

For Immediate Release: 22 July 2021

House price growth to flatten in early autumn

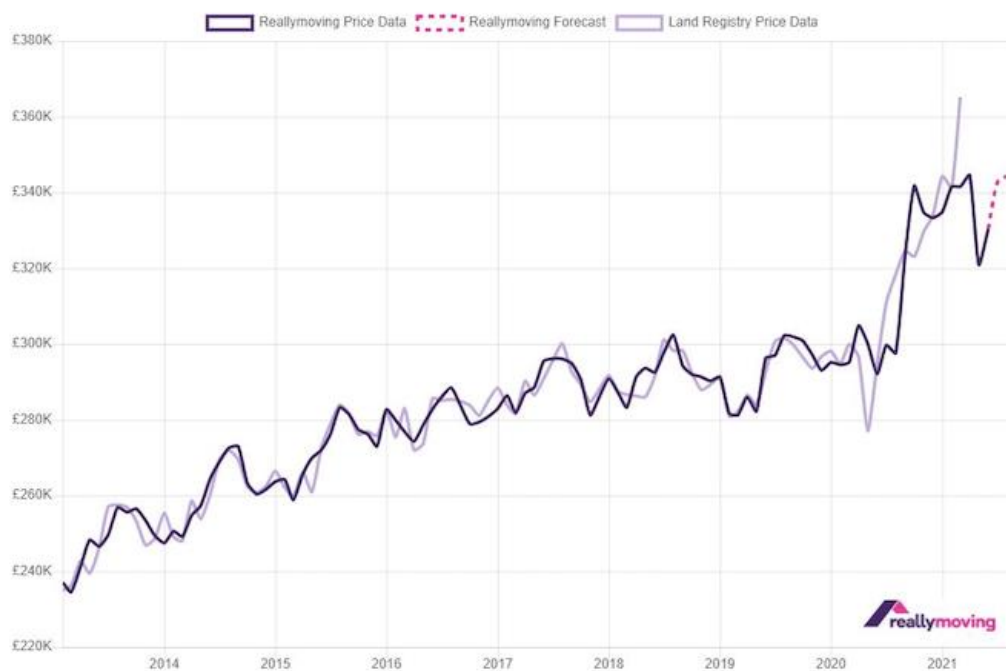
- Strong house price growth forecast for July, slowing to +0.4% in August and -0.1% in September
- Softening in demand from end of SDLT holiday is reflected prices of deals already agreed
- Rate of annual growth is also set to fall by more than half to +6.3% in September 2021

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 to +0.4% in August 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 below).

House Price Index for: **England & Wales**

Reallymoving has analysed UK property prices based on data given on Conveyancing forms.



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.

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%).

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. 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.”

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Notes to Editors

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.

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