



Housing market overview

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This document provides the latest information available from various sources, with dates varying from July - September 2017

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- > Our regularly reviewed sources indicate a mixed opinion with regard to month-on-month house prices. Three-of-seven reported a drop in August/September, whilst another three reported marginal increases. All however, agreed that the annual rate of house price growth is positive, though at its lowest point in some time (all 0-5.1%).
- > Halifax reports that the shortage of homes for sale continues to impede market activity with the balance of new sales instructions for home sales falling for the 18th consecutive month in August. They see average stock levels on estate agents' books edging up, but still close to an all-time low.
- > Home.co.uk reports that, despite cooling nationally, the UK property market shows remarkable diversity at the regional level and several well-performing regions continue to attract significant investment. They claim the East and West Midlands continues to prosper, and prices are rising over and above the rate of inflation and supply remains restrained in both regions, whilst the North West and Yorkshire are still gaining additional momentum. They see the North East and Wales showing confident monthly price rises too, both up 0.5%.
- > Rightmove reports that annual average wage growth is now outstripping the annual rate of price increase in newly-marketed property. They claim the Office for National Statistics is reporting average annual wage increases running at +2.1% for both the second quarter of this year and the month of July, while the price of property coming to market is now growing at just +1.1%, which represents the lowest annual rate of house price increase since February 2012, when it stood at +0.7%.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	July '17	^ 1.1	^ 5.1	£226,185	12.09.2017
LSL Property Services	August '17	v 0.2	^ 2.1	£297,398	20.09.2017
Halifax	September '17	^ 0.8	^ 4.0	£225,109	06.10.2017
Home.co.uk	September '17	v 0.1	^ 3.5	£306,140	12.09.2017
Hometrack	August '17	N/A	^ 4.9	£249,900	28.09.2017
Nationwide	September '17	^ 0.2	^ 2.0	£210,116	09.2017
Rightmove	September '17	v 1.2	^ 1.1	£310,003	18.09.2017

UK annual house prices – rate of change

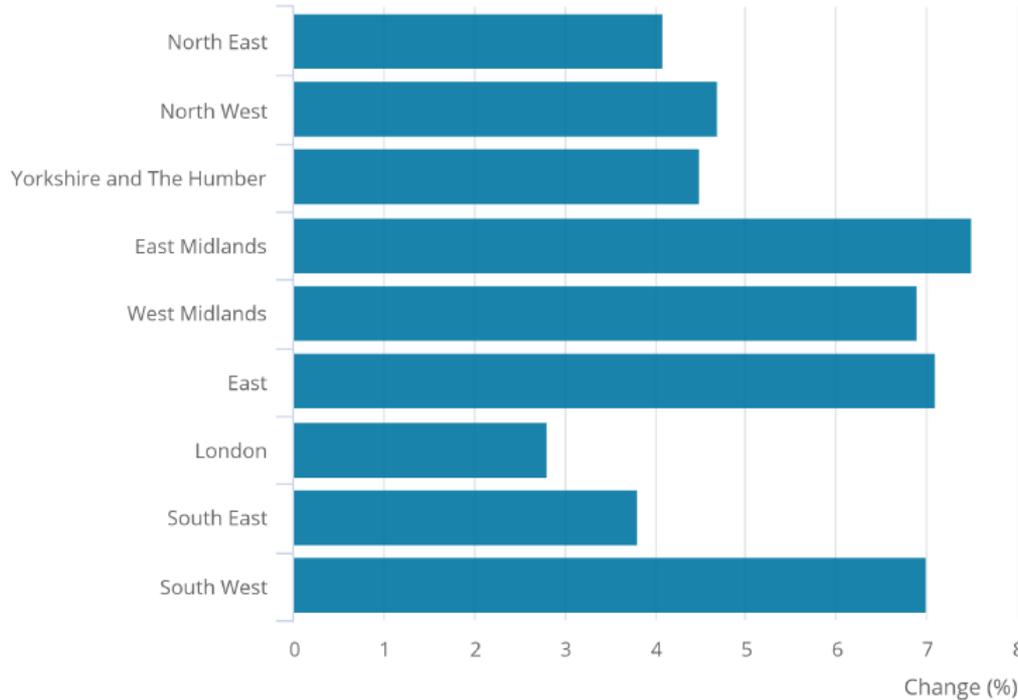


Source: gov.uk price index

“ The annual rate of house price growth continues to slow. In August the rate fell to 2.1%, the lowest it has been since April 2012, over 5 years ago. On a monthly basis, house prices have reduced by 0.2%, the fifth month in succession in which the average price has fallen. The average price of a house in England and Wales now stands at £297,398, the same level as seen in November 2016. ”

