



Housing market overview

Produced 12 October 2018

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

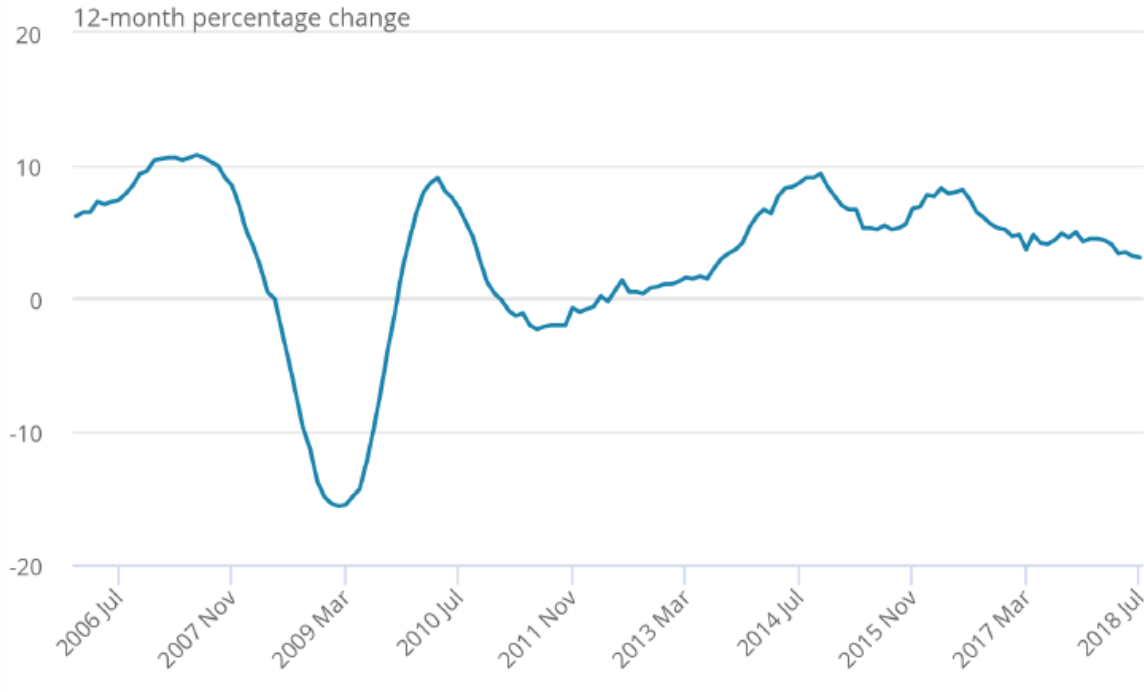
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- > The pendulum has swung the opposite way compared with last month's report, with four of our sources now reporting slight month-on-month increases in house prices in the range 0.1%-1.2%. Just home.co.uk and Halifax report falls, of -0.3 and -1.4 respectively. All sources continue to record annual increases, ranging from 0.9% to 3.9%.
- > Nationwide reports that UK house-price growth remained broadly stable, but regional house-price developments were more varied. For the fifth quarter in a row London prices fell in annual terms, though the decline remained modest at just -0.7%. Indeed, prices in the capital are only around 3% below the all-time high recorded in Q1 2017 and are still more than 50% above their 2007 levels.
- > The Institute of Fiscal Studies has released new research suggesting that around 40% of young adults cannot afford to buy one of the cheapest homes in their area, even with a 10% deposit. They go on to say that house prices in England have risen by 173% over two decades, but average pay for 25-34 year-olds has grown by just 19% over the same period.
- > Halifax has gone on record to state that fewer homes have been on the market in 2018 than in any year of the past decade, resulting in house hunters being left with relatively little choice, which means that prices have continued to rise as a result.
- > Rightmove slightly counters the above comment by Halifax, stating that 'back to school' season offers more choice for buyers, with a 16% jump in new properties coming to market in the first week of September compared to the average of the final three summer weeks.
- > Mortgage approvals showed a small rise in August. The number of mortgages approved rose to 66,440 in August from 65,156 in July. The figure is very close to the five-year average approval rate of 66,550, but is 2,000 above the monthly average for the previous 12-month period of 64,638. (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 | July '18 | ^ 1.2 | ^ 3.1 | £231,422 | 19.09.2018 |
| LSL Property Services | August '18 | ^ 0.1 | ^ 1.8 | £303,199 | 17.09.2018 |
| Halifax | September '18 | v 1.4 | ^ 2.5 | £225,995 | 05.10.2018 |
| Home.co.uk | September '18 | v 0.3 | ^ 0.9 | £308,786 | 12.09.2018 |
| Hometrack | August '18 | N/A | ^ 3.9 | £254,400 | 27.09.2018 |
| Nationwide | September '18 | ^ 0.3 | ^ 2.0 | £214,922 | 09.2018 |
| Rightmove | September '18 | ^ 0.7 | ^ 1.2 | £304,061 | 17.09.2018 |

