

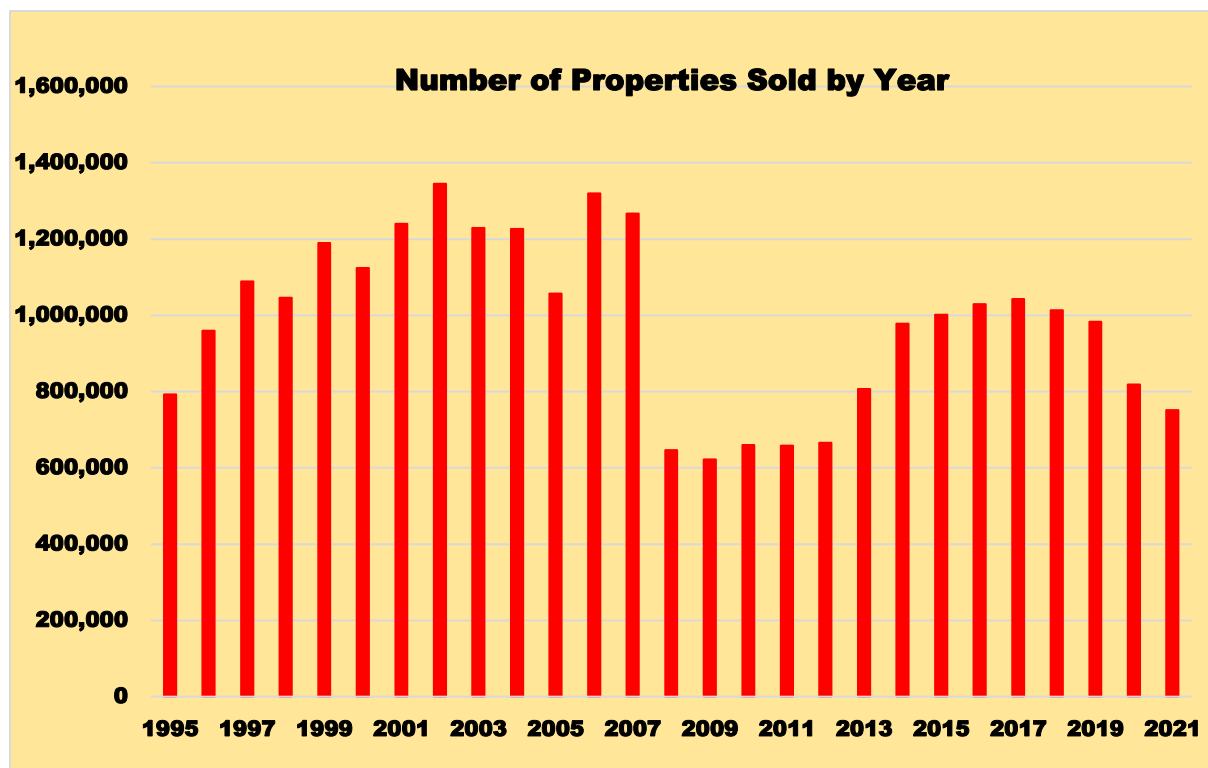
Trends in the Housing Market

Introduction

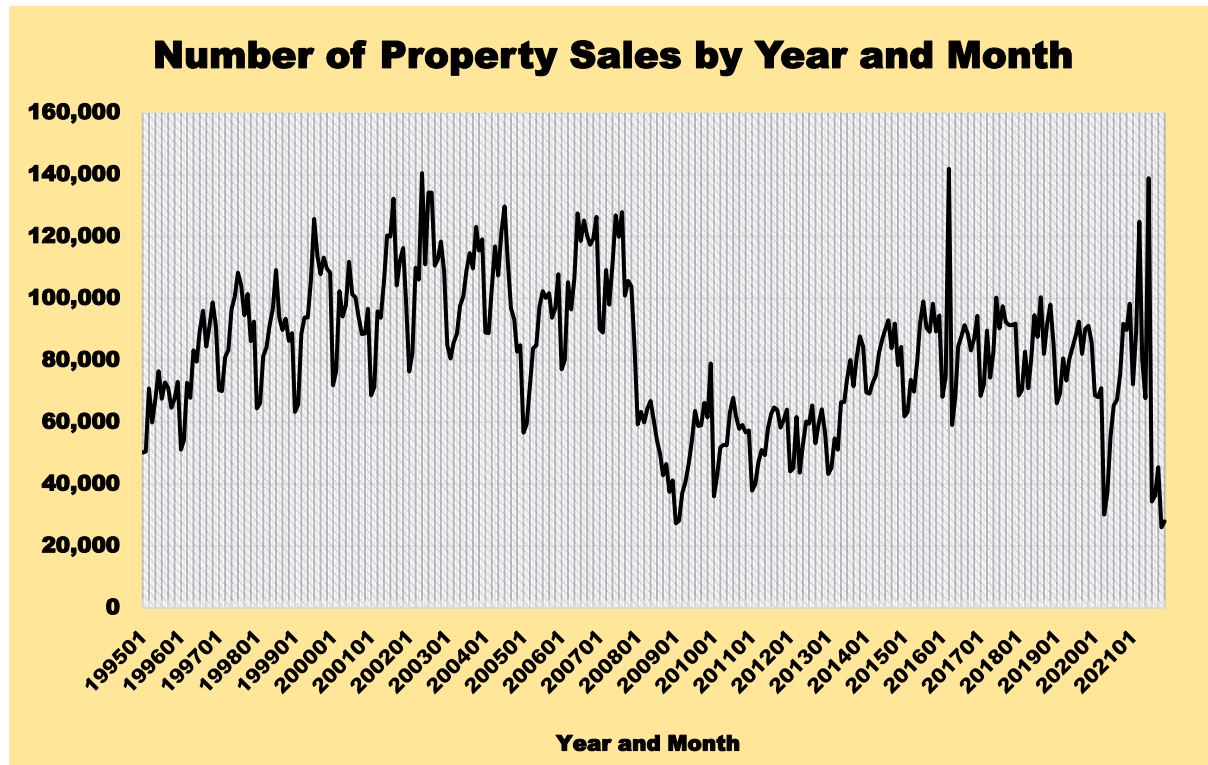
Land Registry release data on residential sales on a monthly basis in England and Wales. From the data you can identify the address and postcode of all properties brought and sold since January 1995, along with the date of sale, value of the transaction, whether the property is newly built, and the property type (detached, semi-detached, terraced or flats).

