



# Housing market overview

Produced 7 February 2020

This document provides the latest information available from various sources, with dates varying from November 2019 – January 2020

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- > In contrast to last month's report, nearly all of our available sources are reporting month-on-month increases in house prices in the region of 0.2% to 2.3%, only home.co.uk reports no change from the previous month. All sources continue to record annual increases ranging from 0.3% to 4.1%.
- > According to research by Hamptons International a growing proportion of Londoners who are moving out of the capital to buy a home are heading north. They say stretched housing affordability in southern England has resulted in more Londoners moving to the Midlands and the North of England.
- > Rightmove comments there has been a 2.3% (+£6,785) monthly surge in the average price of property coming to the market. They say nearly 65,000 properties were marketed between the 8th December and the 11th January, so most of them came to market after the 12th December election. They say given that this is the largest monthly rise they have ever recorded at this time of year, it would appear that many of these new sellers are feeling a surge of optimism.
- > According to the government's latest English Housing Survey the proportion of young people in home ownership has risen after more than a decade of decline. The Ministry of Housing, Communities and Local Government's (MHCLG) data shows that during 2018/2019, 41% of 25-34 year olds were owner occupiers. This compares to the period between 2003/2004 and 2013/2014 when home ownership for this age group dropped from 59% to 36%.
- > Halifax reports a number of important market indicators continue to show signs of improvement. They have seen a pick-up in transactions with more buyer and seller activity consistent with a reduction in uncertainty in the UK economy.
- > Nationwide comments the underlying pace of housing market activity has remained broadly stable, with the number of mortgages approved for house purchase continuing within the fairly narrow range prevailing over the past two years. They say the healthy labour market conditions and low borrowing costs appear to be offsetting the drag from the uncertain economic outlook.

## 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 '19   | ^ 0.4              | ^ 2.2             | £235,298            | 15.01.2020        |
| LSL Property Services       | December '19   | ^ 0.2              | ^ 0.8             | £304,054            | 20.01.2020        |
| Halifax                     | January '20    | ^ 0.4              | ^ 4.1             | £240,054            | 07.02.2020        |
| home.co.uk                  | January '20    | > 0.0              | ^ 0.3             | £306,221            | 14.01.2020        |
| Hometrack                   | December '19   | N/A                | ^ 3.9             | £257,600            | 29.01.2020        |
| Nationwide                  | January '20    | ^ 0.5              | ^ 1.9             | £215,897            | 01.2020           |
| Rightmove                   | January '20    | ^ 2.3              | ^ 2.7             | £306,810            | 20.01.2020        |

# UK annual house prices – rate of change

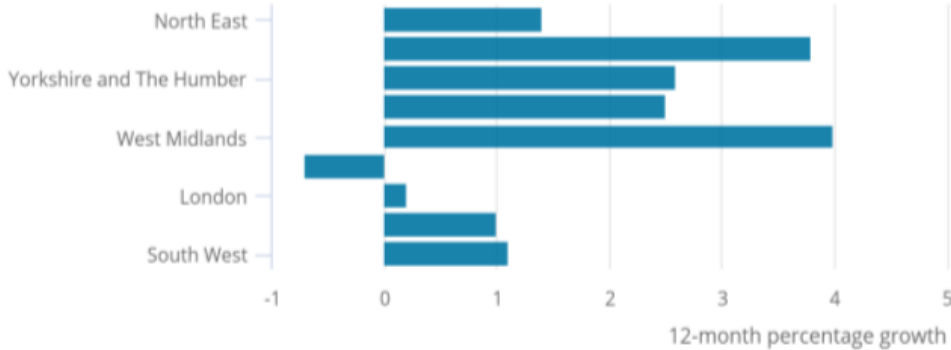


Source: [gov.uk price index](https://www.gov.uk/price-index)

“ Overall, the average mix-adjusted asking price is up 0.3% across England and Wales since January 2019. ”

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

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



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

“ East of England remains the UK’s worst-performing region with prices suffering an extended post-boom correction: The average asking price for the region has fallen by 2.6% over the last twelve months. ”

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 November 2019 | Monthly change | Annual change |
|-----------------------|-----------------------------|----------------|---------------|
| First time buyer      | £197,760                    | 0.5%           | 2.1%          |
| Former owner occupier | £273,241                    | 0.4%           | 2.3%          |

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

“ First time buyer activity has remained strong, buoyed by cheap interest rates and the high costs of renting. The downside of this high demand is upwards price pressure, with the average price of typical first time buyer property hitting a new record high. However, the annual rate of increase remains fairly modest at 1.6%, less than the rate of growth in average earnings, so affordability has actually improved a little for first time buyers. ”

