



Housing market overview

Produced 09 April 2018

This document provides the latest information available from various sources, with dates varying from January - March 2018

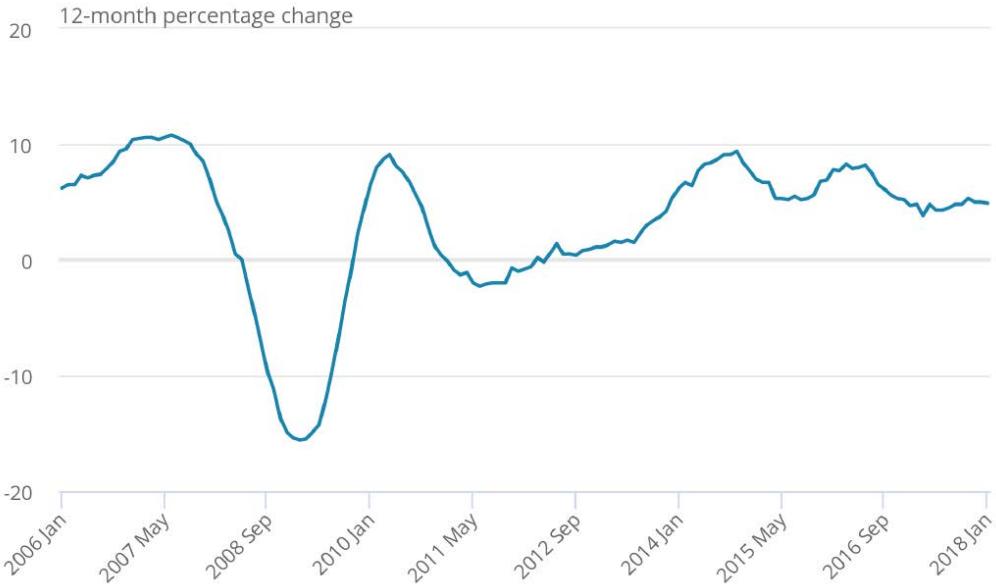
Market overview	3
Summary of published price indices	4
UK annual house prices – rate of change	5
Regional all-dwellings annual house price – 12-month % change	6
UK house-price rates of change: types of buyer	7
UK house-price rates of change: type of dwelling	8
Number of housing transactions per month	9
Monthly asking-price trend	10
Home asking-price trend (England & Wales)	11
Average-time-on-market indicator – England & Wales	12
Asking-price fluctuation percentage	13
UK sales volumes by funding status	14
UK house-price-to-earnings ratio	15
Average properties for sale per estate agent	16

- > Following several months of near-stagnation, month-on-month price fluctuations are beginning to show modest signs of growth, with Halifax and Rightmove both reporting increases of 1.5% and only two of our sources – gov.uk and Nationwide – reporting slight falls of 0.3% and 0.2% respectively. Rightmove indicates that strong demand from home movers in the first two months of the year is now feeding through to stronger upwards price pressure.
- > Home.co.uk reports that, whilst London and adjacent regions remain in the doldrums (and may well do so for some considerable time), regional markets in the midlands, north and west are thriving. Meanwhile, Rightmove states that new records in the price of property coming to market have been set in four out of the eleven UK regions this month, and also nationally in both the first-time buyer and second-stepper sectors of the market.
- > Nationwide comments that, on the surface, the relatively subdued pace of recent house price growth appears at odds with improving rates of employment growth, a modest pick-up in wage growth and historically low borrowing costs. However, they point to consumer confidence remaining suppressed due to the ongoing squeeze on household finances, as wage growth continues to lag behind increases in the cost of living.
- > Halifax claims mortgages in the UK have reached their most affordable level in a decade, according to their latest research. They indicate typical mortgage payments accounted for less than a third (29%) of homeowners' disposable income in the fourth quarter of 2017 compared to almost half (48%) in 2007 (Quarter three).

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	January '18	▼ 0.3	▲ 4.9	£225,621	20.03.2018
LSL Property Services	February '18	▲ 0.5	▲ 0.6	£299,556	12.03.2018
Halifax	March '18	▲ 1.5	▲ 2.7	£227,871	09.04.2018
Home.co.uk	March '18	▲ 0.3	▲ 2.0	£306,249	13.03.2018
Hometrack	February '18	N/A	▲ 5.2	£251,200	26.03.2018
Nationwide	March '18	▼ 0.2	▲ 2.1	£211,625	03.2018
Rightmove	March '18	▲ 1.5	▲ 2.1	£304,504	19.03.2018

UK annual house prices – rate of change



Source: [gov.uk price index](#)

