



# Housing market overview

Produced 06 February 2019

This document provides the latest information available from various sources, with dates varying from November 2018 - January 2019

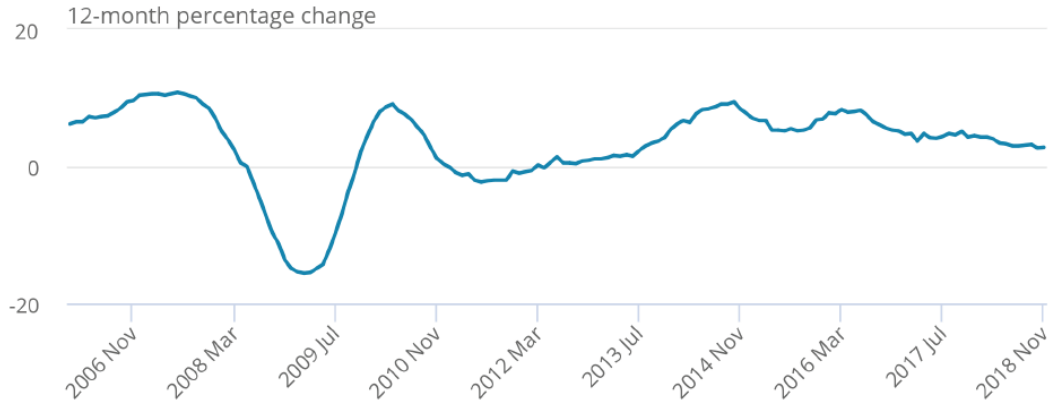
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- > In contrast to last month's report, half of our available sources are now reporting month-on-month increases in house prices in the region of 0.3% to 0.4%, while gov.uk, Halifax and home.co.uk report decreases of 0.1% to 2.9%. All sources continue to record annual increases however, ranging from 0.1% to 2.8%.
- > Redrow are reporting the early weeks of the year have seen the new homes market "bounce back" after a subdued end to 2018 and are confident that the Brexit uncertainty will not have "a huge impact" in 2019.
- > Countryside Properties tell us that they have performed well in their first quarter, as they place more emphasis on the private-rented sector and affordable properties. Issuing an update on the period from October 1 to December 31 2018, the housebuilder and urban regeneration partner said that its total group completions climbed 28% to 1,094 homes against the equivalent period the previous year.
- > According to an analysis of Ofsted reports and property costs by the comparison site confused.com, parents have to pay a £100,000 premium to buy a home near an "outstanding" rated school. The average price of a home close to a school with the top Ofsted grade is over £331,605. Competition for top schools is particularly intense in London, where they report the average price for a house near an "outstanding" secondary is £635,949.
- > Halifax comments that, in December, mortgage approvals showed little difference to the previous month. Bank of England industry-wide figures show that the number of mortgages approved to finance house purchases – a leading indicator of completed house sales – saw a modest 0.2% rise to 63,793. The December rate is still not far below the 2018 average of 64,913 but is 2,694 below the average of the past five years.  
*(Source: Bank of England, seasonally-adjusted figures)*

# Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	November '18	▼ 0.1	▲ 2.8	£230,630	16.01.2019
LSL Property Services	December '18	▲ 0.3	▲ 0.6	£306,647	21.01.2019
Halifax	January '19	▼ 2.9	▲ 0.8	£223,691	07.02.2019
home.co.uk	January '19	▼ 0.5	▲ 0.2	£305,276	15.01.2019
Hometrack	December '18	N/A	▲ 2.7	£252,600	30.01.2019
Nationwide	January '19	▲ 0.3	▲ 0.1	£211,966	01.2019
Rightmove	January '19	▲ 0.4	▲ 0.4	£298,734	21.01.2019

# UK annual house prices – rate of change

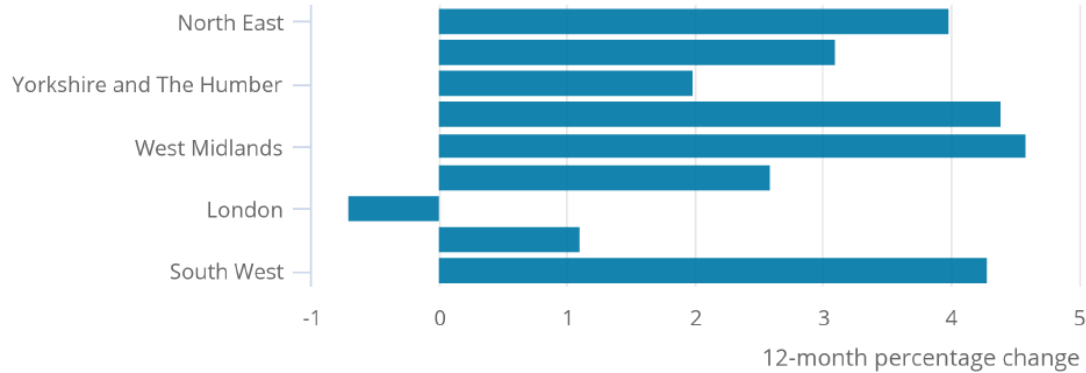


Source: [gov.uk price index](https://www.gov.uk)

