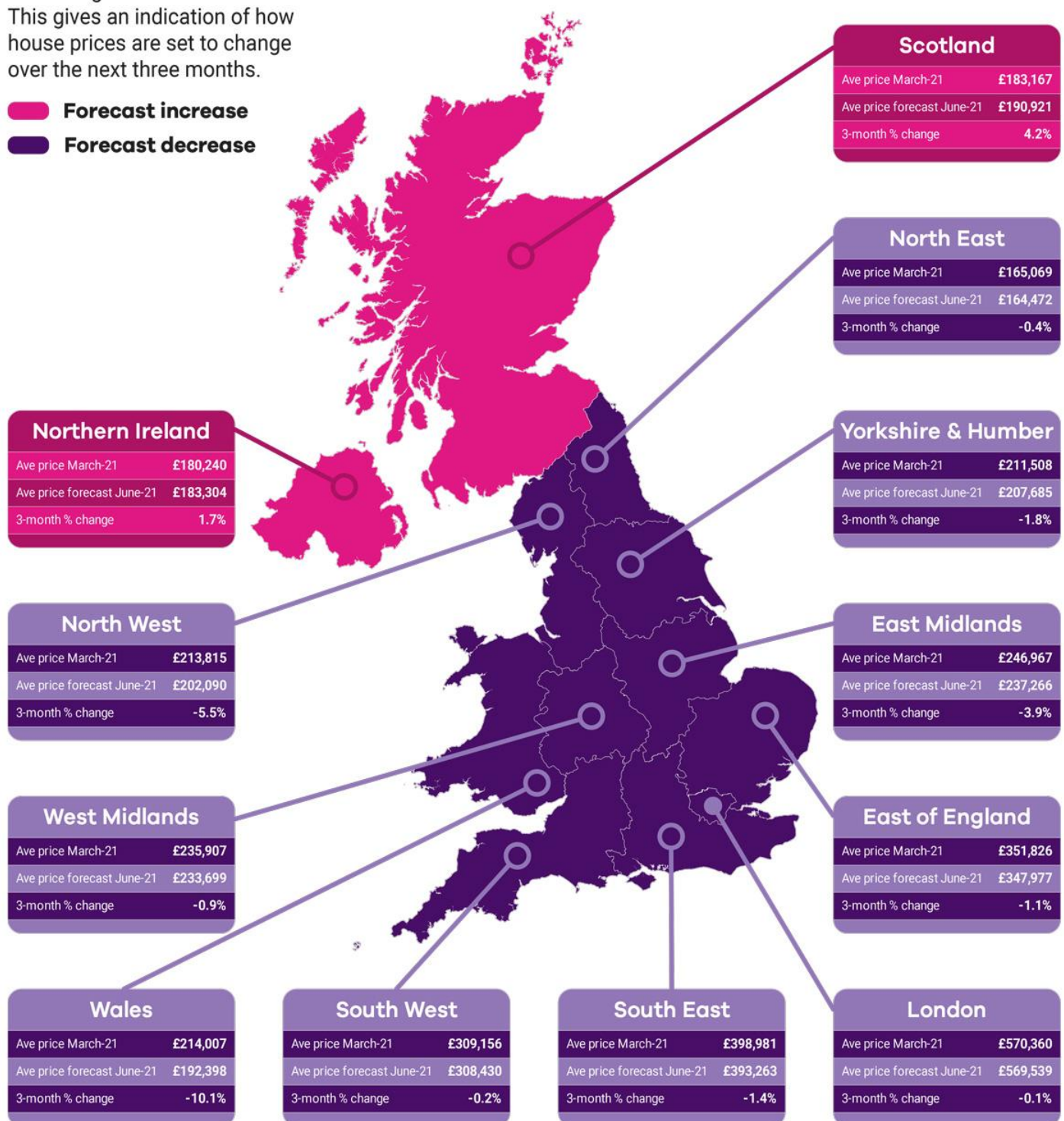


Regional Forecasts



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

Forecast increase
Forecast decrease

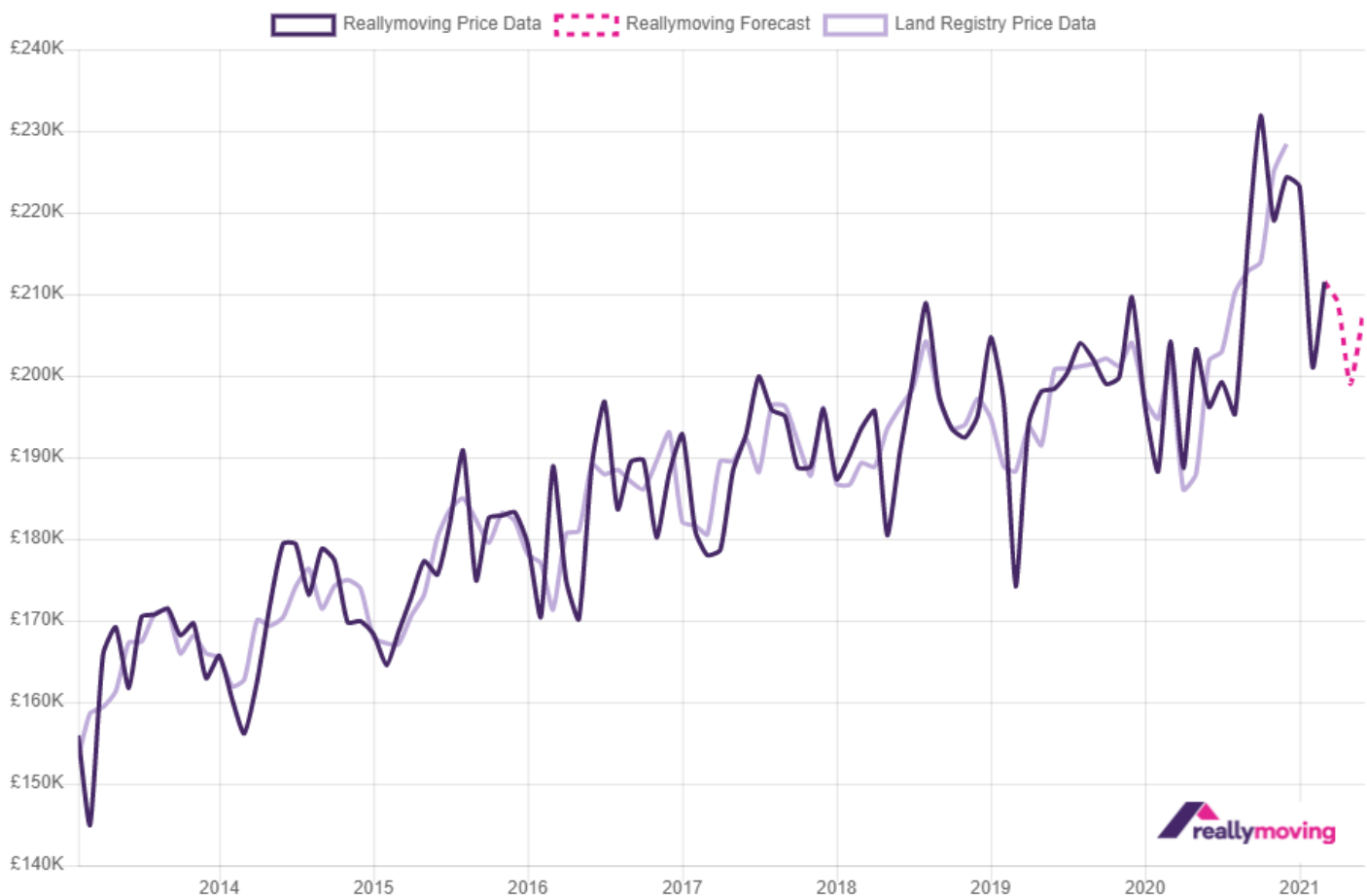


Regional 3-month price forecasts

Most regions of the UK will see prices fall over the next three months (April – June). Yet, in line with the national trend, all except the North West and Wales will see a turning point in June, with prices once again beginning to rise heading into the summer.

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 Yorkshire & The Humber this month, average prices are set to fall by 1.2% in April (£209,004) and 4.8% in May (£199,019), before rising by 4.4% in June to £207,685.

Graph 3: reallymoving House Price Index (Yorkshire & The Humber) including 3-month price forecast



Analysis and commentary

Rob Houghton, CEO of reallymoving, comments: *“Agents and portals across the UK have been reporting a surge in buyer demand following the stamp duty extension announcement, and now through our analysis of conveyancing quote data, we’re seeing the first clear evidence that this activity has led buyers and sellers to agree deals at higher prices in March, which will become evident in Land Registry data in the early summer.”*

“Many homebuyers have cash in the bank, money is cheap to borrow and, with lockdown restriction now beginning to ease, people are feeling optimistic about a future where they may be less tied to an office-based 9 to 5, giving them greater freedom to live where they choose.”



“First Time Buyers are currently enjoying a 56% market share and with the first Government guaranteed 95% loans expected to become available any day now, we’re optimistic that they will continue to maintain these activity levels despite greater competition for homes and rising prices.”

-- 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 – June 2021 is based on registrations from January – March 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 January – March 2021, reallymoving analysed data from 27,000 completed conveyancing quote forms to form the basis of its average property price projections for April - June 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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