Trends in the Property Market

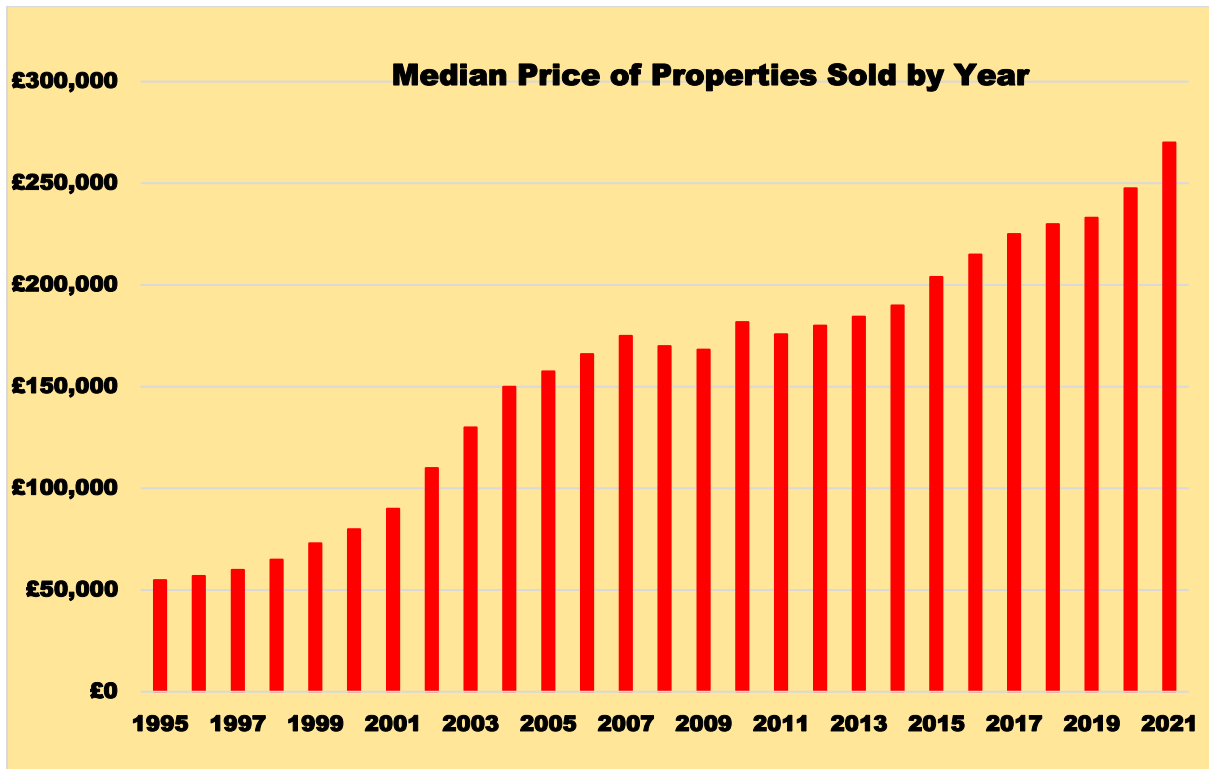
This data has been used to look at trends in the marketplace. The chart below shows the numbers of properties sold in England and Wales from 1995 by year. The figures show that the 2008/9 recession adversely affected the numbers sold. The 2008 figure shows a very sharp fall from earlier periods, with the numbers almost halving between 2007 and 2008. The housing market then recovered slightly but overall numbers are still well short of the pre-recession levels. It is worth bearing in mind that property sales can take a little while to be registered and show on the Land Registry database thus depressing the most recent monthly numbers, the 2021 number maybe a little bit low and could be closer to the 2020 figure. However, both the 2020 and 2021 numbers are down on 2018 and 2019, and could be due to the effects of the Covid19 virus lockdown.