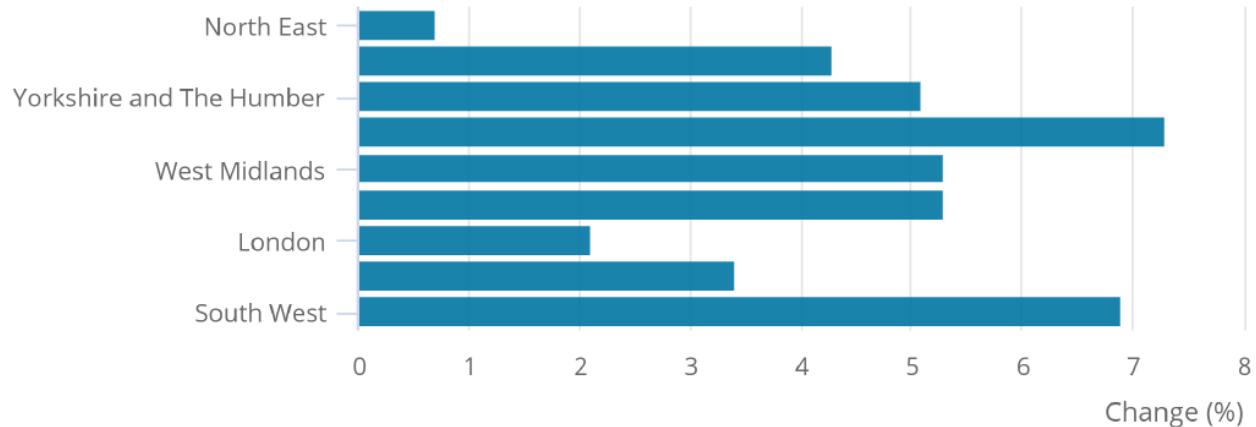


House prices in the three months to March were largely unchanged compared with the previous quarter. The annual rate of growth continues to be in a narrow range of under 3%; though the average price of £227,871 is a new high.



Source: [Halifax price index](#)

Regional all-dwellings annual house prices – 12-month % change



Whilst London and adjacent regions suffer the doldrums, and may well do so for some considerable time, regional markets in the Midlands, North and West are thriving. The East Midlands leads the price growth league table with a gain of 6.1% over the last 12 months.

Source: [gov.uk price index](#)

Source: [home.co.uk price index](#)

UK house-price rates of change: types of buyer

Type of buyer	Average price January 2018	Monthly change	Annual change
First time buyer	£189,859	-0.6%	4.6%
Former owner occupier	£262,282	-0.1%	5.1%

Source: [gov.uk price index](#)

 New records in the price of property coming to market have been set in four out of the eleven regions this month, and also nationally in both the first-time buyer and second-stepper sectors of the market. 

Source: [Rightmove price index](#)

UK house-price rates of change: types of dwelling

Property status	Average price November 2017	Monthly change	Annual change
New build	£299,808	3.8%	14.2%
Existing resold property	£221,080	-0.1%	4.4%

Source: [gov.uk price index](#)

“ Many buyers entering the traditionally busy spring market this year face paying more than ever for their target property, and having a more limited choice. High demand and limited supply in parts of the country mean that the average price of newly-marketed property is at its highest ever level in four out of eleven regions. ”

Source: [Rightmove price index](#)

Number of housing transactions per month

Country	November 2017	November 2016	Difference
England	64,454	74,097	-13.0%
Northern Ireland (Quarter 4 - 2017)	5,501	6,033	-8.8%
Scotland	8,572	8,734	-1.9%
Wales	3,871	4,084	-5.2%

Source: [gov.uk price index](#)

