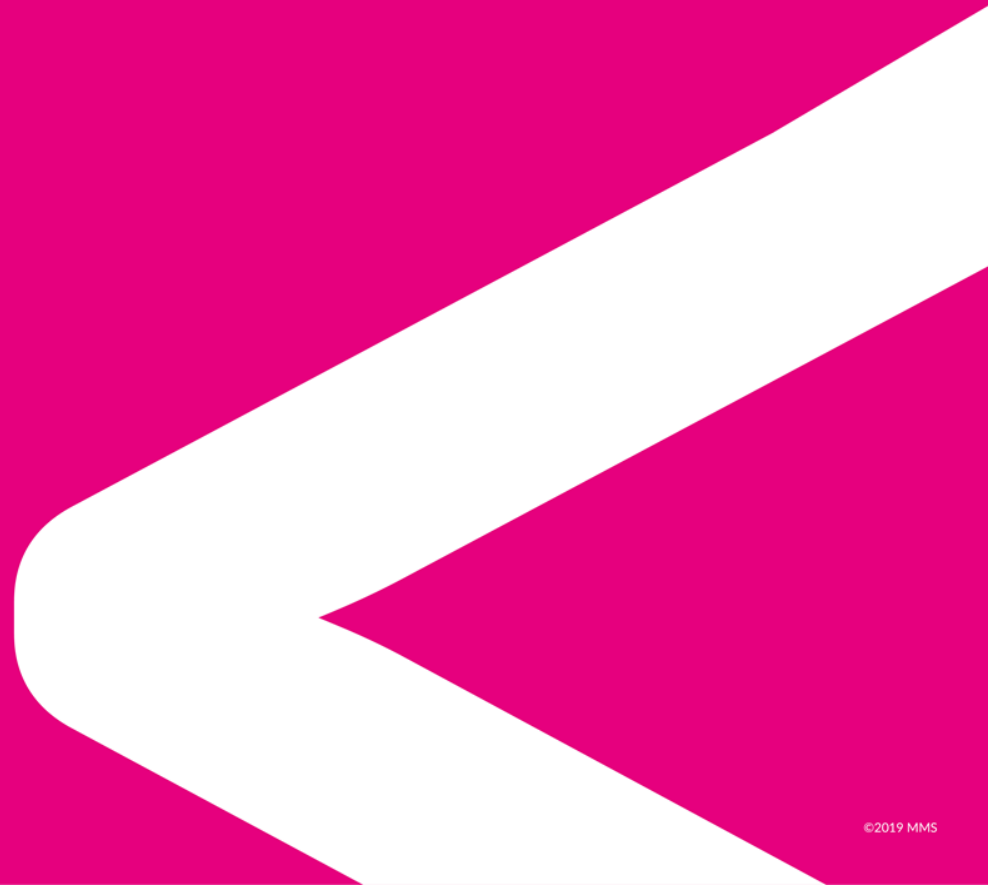




Housing market overview

Produced 05 November 2019

This document provides the latest information available from various sources, with dates varying from August - October 2019



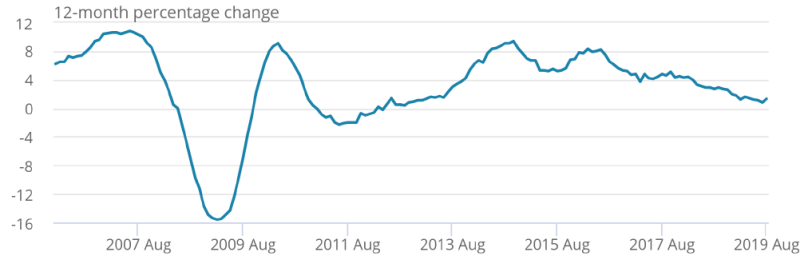
Market overview	3
Summary of published price indices	4
UK annual house prices – rate of change	5
Regional all-dwellings annual house price – 12-month % change	6
UK house-price rates of change: types of buyer	7
UK house-price rates of change: type of dwelling	8
Number of housing transactions per month	9
Monthly asking-price trend	10
Home asking-price trend (England & Wales)	11
Average-time-on-market indicator (National)	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