“ Attention will no doubt be drawn towards the monthly fall of -2.9% from December to January, the second time in three years that we have seen a drop as a new year starts. However, the bigger picture is actually that house prices have seen next to no movement over the last year, with annual growth of just 0.8%. ”

Source: [Halifax price index](https://www.halifax.co.uk)

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



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

“ Annual house price growth almost ground to a complete halt in January, with prices just 0.1% higher than the same time last year. This follows a subdued December when price growth slowed to 0.5%.

”  
Source: [Nationwide price index](#)

# UK house-price rates of change: types of buyer

Type of buyer	Average price November 2018	Monthly change	Annual change
First time buyer	£194,324	-0.1%	2.5%
Former owner occupier	£267,764	-0.2%	3.0%

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

“ The slowdown in house price growth has, however, made house prices more affordable in real terms over the last year, and the mortgage market remains highly favourable for buyers. For many first-time buyers there could be opportunities later this year. ”

Source: [LSL Property Services](https://www.lslproperty.com/)

# UK house-price rates of change: types of dwelling

Property status	Average price September 2018	Monthly change	Annual change
New build	£290,434	-2.0%	5.7%
Existing resold property	£228,052	-0.1%	3.1%

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



National average dragged down by new-to-the-market sellers realising they have less pricing power than usual given the current market backdrop, especially in the south.



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



# Number of housing transactions per month

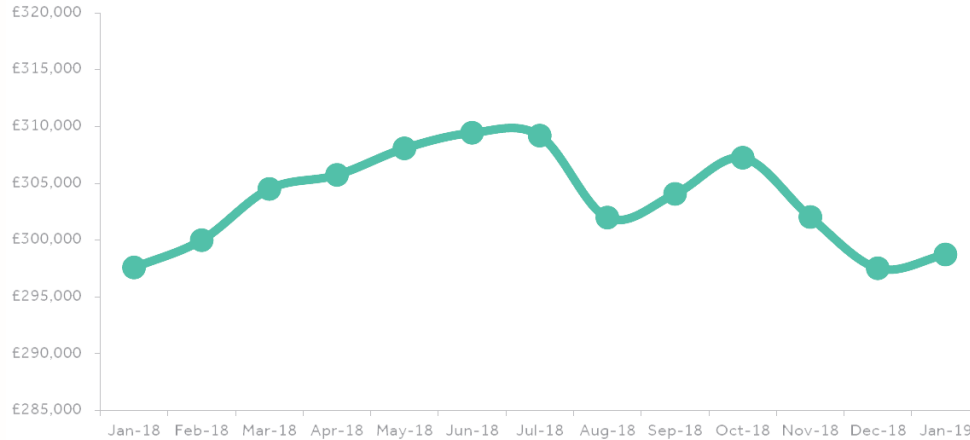
Country	September 2018	September 2017
England	59,691	78,082
Northern Ireland (Quarter 3 - 2018)	5,722	6,533
Scotland	8,472	9,603
Wales	3,494	4,424

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

“ While the market is still seeing nominal price growth, the number of transactions has fallen. We estimate they are 2.4% down in 2018 on the previous year, not helped by a slowdown in December, with an estimated 78,250 sales representing an 8.1% drop from November on a seasonally adjusted basis. ”

Source: [LSL Property Services](#)