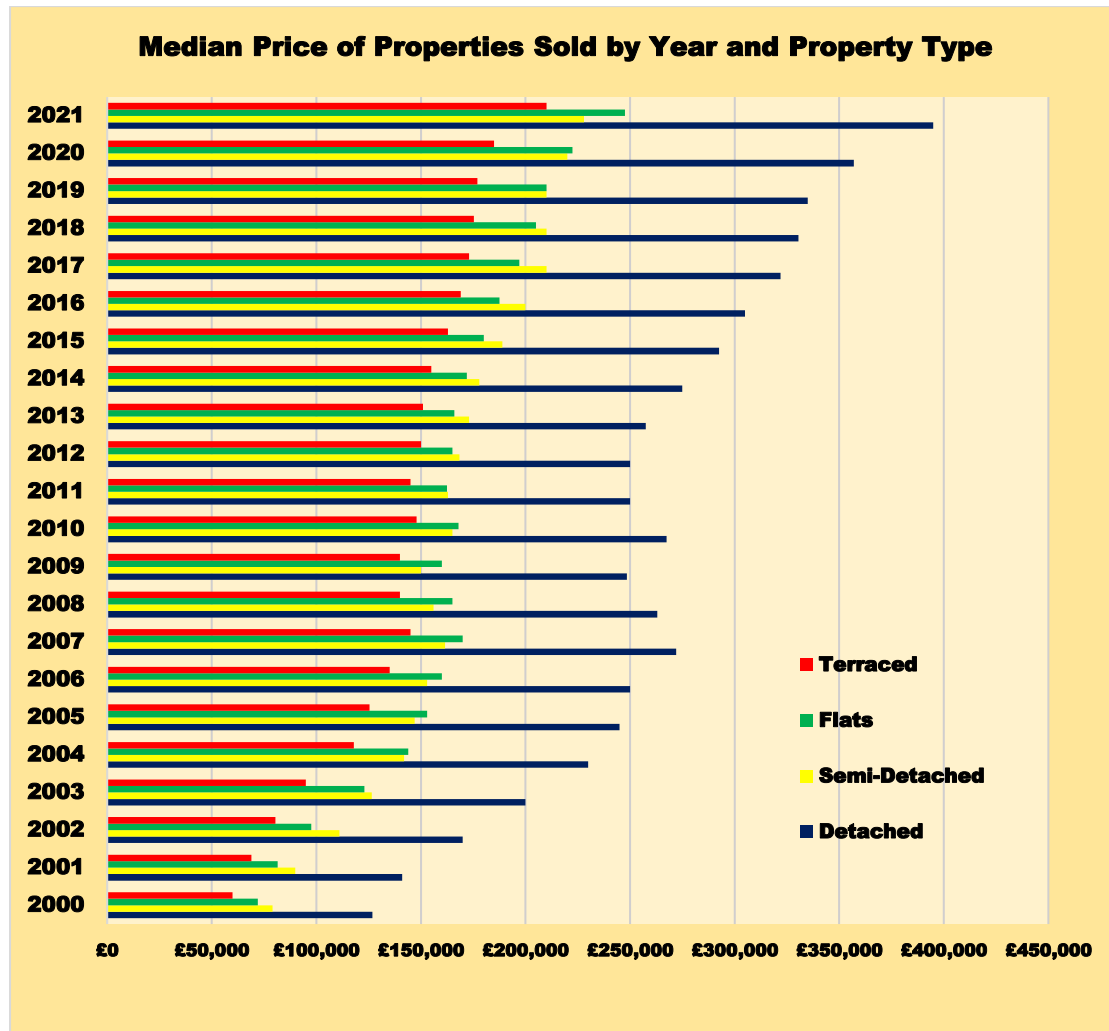
There is also a strong cyclical trend. The following chart shows how the number of sales varies by the time of year with far fewer sales in the winter months. The spike in early 2016 can be attributed to changes in stamp duty. Even though there was a stamp duty holiday in England as the spike in June 2021 shows this was not enough to take the numbers back up to 2018 and 2019 levels.



When we look at the price paid for properties over the same period, a very different picture emerges. Property prices have been on an upwards trajectory for many years and the 2008/9 recession only had a small effect upon prices as the chart below shows. The collapse of the property market was more to do with volume rather than value. It is striking that whilst the number of sales has fallen in 2020/21 prices have not and appear to be on a very healthy upwards trajectory.

