



## Average asking prices for UK homes soar in February

The average asking price for homes in the UK rose sharply in February as strong demand for properties in London and elsewhere with homes in shorter supply. According to Rightmove, asking prices have experienced the biggest monthly increase since the company started recording such data in 2001. With property prices already high, this revelation comes as welcome news for homeowners looking to sell.

The average asking price of homes entering the UK housing market shot up by £7,800 between January and February of this year. The figure peaked at £348,800, up 2.3% since just a month earlier. This new data comes as the average asking price of homes has risen by nearly £40,000 since the beginning of the pandemic – a staggering amount when you consider that between 2018 and 2020, that figure was just over £9,000. Shortage of stock caused by the pandemic along with high demand have played a key role in the asking-price rise.

It wasn't just the largest month-to-month jump on record, but with a 9.5% increase in asking

price compared to the same month last year, February also saw the largest annual rate of growth since 2014. London saw a big rise in inquiries from potential buyers compared to the rest of the country, a fact that correlates with the capital's above-average asking price rise of 6%. New property listings also saw a monthly increase of 11% in February.

This unprecedented level of growth is also being supported by low borrowing costs. Data released by the Bank of England shows that the borrowing rate on outstanding mortgage stock fell to 2% in December of 2021, the lowest on record. Mortgage rates have also remained at a

historically low level despite the recent base rate increase, with further interest rate rises expected in an attempt to combat the highest rate of inflation seen in the UK for 30 years.

According to Rightmove, this reflects a semi-predictable trend as the pandemic restrictions weaken and people return to office life in much larger numbers following two years of huge proportions of people working from home.

Despite rate rises and some rising costs on the horizon, the property market is performing in a resilient manner. Although growth could slow as rates increase further, this is still one of the strongest positions the housing market has been in. If you are looking to take advantage of these record highs, we'll be happy to help you get the ball rolling, so don't hesitate to get in touch!



**If you'd like to discuss the options available to you, contact your adviser today.**