

Monthly Market Briefing

The latest data as lockdown eases

- What's happening to house prices?
- Has buyer demand peaked?
- Will supply continue to rise?
- Latest policy update
- Regional price and rental data

+4%

Average UK house price growth, year on year, March 2021

House price growth at +4% or more for five months

Average annual house price growth has been at +4% or above since last November, the highest levels of growth seen since 2017. Price growth is being underpinned by the ongoing mismatch between soaring demand and the limited supply of homes available for sale.

House price are growing fastest in the Midlands, the North of England, Scotland and Wales, where affordability levels mean there is more headroom for home values to rise.

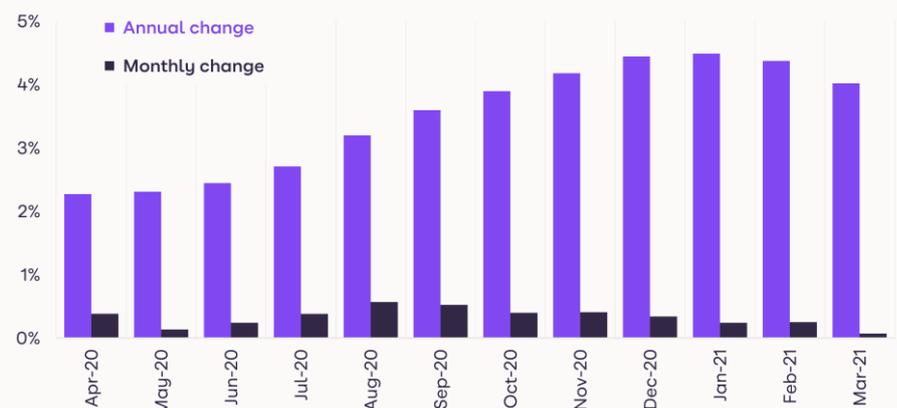
Average house price growth in the year to March ranges from 6.5% in Manchester, and 6.3% in Liverpool, to 1.6% in Oxford and 2% in Cambridge.

House price growth will continue to be underpinned by the demand/supply gap, but it may ease slightly during 2021.

Find out all the latest data for your area:

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UK annual house price growth starts to moderate



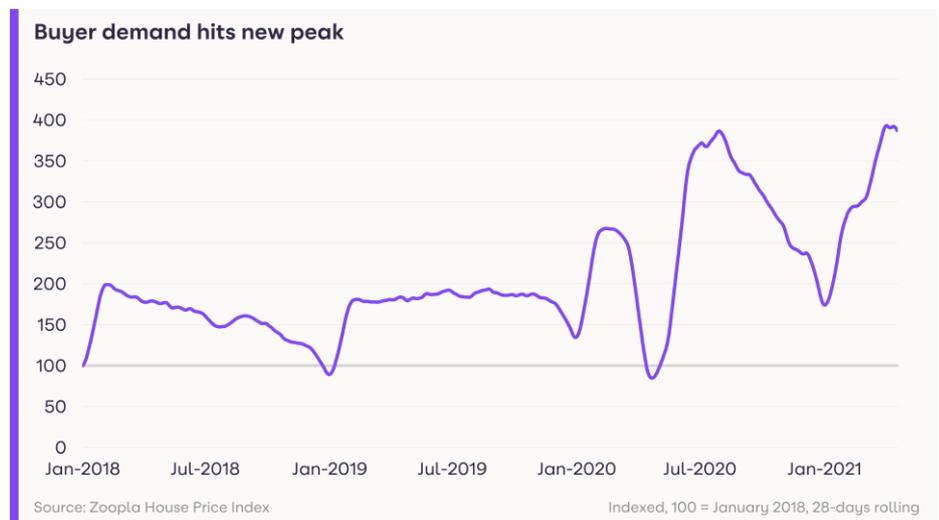
Source: Zoopla House Price Index

Strong buyer demand

The demand from home movers and first-time buyers hit a new peak in early April, as the combination of the stamp duty extension and schools reopening in March resulted in another surge of buyer interest. This took buyer demand levels to more than double than those seen during the same period in 2017-2019.

As the country has started to emerge from lockdown, and more amenities are opening, demand levels have fallen back slightly. However, demand levels are unlikely to drop in line with historical norms in 2018 and 2019.

Buyer demand will remain elevated through Q2 and Q3 as the 'search for space' continues.



Supply starts to climb from low levels

There are few signs that the gap between buyer demand and the supply of homes for sale is starting to close in any meaningful way.

In early April, the total supply of homes for sale was down some 28% compared to the same period in 2018/19. The 'search for space' means there has been a particular demand for three and four-bed houses, meaning the supply of this type of home has been constrained. Back in 2017, more than three-quarters of listings of homes for sale were houses. This has now fallen to less than two-thirds.

In recent weeks there are signs that supply levels have begun to rise, up 29% from low levels. This is not enough to replenish the stock of houses that are being sold.

However, the largest rise in supply has been for larger family houses, meaning that **the severe constraints in supply in some areas may start to ease, allowing more activity to take place throughout Q2 and Q3.**

-28%

Stock of homes for sale in early April, compared to average 2018/2019

House Prices – Country, region and city summary

Note: The Zoopla house price index is repeat sales-based price index using sold prices, mortgage valuations and data for agreed sales. The index uses more input data than any other and is designed to accurately track the change in pricing for UK housing.