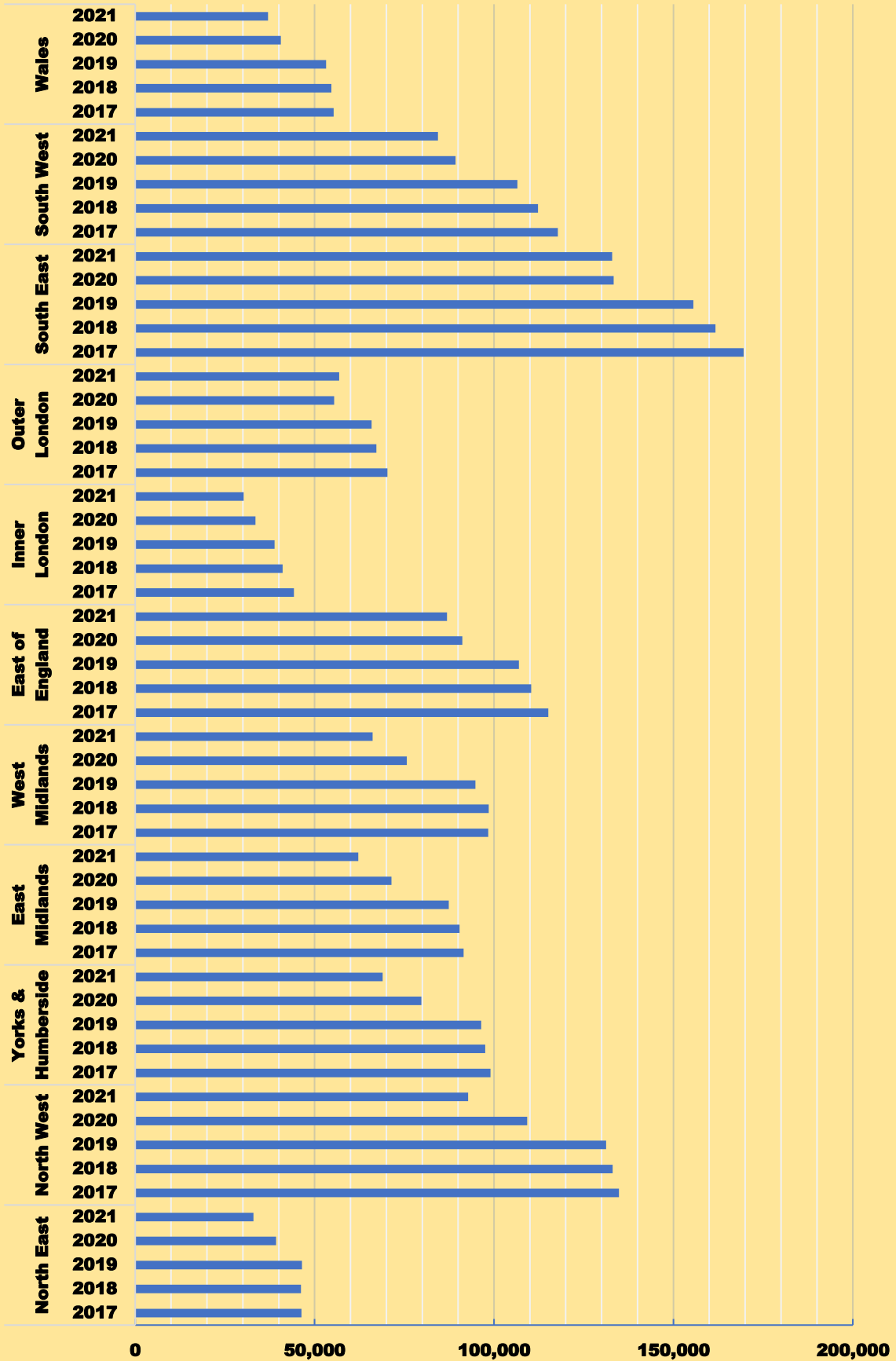


The following chart shows how the median price paid varies by year and property type. Detached properties are more expensive than all other property types and the differences are consistent over time. It is noteworthy that much has been said about the pandemic leading to an urban exodus in search of space. Looking at median prices of flats and terraced properties in 2019,2020 and 2021 there is little to suggest any significant shift away from the overall upwards trend as prices have not fallen back.