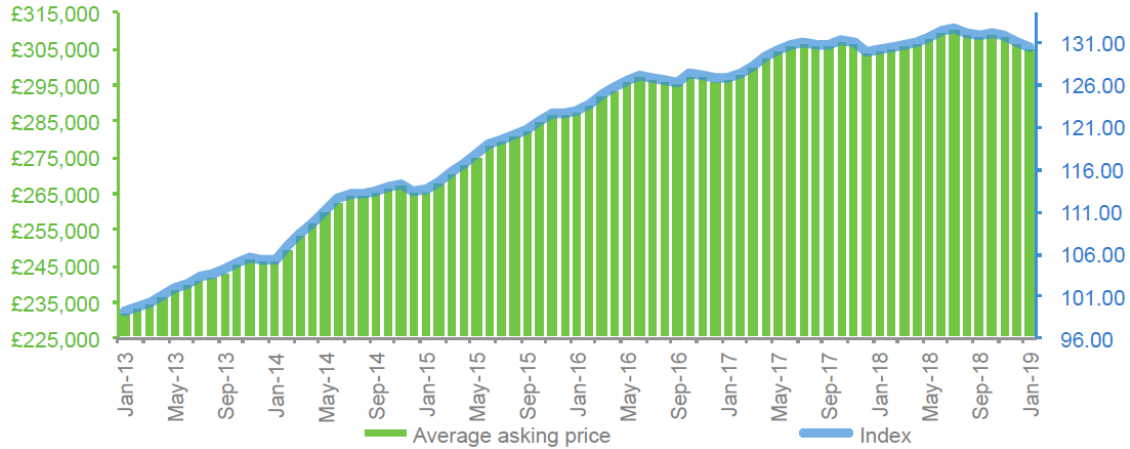
## Monthly asking-price trend



Three out of eleven regions have seen actual price falls this month. London, which perhaps is feeling more closely affected by the uncertainty associated with Brexit, has seen an average fall of 1.5% in new seller asking prices this month, while the adjacent South East region remains muted at only +0.2%. Both London and the South East have a strong influence on national average prices since together they constitute 30% of all new-to-market listings, despite their homeowners currently being among the most reluctant to come to market.

Source: [Rightmove price index](#)

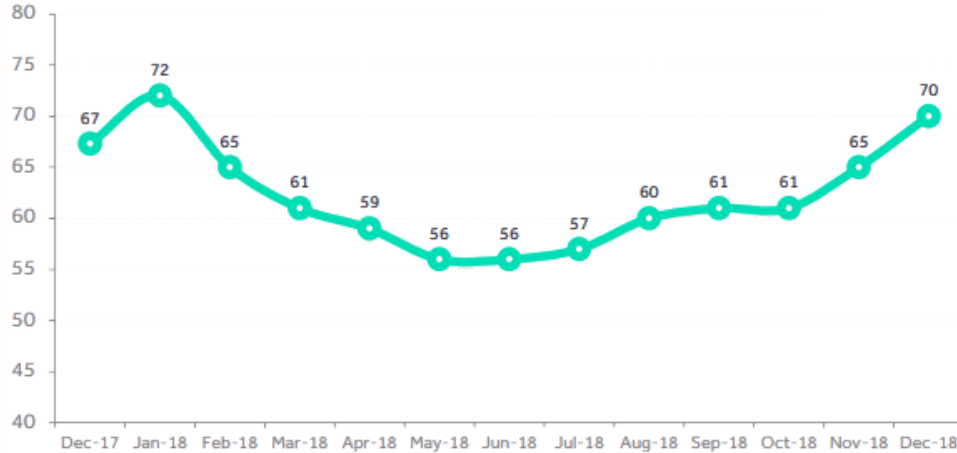
# Home asking-price trend for England & Wales



“...significant market vigour is still apparent in some regions and support for headline growth is nowhere more prevalent than in Wales and the West Midlands, where asking prices are 5.7% and 5.1% higher than they were a year ago. Regions further north also show solid growth. The north west and Yorkshire have pushed up their average asking prices by 4.5% and 4.1% respectively since January 2018.

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

## Average-time-on-market indicator – National

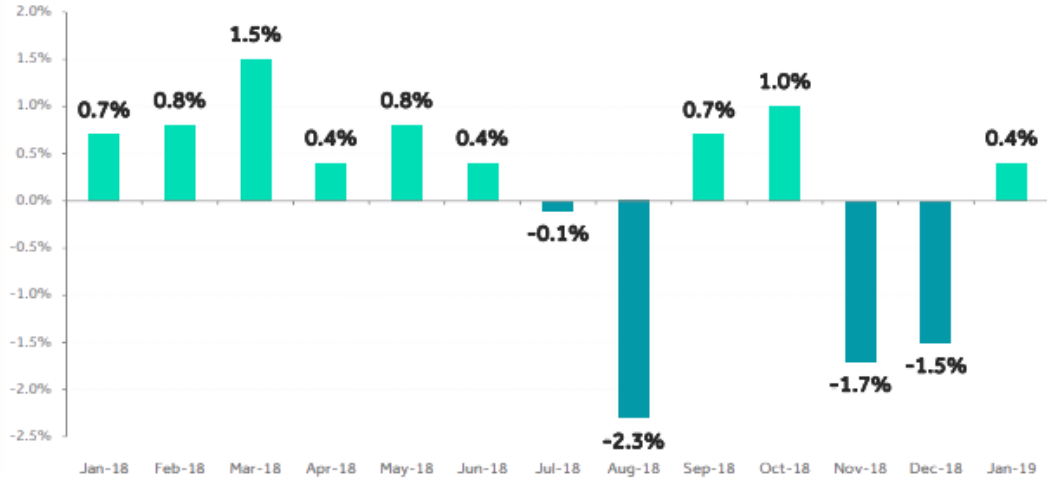


Source: [Rightmove price index](#)

