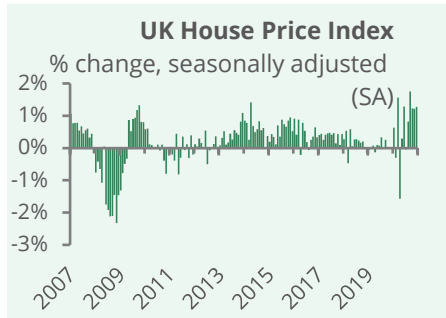


F3: Housing Market



House prices, as measured by the UK House Price Index, increased by 8.5% between December 2019 and December 2020. On a seasonally adjusted basis house prices increased by 1.3% between November 2020 and December 2020.

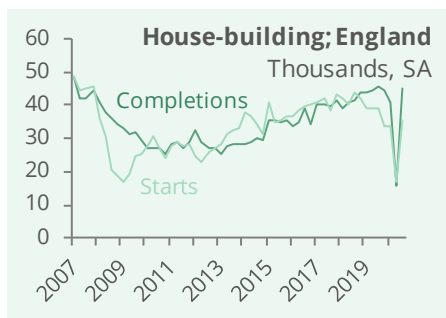
House prices grew at different rates across the UK's countries and regions over the year to December 2020. House prices grew by 11.2% in the North West, 10.7% in Wales and 10.6% in the East Midlands. Growth was slowest in London at 3.5% and the South East at 6.1%. House prices in Northern Ireland grew by 5.3%, but Northern Ireland's data is for growth in the year to Q4 2020.

Bank of England data on the number of mortgages approved to finance house purchases are a leading indicator of house sales.



Mortgage approvals exceeded 100,000 in both November and December 2020. Approvals last exceeded 100,000 in August 2007. Mortgage approvals had fallen to a record low in May 2020 as a result of the lockdown designed to slow the spread of coronavirus. There were 103,381

mortgage approvals in December 2020, compared with 67,303 in December 2019.



Housing starts and completions fell sharply in Q2 2020 reflecting the coronavirus lockdown.

There were 35,710 house building starts (seasonally adjusted) in England in Q3 2020, a 111% increase compared with the previous quarter, but an 8% decrease compared with the same

quarter of 2019. Starts remain below the peak of 48,850 in Q1 2007.

There were 45,000 house building completions (seasonally adjusted) in England in Q3 2020, a 185% increase compared with the previous quarter, but a 1% decrease compared with the same quarter of 2019. Completions remain below the peak of 48,440 completions in Q1 2007.

Subject Specialist

Matt Keep

Updates

HM Land Registry, [UK house price index](#), 24 March 2021

Bank of England, [Money and credit](#), 1 March 2021

DCLG, [House-building](#), March 2021