Source: [LSL price index](http://LSL)

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



The East and West Midlands continue to prosper. Prices are rising over and above the rate of inflation and supply remains restrained in both regions. The North West and Yorkshire are still gaining additional momentum. The North East and Wales show confident monthly price rises too, both up 0.5%.



Source: [home.co.uk price index](https://www.home.co.uk/price-index/)

Source: [gov.uk price index](https://www.gov.uk/price-index/)

UK house-price rates of change: types of buyer

Type of buyer	Average price	Monthly change	Annual change
First time buyer	£191,305	1.3%	5.1%
Former owner occupier	£262,085	0.9%	5.4%

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

“ We’re seeing a balanced market this year. Regions like the East of England are closing the gap on the traditionally stronger performers like the South East as first time buyers drive growth in search of more affordable housing. ”

Source: [LSL price index](#)

UK house-price rates of change: types of dwelling

Property Status	Average price	Monthly change	Annual change
New build	£304,045	-1.7%	17.7%
Existing resold property	£221,270	1.2%	4.3%

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

“ The usual Autumn price bounce has so far failed to materialise, with a fall of -1.2% (-£3,660) in the price of property coming to market. This is the first fall at this time of year since 2013, though the national average fall has very much been exacerbated by a large -2.9% monthly drop in London, and smaller falls in all other southern regions. ”

Source: [Rightmove price index](#)

Number of housing transactions per month

Country	May 2017	May 2016	Difference
England	58,209	60,179	-3.3%
Northern Ireland (Quarter 2 - 2017)	5,106	4,865	5.0%
Scotland	8,241	7,248	13.7%
Wales	3,406	3,125	9.0%

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

“ We estimate the number of housing transactions in August 2017 in England & Wales at 80,500, based on Land Registry numbers and their methodology for accounting for domestic property sales. This is up by 5% on July’s total, and goes against the typical seasonal decrease of 1% that we would expect in August (based on averages from the last 20 years). ”

Source: [LSL price index](#)

Monthly asking-price trend

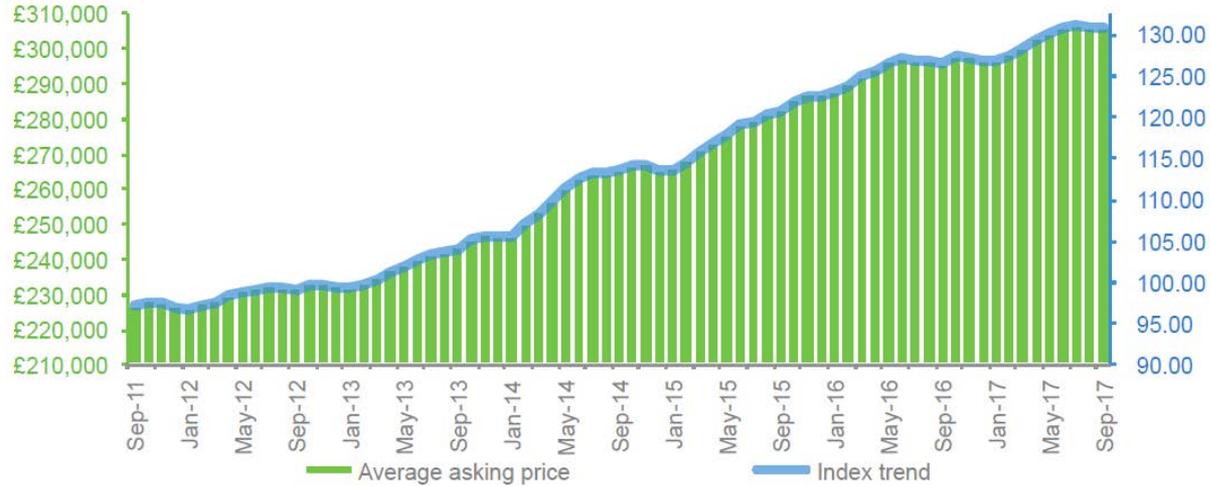


As we enter the Autumn selling season it is usual to see estate agents advising new-to-the-market sellers to push up their asking prices. But this year all four southern regions have seen new sellers on average asking less than those of a month ago, reducing the national rate of increase.