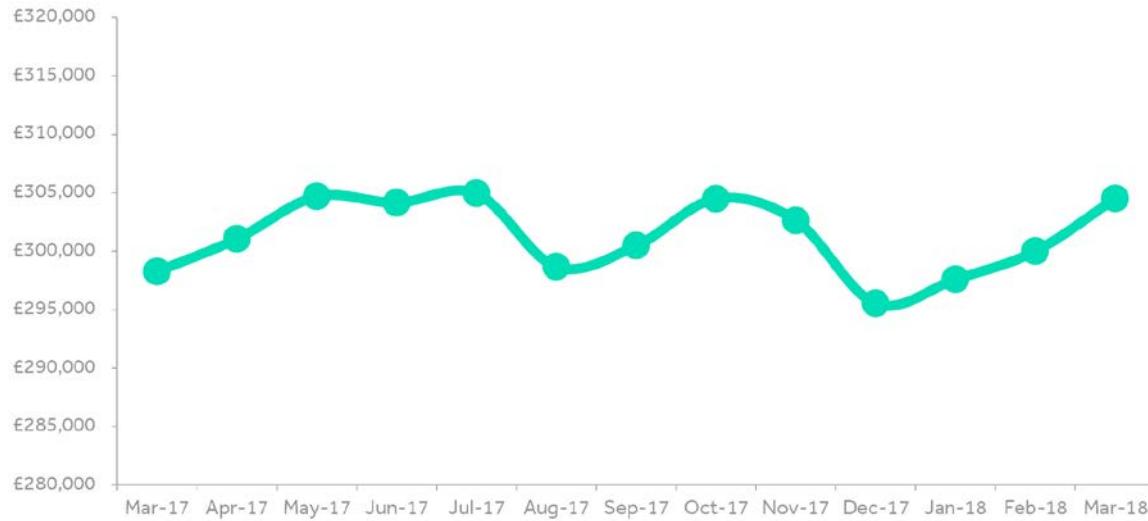


UK home sales start the year on a flat footing. Home sales in February reached 101,000, the same as in January. In the three months to February home sales were only marginally lower than in the same period a year earlier.



Source: [Halifax price index](#)

Monthly asking-price trend



Over the first quarter of 2018 the price of property coming to market is up by 3.0%. This is a stronger performance than the first quarter of 2017 (+1.9%) but weaker than the 3.6% rise in 2016 which was inflated by the rush to beat the stamp duty deadline on second homes.



Source: [Rightmove price index](#)

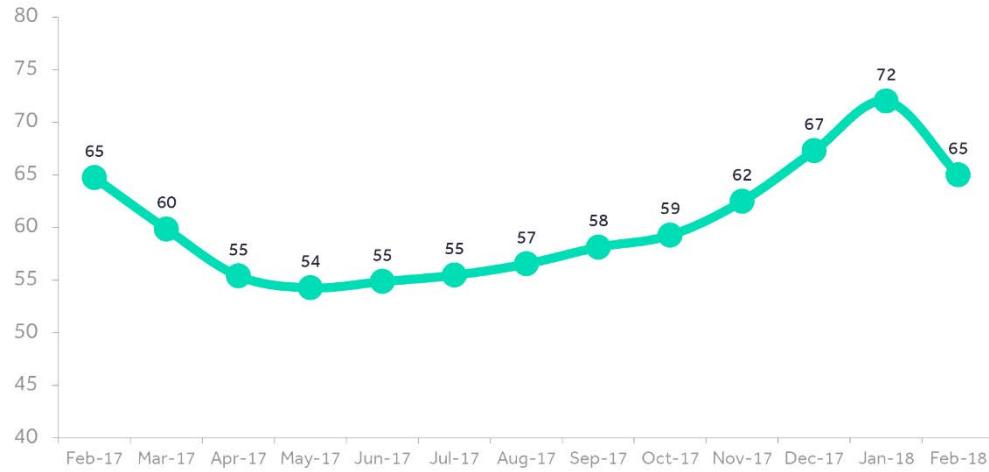
Home asking-price trend for England & Wales



“ Overall, supply of property for sale in the UK is up 10% YoY. The largest contributions over the month of January were from the East (+21%) and South West (+22%). These large jumps in new instructions in the East and South West will serve to slow these markets further and stifle price growth. By contrast, supply contracted in Wales (-5%) and rose only 2% in the North West.”