- > All but two of our available sources are reporting month-on-month increases in house prices in the range of 0.2% to 0.8%. LSL Property Services shows zero change and only Halifax reports a decrease – of just 0.1%. All but two of our sources are also reporting annual increases in the range of 0.1% to 1.3%. LSL Property Services and Rightmove report decreases of 0.4% and 0.2% respectively.
- > Three of the market's larger players have made statements recently. Barratt report that they have started their new financial year “well”, seeing a 14% increase in completions during the period from July 1 to October 13 against the equivalent period last year. Bellway report they delivered a record number of housing completions in the year ending July 31 2019 up 5.7% from last year. Redrow also cited “encouragingly resilient” trading since the start of its new financial year.
- > Conversely, Crest Nicholson has issued a profit warning for its full year, citing difficult market conditions. They said that during the second half of FY 2019, they had experienced “a more volatile sales environment” in some of its regional businesses, with the greatest impact being felt in its legacy London sites, driven by shaky consumer confidence related to Brexit uncertainty.
- > Crest Nicholson's woes are reflected in comments from home.co.uk who state that the supply of new sales instructions has reduced in all regions, with the biggest drop in London of 33% (Sept 2019 vs. Sept 2018), as vendors fail to commit, due to fearing Brexit fallout.
- > Bank of England figures show that the number of mortgages approved to finance house purchases were 65,919 in September – this represents a 0.4% month-on-month rise, partly reversing the 2.1% decline seen in August. Year-on-year growth is 0.6%.
- > The September RICS Residential Market Survey has shown a renewed decline in new instructions, with a net balance fall to -37% - the weakest since June 2016.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	August '19	^ 0.8	^ 1.3	£234,853	16.10.2019
LSL Property Services	September '19	> 0.0	▼ 0.4	£299,047	21.10.2019
Halifax	October '19	▼ 0.1	^ 0.9	£232,249	07.11.2019
home.co.uk	October '19	^ 0.3	^ 0.1	£309,692	15.10.2019
Hometrack	September '19	N/A	^ 2.4	£258,200	29.10.2019
Nationwide	October '19	^ 0.2	^ 0.4	£215,368	10.2019
Rightmove	October '19	^ 0.6	▼ 0.2	£306,712	21.10.2019

UK annual house prices – rate of change

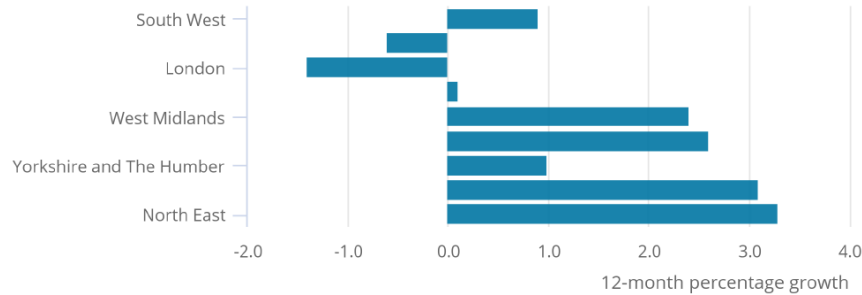


Source: [gov.uk price index](https://www.gov.uk/house-prices-indices)

“ Average house prices continued to slow in October, with a modest rise of 0.9% over the past year. While this is the lowest growth seen in 2019, it again extends the largely flat trend which has taken hold over recent months. ”

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

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



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

The acute drop in supply, born of Brexit woes, is affecting all regions. Most show double-figure percentage drops year-on-year, with only two regions (West Midlands and Yorkshire) showing single-figure drops of 5% and 7% respectively. Of course, these shortages look tiny when compared to London's massive 33% fall, but all such reductions in supply will bolster both vendors' and agents' confidence when setting the asking price.

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

UK house-price rates of change: types of buyer

Type of buyer	Average price August 2019	Monthly change	Annual change
First time buyer	£196,921	0.4%	0.7%
Former owner occupier	£273,680	1.2%	1.8%

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

Moreover, mortgage rates remain close to all-time lows – more than 95% of borrowers have opted for fixed rate deals in recent quarters, around half of which have opted to fix for five years.

Source: [Nationwide price index](https://www.nationwide.co.uk/mortgages/price-index)

UK house-price rates of change: types of dwelling

Property status	Average price June 2019	Monthly change	Annual change
New build	£282,051	0.4%	1.1%
Existing resold property	£227,595	0.6%	1.1%

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

“ On an annual basis, prices in August 2019 fell in England & Wales by £634, or -0.2%. This is the seventh month in 2019 in which the annual rate has been negative, with only July seeing a positive movement of just +0.2%. ”