Source: [Rightmove price index](#)

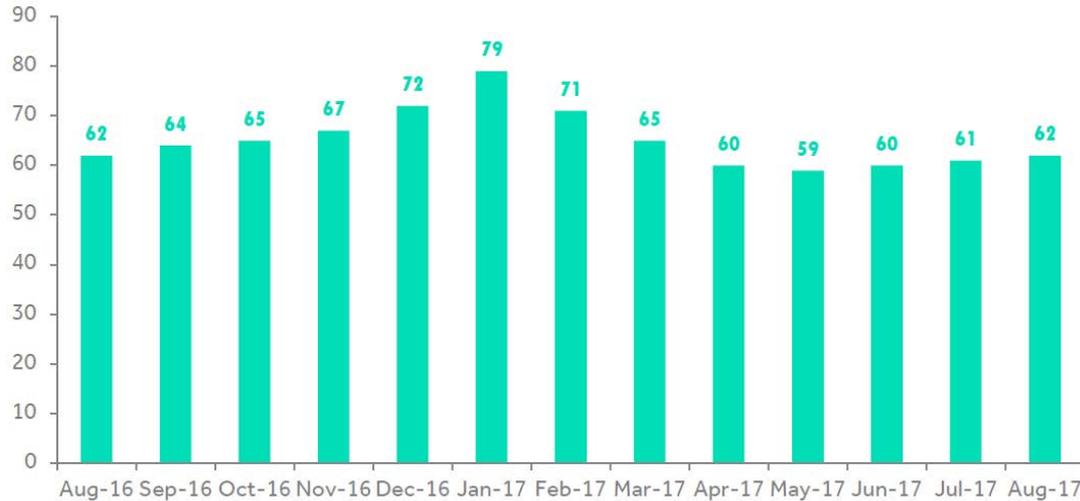
Home asking-price trend for England & Wales



Over the last six months prices have risen most in the West Midlands, closely followed by Scotland, Yorkshire and the East Midlands. Wales and the South West have also considerably outperformed the national average growth over the same time period.

Source: home.co.uk price index

Average-time-on-market indicator – England & Wales



Source: [Rightmove price index](#)

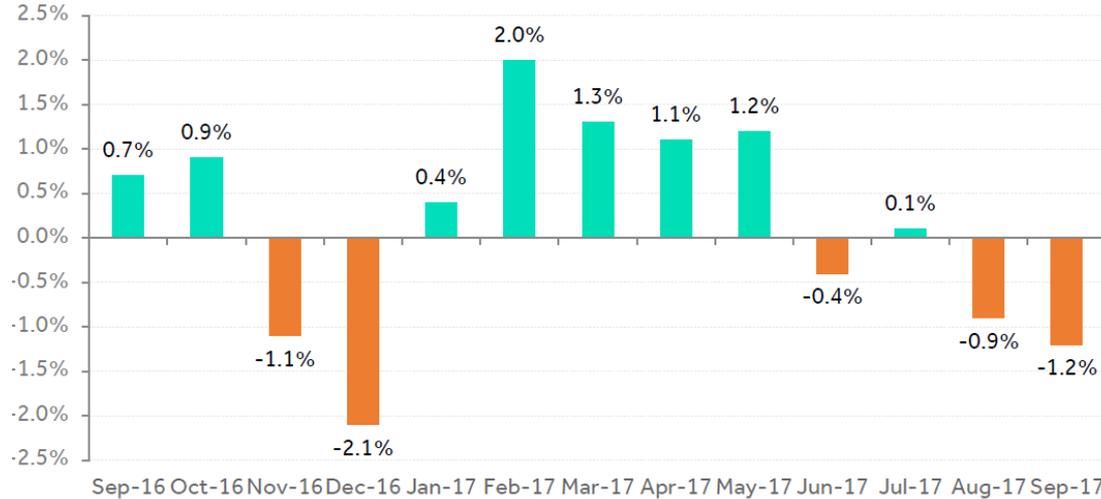


The West Midlands is a property market in the ascendancy. As we predicted, a falling Typical Time on Market has been followed by further price rises. Growth in this market, so far, has been steady but sure and consequently prices appear more sustainable going forward.