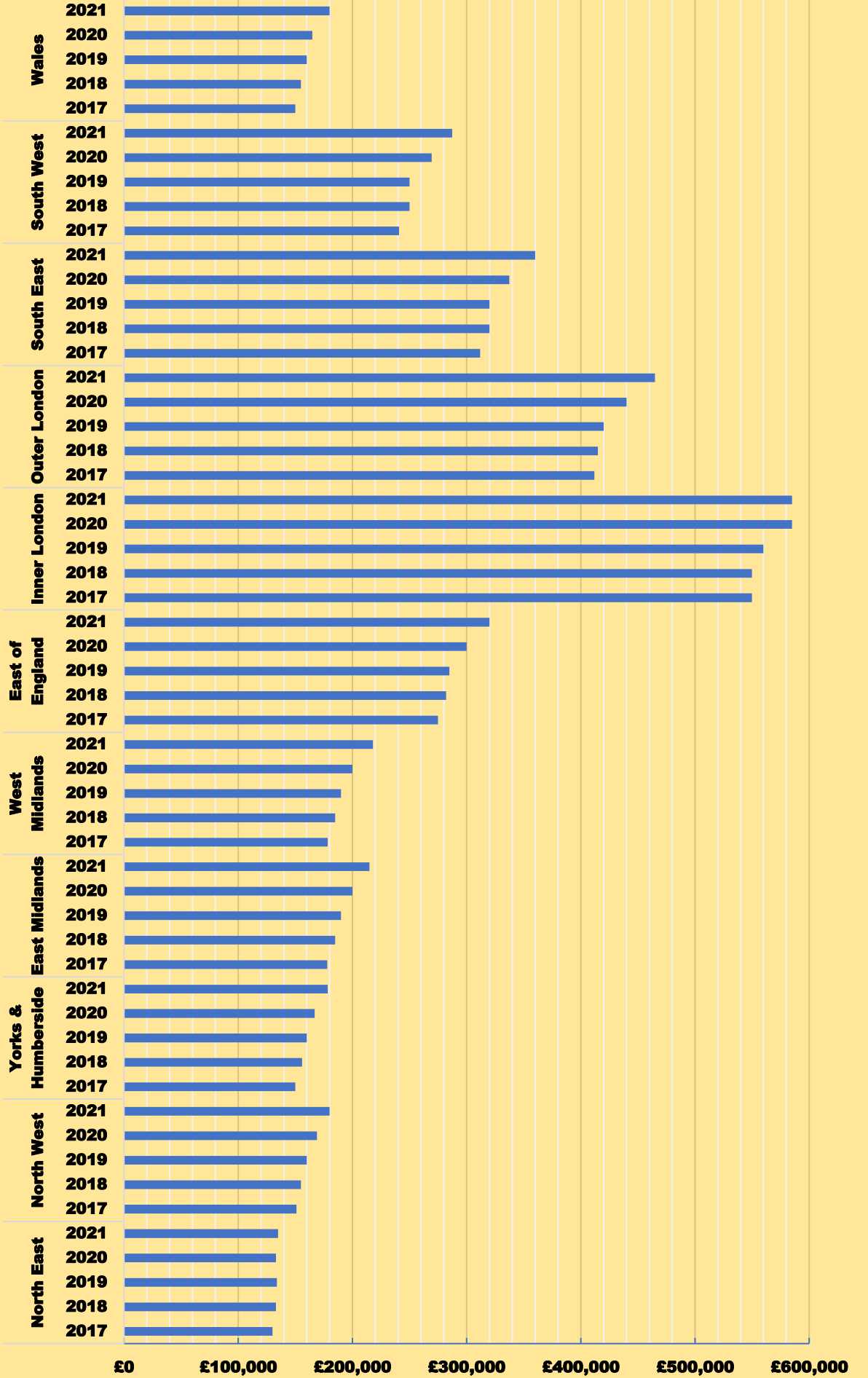


The final two charts show the number of recent property sales and median values by region. The objective is to assess whether there has been a significant change in the regional patterns to see whether preferences for where we live have changed.

Number of Sales by Region and Year



Median Property Price by Region and Year



The pattern to the number of properties sold in each of the last five years across the regions is broadly similar. The 2021 and 2020 numbers are down on the earlier years in all regions. There is little evidence to support the hypothesis of increased migration to more rural areas because of the pandemic, although it may be that at a sub-regional level there are housing hotspots. In terms of property values the table shows that the most expensive areas are still Inner London, followed by Outer London and the South East. Again the regional pattern of increase over the last five years is broadly similar across all regions.

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