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

Number of housing transactions per month

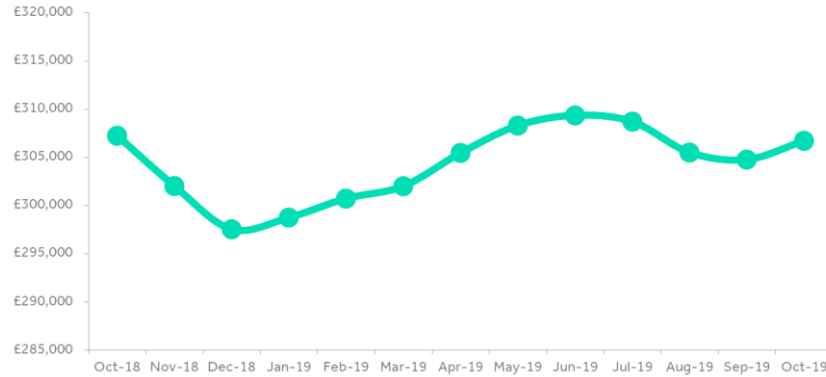
Country	June 2019	June 2018
England	59,975	79,056
Northern Ireland (Quarter 2 - 2019)	5,210	6,189
Scotland	9,020	10,558
Wales	3,584	4,344

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

Based on Land Registry counts for England & Wales, we estimate that there were 70,500 transactions in September 2019, some 12% lower than our (revised) estimate of 80,000 sales in August. Normally we would expect a 10% seasonal fall in September sales volumes, compared to August, based on data for the last eight years (excluding 2016), so the decrease of -12% represents a -2% fall in transactions on a seasonally-adjusted basis.

Source: [LSL Property Services](#)

Monthly asking-price trend

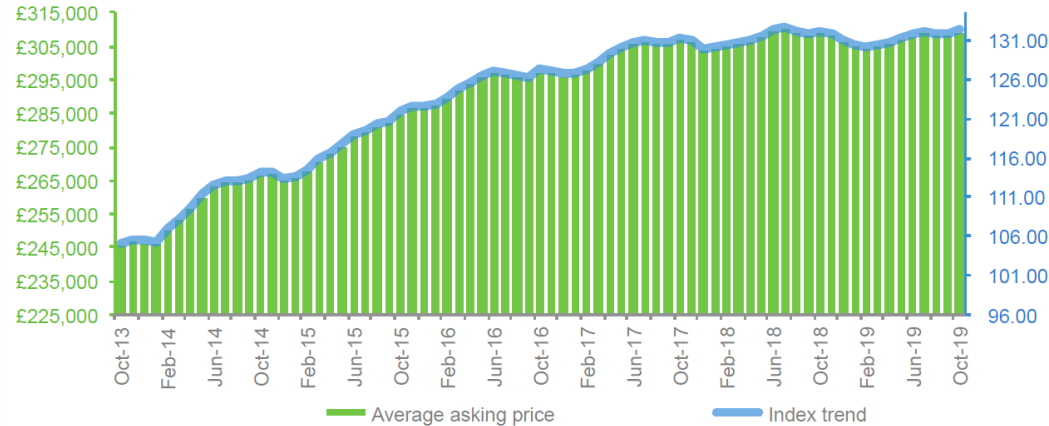


Source: [Rightmove price index](#)

“ This sudden supply shortage has consequently served to support prices. Since last month, asking price rises have been observed in every region except the North East. ”

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

Home asking-price trend for England & Wales

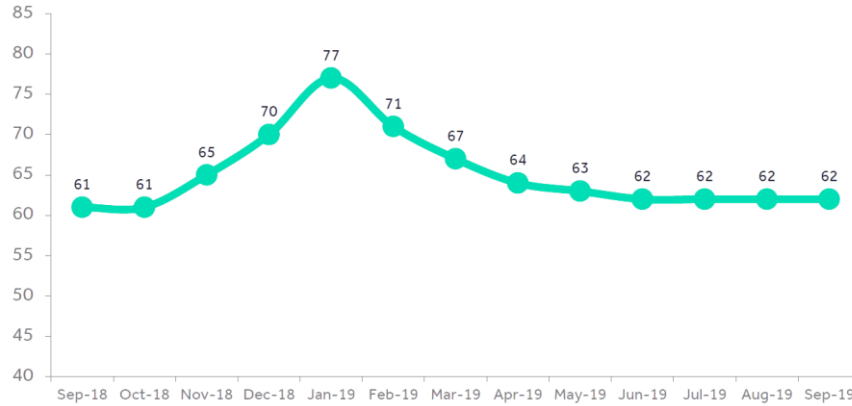


Source: [home.co.uk price index](https://www.home.co.uk/price-index)

“ Smaller than usual Autumn price bounce, with price of property coming to market seeing its lowest monthly rise at this time of year since October 2008, up by just 0.6% (+£1,942) ”