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

Asking-price fluctuation percentage



Source: [Rightmove price index](#)

Prices in the East of England are still some way off the levels in London, but they're closing the gap with the South East, where the average price is £369,095, and growth in the last year has been less than half the rate in the East, at 2.5%. Since price growth began to slow in February, the gap between average prices in the two regions has fallen by a fifth from £54,786 to £43,479.

Source: [LSL price index](#)

UK sales volumes by funding status

Funding status	Average price	Monthly change	Annual change
Cash	£215,603	1.1%	5.4%
Mortgage	£236,119	1.1%	5.2%

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

“ Mortgage approvals for house purchases fell in August. After rising to their highest level since January, mortgage approvals fell by 2.7% between July and August to 66,580. Mortgage approvals have remained in a narrow range between 65,100 and 68,700 per month over the past 11 months. ”

Source: [Halifax price index](#)

UK house-price-to-earnings ratio

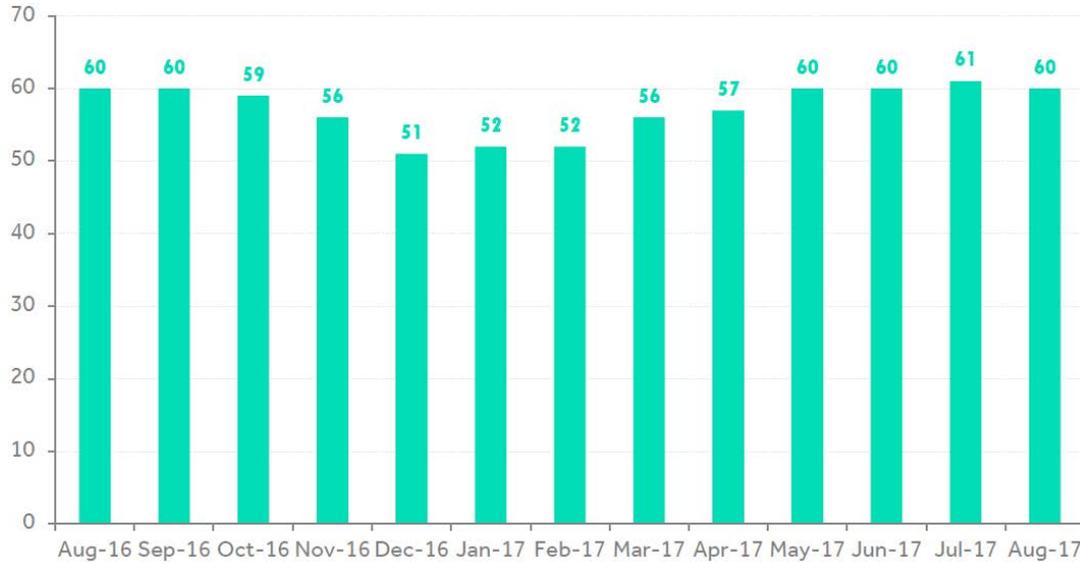


Source: [Nationwide price index](#)

“ With the price of property coming to market having increased every year for the last six years, most buyers have seen their buying power eroding away. But annual average wage growth is now outstripping the annual rate of price increase in newly-marketed property. The Office for National Statistics has reported average annual wage increases running at +2.1% for both the second quarter of this year and the month of July, while the price of property coming to market is now growing at just +1.1%. This is the lowest annual rate of house price increase since February 2012 when it stood at +0.7%.

”
Source: [Rightmove price index](#)

Average properties for sale per estate agent



“ There has been a 10% increase in the volume of new seller enquiries over the last 3 months in contrast with the same period in 2016 and a more modest 2% increase in the number of new buyer registrations, but an increase nonetheless. All of this equates to a market which continues to offer good results and steady price growth as we head into the second busy period of 2017. ”

Source: [Rightmove price index](#)

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