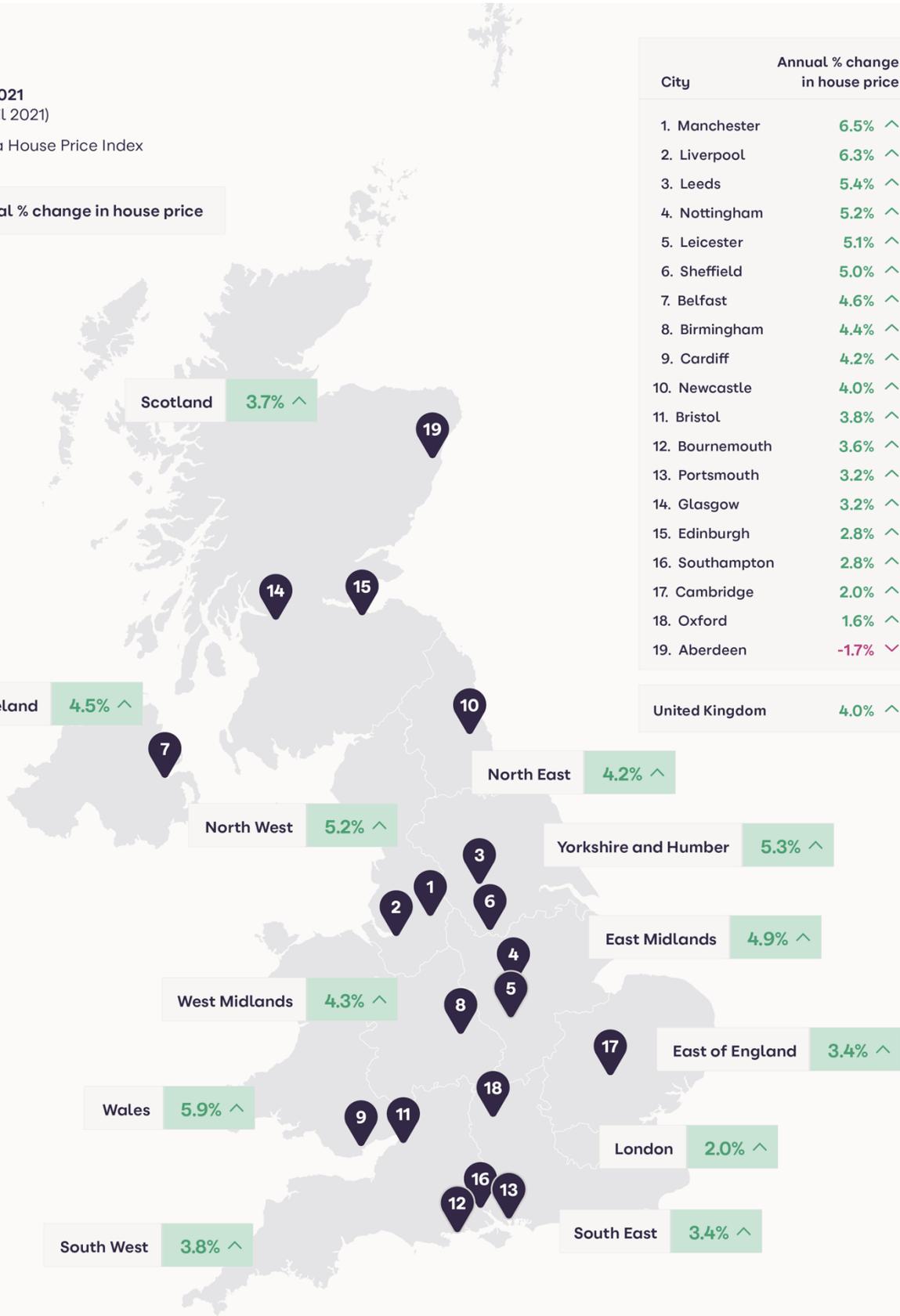
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March Index 2021
(Published April 2021)

Source: Zoopla House Price Index

^ v Annual % change in house price

City	Annual % change in house price
1. Manchester	6.5% ^
2. Liverpool	6.3% ^
3. Leeds	5.4% ^
4. Nottingham	5.2% ^
5. Leicester	5.1% ^
6. Sheffield	5.0% ^
7. Belfast	4.6% ^
8. Birmingham	4.4% ^
9. Cardiff	4.2% ^
10. Newcastle	4.0% ^
11. Bristol	3.8% ^
12. Bournemouth	3.6% ^
13. Portsmouth	3.2% ^
14. Glasgow	3.2% ^
15. Edinburgh	2.8% ^
16. Southampton	2.8% ^
17. Cambridge	2.0% ^
18. Oxford	1.6% ^
19. Aberdeen	-1.7% v
United Kingdom	4.0% ^



Policy update

- The 95% mortgage guarantee scheme, announced by the Chancellor in the March budget, has been launched. The number of mortgage deals available for those with a 5% deposit has trebled in April, according to data from Moneyfacts.
- The Home Office has confirmed that it will no longer request lettings agents in England to carry out retrospective Right to Rent checks on those tenants who have had a COVID-19 adjusted check since last March. You can find more details on the ARLA Propertymark [website](#).

Data digest

	House prices % annual change	Rents % annual change
UK	4.0%	-1.2%
North East	4.2%	4.7%
North West	5.2%	1.9%
Yorkshire & the Humber	5.3%	2.8%
East Midlands	4.9%	4.1%
West Midlands	4.3%	0.0%
East of England	3.4%	2.6%
London	2.0%	-8.3%
South East	3.4%	1.1%
South West	3.8%	3.9%
N Ireland	4.5%	4.7%
Scotland	3.7%	1.1%
Wales	5.9%	2.7%

Find out all the latest data for your area:

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Contacts

Speak to us about our research:

Gráinne Gilmore

Head of Research

grainne.gilmore@zoopla.co.uk

Speak to us about how we can help:

Nikki Cole

Sales Director

nikki.cole@zoopla.co.uk

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