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

Average-time-on-market indicator – National

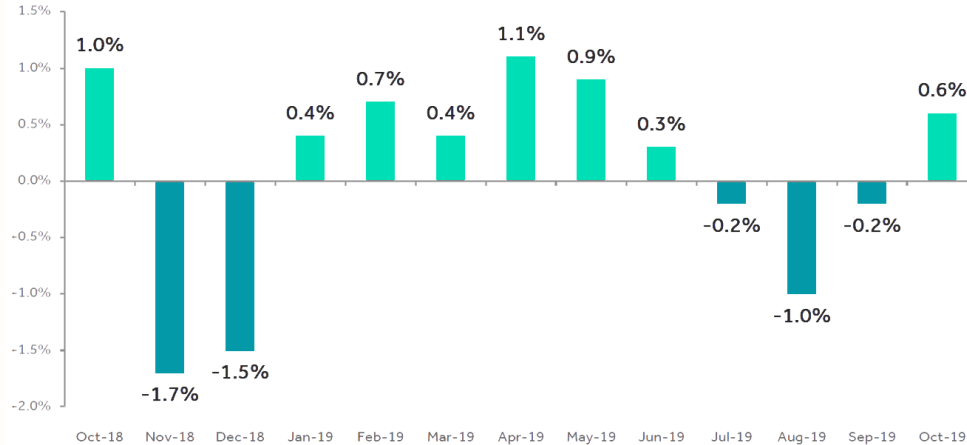


Source: [Rightmove price index](#)

“ Typical Time on Market for England and Wales is currently 99 days (median), seven days longer than in October 2018. ”

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

Asking-price fluctuation percentage



“ Number of sellers coming to market down by 13.5% compared to this time last year, as sluggish prices and imminence of Brexit deadline deter speculative sellers ”

Source: [Rightmove price index](#)

UK sales volumes by funding status

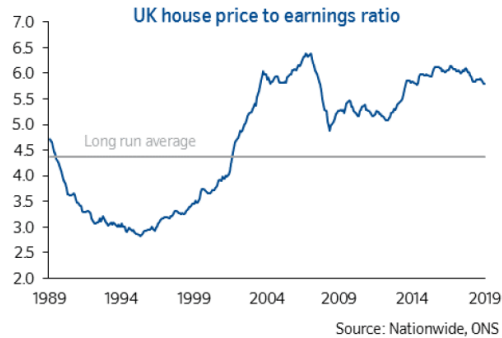
Funding status	Average price August 2019	Monthly change	Annual change
Cash	£223,593	0.9%	1.1%
Mortgage	£244,851	0.8%	1.4%

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

“ Mortgage approvals have risen slightly from August. Bank of England figures show that the number of mortgages approved to finance house purchases were 65,919 in September – this represents a 0.4% month on month rise, partly reversing the 2.1% decline seen in August. Year on year growth is 0.6%. (Source: Bank of England, seasonally-adjusted figures) ”

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

UK house-price-to-earnings ratio

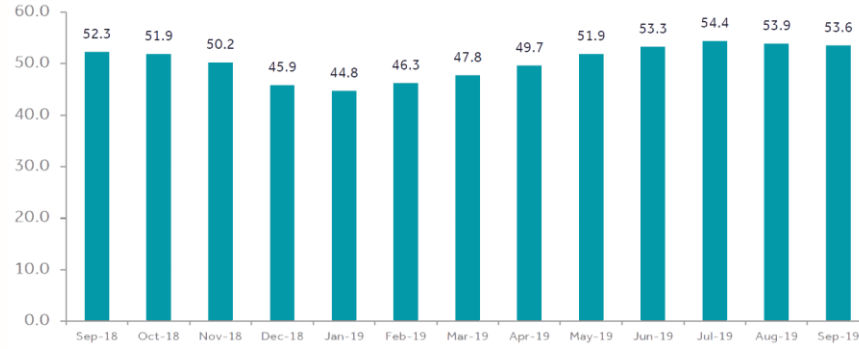


Source: [Nationwide price index](#)

“ A number of underlying factors such as mortgage affordability and wage growth continue to support prices, however there is evidence of consumers erring on the side of caution. ”

Source: [Halifax price index](#)

Average properties for sale per estate agent



“ With a slowdown in the number of properties coming to market, down by 13.5% compared with this time last year, there are strong indications that many would be sellers are being deterred by the combination of muted pricing power and short term political uncertainty. ”

Source: [Rightmove price index](#)

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