Source: home.co.uk price index

Average-time-on-market indicator – National

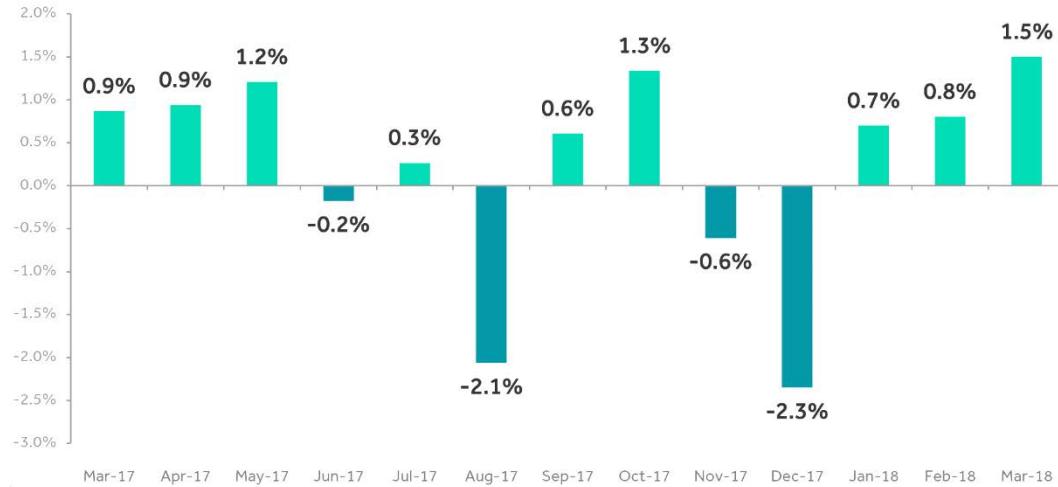


Source: [Rightmove price index](#)

“ Typical Time on Market rising fast in London (+18.8%), the South East (+25.9%) and East (+24.1%) but year-on-year improvements are evident in all other regions. ”

Source: [home.co.uk price index](#)

Asking-price fluctuation percentage



Average asking price of newly-marketed property jumps by 1.5% (+£4,503) this month as strong demand from home movers in the first two months of the year now feeds through to stronger upwards price pressure.



Source: [Rightmove price index](#)

UK sales volumes by funding status

Funding status	Average price January 2018	Monthly change	Annual change
Cash	£214,828	-0.4%	4.8%
Mortgage	£235,448	-0.3%	4.9%

Source: [gov.uk price index](#)

“ Mortgages in the UK have reached their most affordable level in a decade, new research from Halifax has revealed. Typical mortgage payments accounted for less than a third (29%) of homeowners' disposable income in the fourth quarter of 2017 compared to almost half (48%) in 2007 (Quarter 3). This fall in the burden of mortgage payments has helped improve affordability for homeowners - driven predominantly by historically low mortgage rates, despite the first base rate rise in a decade last November.”

Source: [Halifax price index](#)

UK house-price-to-earnings ratio



Source: [Nationwide price index](#)

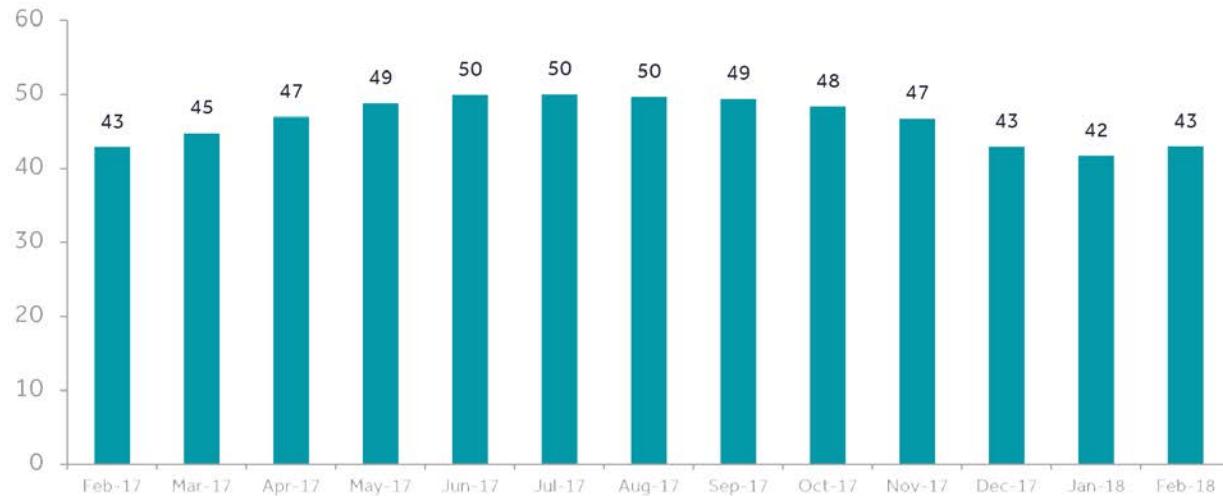


On the surface, the relatively subdued pace of house price growth appears at odds with recent healthy rates of employment growth, a modest pick-up in wage growth and historically low borrowing costs. However, consumer confidence has remained subdued, due to the ongoing squeeze on household finances as wage growth continues to lag behind increases in the cost of living.



Source: [Nationwide price index](#)

Average properties for sale per estate agent



“ Price rises are in part being driven by a decrease in supply as the market enters a traditionally busy phase. Rightmove measured 112,693 properties coming to market in the last four weeks, down by 5.2% on the same period a year ago. Some of this drop will be due to the heavy snow delaying some agents and sellers from bringing properties to market. ”

Source: [Rightmove price index](#)

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