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

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

| Property status          | Average price September 2019 | Monthly change | Annual change |
|--------------------------|------------------------------|----------------|---------------|
| New build                | £293,167                     | 1.7%           | 3.8%          |
| Existing resold property | £230,787                     | 0.0%           | 1.1%          |

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

“ This month’s 2.3% rise in new seller asking prices is the largest that Rightmove has recorded at this time of year since we started our House Price Index in 2002. The previous highest January rise was the 2.2% recorded in January 2015. This has helped to push the annual rate of increase to 2.7%, the highest level since July 2017. ”

Source: [Rightmove price index](#)



# Number of housing transactions per month

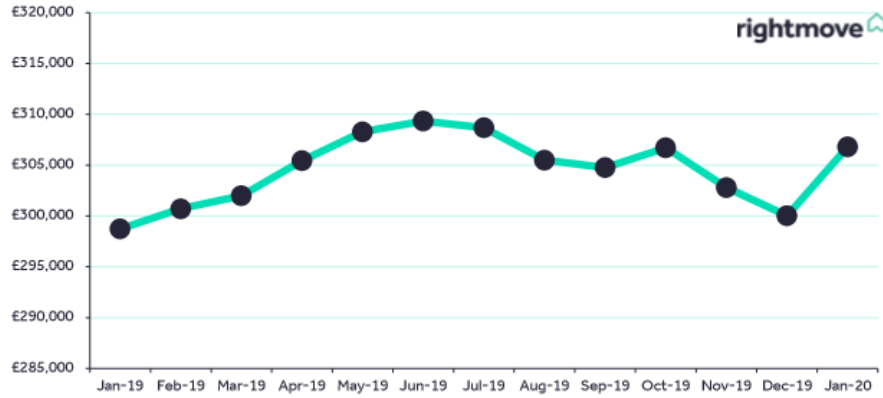
| Country                             | September 2019 | September 2018 |
|-------------------------------------|----------------|----------------|
| England                             | 61,633         | 68,839         |
| Northern Ireland (Quarter 3 - 2019) | 6,002          | 6,563          |
| Scotland                            | 8,628          | 8,601          |
| Wales                               | 3,539          | 3,959          |

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

“ The early birds are on it, with over 1.3 million buyer enquiries to agents since the election, up 15% on the same period a year ago. Some buyers are even further ahead and have snapped up a property already, with the number of sales agreed up by 7.4% on this time last year. ”

Source: [Rightmove price index](#)

# Monthly asking-price trend



“ This month’s 2.3% rise in new seller asking prices is the largest that Rightmove has recorded at this time of year since we started our House Price Index in 2002. The previous highest January rise was the 2.2% recorded in January 2015. This has helped to push the annual rate of increase to 2.7%, the highest level since July 2017. ”

Source: [Rightmove price index](#)

# Home asking-price trend for England & Wales

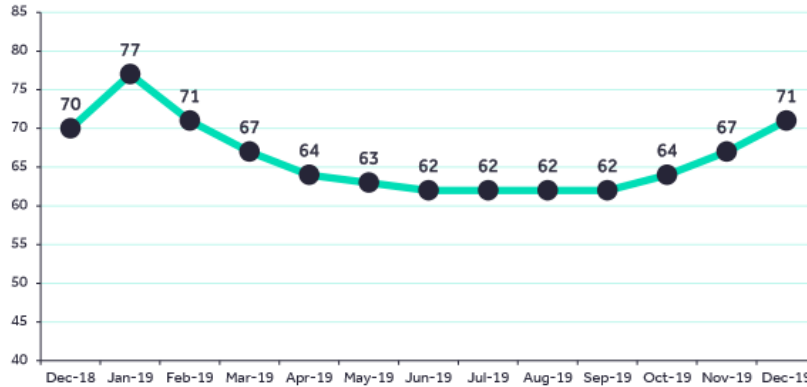


Source: [home.co.uk price index](https://www.home.co.uk/price-index/)

“ House prices kicked off the year with a modest monthly increase, rising by 0.4% in January following the stronger gains of 1.8% and 1.2% seen in December and November respectively. As a result, annual growth remained relatively stable at 4.1%, up just a fraction from the end of 2019. ”