“ Typical time on market continues to rise in London (+8%), the south east (+12%) and the east of England (+10% YoY), leading to further vendor frustration and price cutting. ”

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

# Asking-price fluctuation percentage



“ The average price of property coming to market is up by just 0.4% (+£1,207) for January, the lowest monthly rise seen at this time of year since January 2012. In contrast, potential home-mover visits to the Rightmove website are at record highs for the first two weeks of a new year, and up by 5% on the comparable period a year ago. ”

Source: [Rightmove price index](#)

# UK sales volumes by funding status

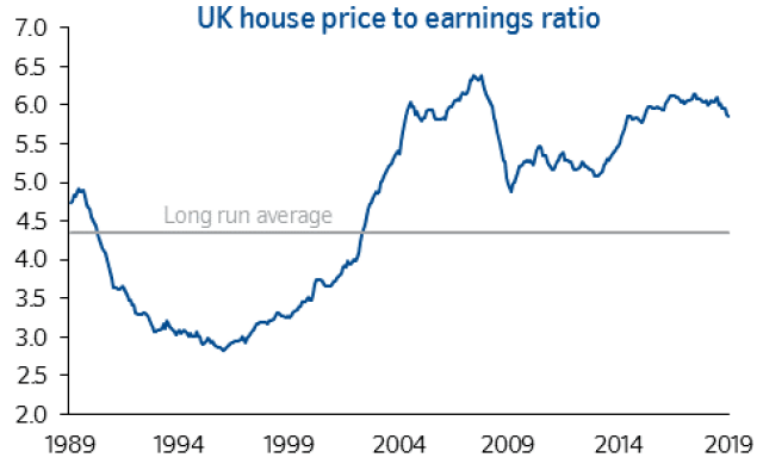
Funding status	Average price November 2018	Monthly change	Annual change
Cash	£219,896	-0.2%	2.6%
Mortgage	£240,489	-0.1%	2.9%

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

“ Indicators of housing market activity, such as the number of property transactions and the number of mortgages approved for house purchase, have remained broadly stable in recent months, but forward-looking indicators had suggested some softening was likely. ”

Source: [Nationwide price index](#)

# UK house-price-to-earnings ratio



Source: [Nationwide price index](#)

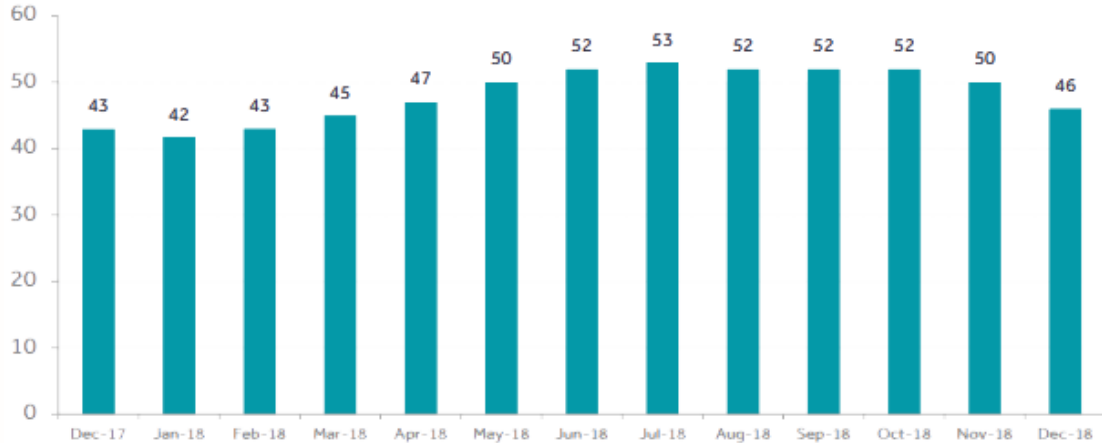
“

On the supply side the most constraining factor to the health of the market is the shortage of stock for sale, although this does support price levels. On the demand side we see very high employment levels, improving real wage growth, low inflation and low mortgage rates. All positive drivers tempered by the challenges of raising deposits. On balance therefore we expect price growth to remain subdued in the near term.

”

Source: [Halifax price index](#)

## Average properties for sale per estate agent



Source: [Rightmove price index](#)

“ Due to current political and economic unrest it is understandable why buyers and sellers may be taking a ‘wait and see’ approach to the property market but, in turn, as demand waivers, it means that property may become more affordable to more people. This should help buyers, and first-time buyers, in particular, when they are ready to act.

”  
Source: [LSL Property Services](#)



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