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

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

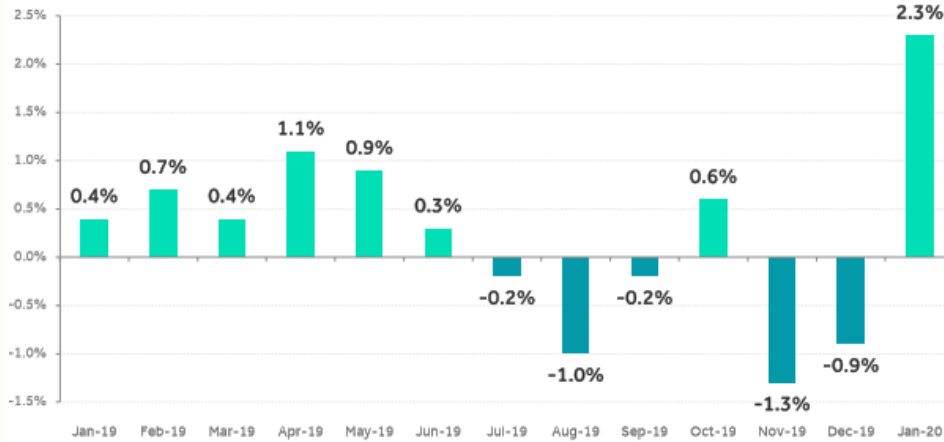


Source: [Rightmove price index](#)

“ Typical Time on Market for England and Wales is nine days longer than in January 2019, likely a postelection artefact; we expect this measure to fall markedly as we move towards the spring market. ”

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

# Asking-price fluctuation percentage



Source: [Rightmove price index](#)

Looking ahead, we still expect a moderate rate of house price growth over the course of the year. Demand is likely to continue to exceed the supply of properties for sale across the UK, with the subdued pace of new building also adding to upwards price pressure. The environment for mortgage affordability should stay largely favourable. However with the growth in rental costs accelerating, many first-time buyers will continue to face a significant challenge in raising necessary deposits.

Source: [Halifax price index](#)

# UK sales volumes by funding status

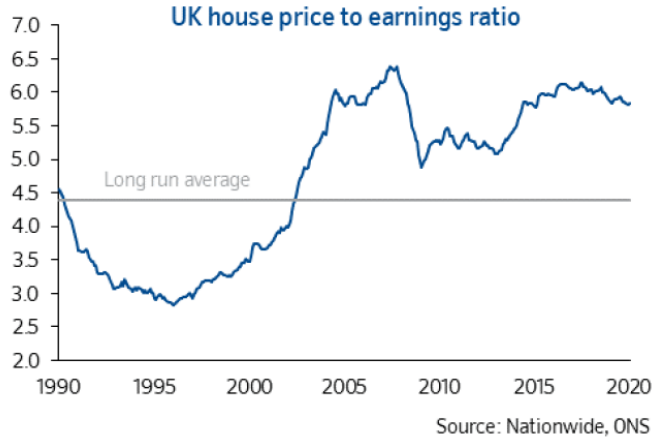
| Funding status | Average price November 2019 | Monthly change | Annual change |
|----------------|-----------------------------|----------------|---------------|
| Cash           | £224,060                    | 0.5%           | 2.1%          |
| Mortgage       | £245,105                    | 0.4%           | 2.3%          |

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

“ The underlying pace of housing market activity has remained broadly stable, with the number of mortgages approved for house purchase continuing within the fairly narrow range prevailing over the past two years. Healthy labour market conditions and low borrowing costs appear to be offsetting the drag from the uncertain economic outlook. ”

Source: [Nationwide price index](#)

# UK house-price-to-earnings ratio

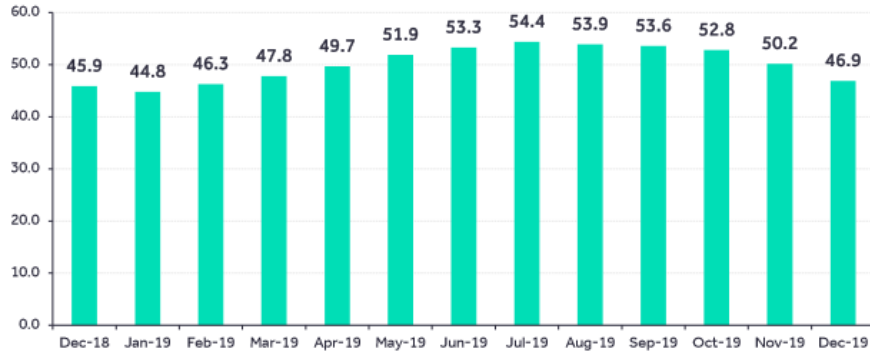


Source: [Nationwide price index](#)

Recent data continue to paint a mixed picture. Economic growth appeared to grind to a halt as 2019 drew to a close, though business surveys point to a pickup at the start of the New Year. Labour market data was surprisingly upbeat in the three months to November, with the economy adding over 200,000 jobs - the largest gain since the end of 2018.

Source: [Nationwide price index](#)

## Average properties for sale per estate agent



“ Nearly 65,000 properties were marketed between the 8th December and the 11th January, so most of them came to market after the 12th December election. Given that this is the largest monthly rise we have ever recorded at this time of year, it would appear that many of these new sellers are feeling a surge of optimism. ”

Source: [Rightmove price index](#)



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