UK annual house prices – rate of change

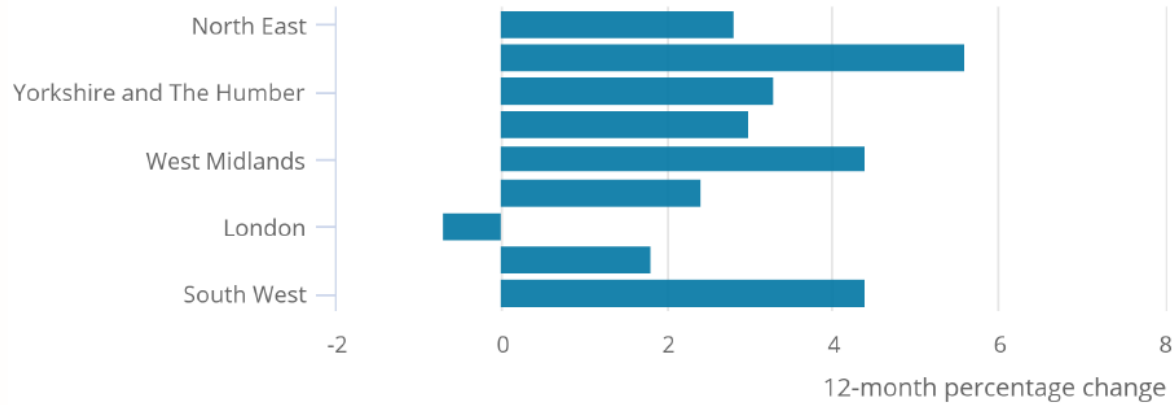


“ A monthly rise of 0.7% (£2,088) in the price of newly-marketed property matches the average for September since 2011, though the annual rate remains muted at 1.2%

”
Source: [Rightmove price index](#)

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

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



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

“ Supply increases indicate a worsening market for vendors: up by 7% year-on-year (YoY) across the UK, with the biggest regional surge in new instructions located in the East of England (+15%).

Prices rose only in Wales and Scotland, and in the North West and East Midlands since last month. All other English regions fell.

”
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 July 2018 | Monthly change | Annual change |
|-----------------------|-------------------------|----------------|---------------|
| First time buyer | £195,057 | 1.1% | 2.6% |
| Former owner occupier | £268,850 | 1.3% | 3.4% |

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

“ With the annual rate of house price growth easing to 2.5% in September from 3.7% in August and the quarterly rate of growth remaining at 1.8% for the second month, we are seeing a steadying in house price inflation across these more stable measures. ”

Source: [Halifax price index](#)

UK house-price rates of change: types of dwelling

| Property status | Average price May 2018 | Monthly change | Annual change |
|--------------------------|------------------------|----------------|---------------|
| New build | £290,728 | 1.2% | 7.7% |
| Existing resold property | £223,349 | 0.7% | 3.3% |

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

“ The number of homes for sale continues its trend of being low, with 2018 seeing the lowest recorded number of homes for sale for any year in the past decade. Since June 2015, the average stock of houses for sale per surveyor has been less than 50, which is below the lowest rate and trend for the previous 5 years. ”

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

Number of housing transactions per month

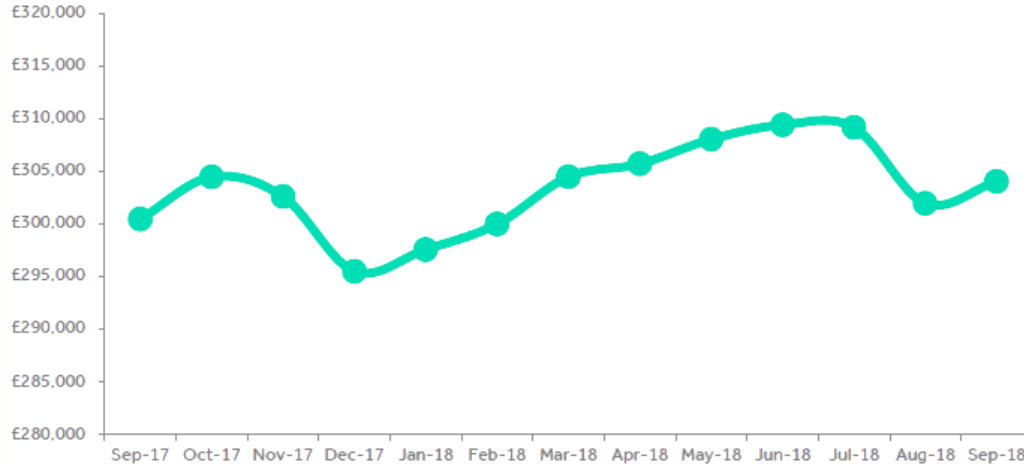
| Country | May 2018 | May 2017 | Difference |
|-------------------------------------|----------|----------|------------|
| England | 58,073 | 69,176 | -16.1% |
| Northern Ireland (Quarter 2 - 2018) | 5,308 | 6,099 | -13.0% |
| Scotland | 7,993 | 8,529 | -6.3% |
| Wales | 3,368 | 3,933 | -14.4% |

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

“ The number of completed UK home sales remains near the monthly average for the past 12 months. On a monthly basis, sales rose between July and August to 99,120. In the three months to August sales increased by 1.2% from the previous three months. The volume of residential transactions has been broadly flat over the past year and is likely to remain so in the coming months ”

Source: [Halifax price index](#)

Monthly asking-price trend

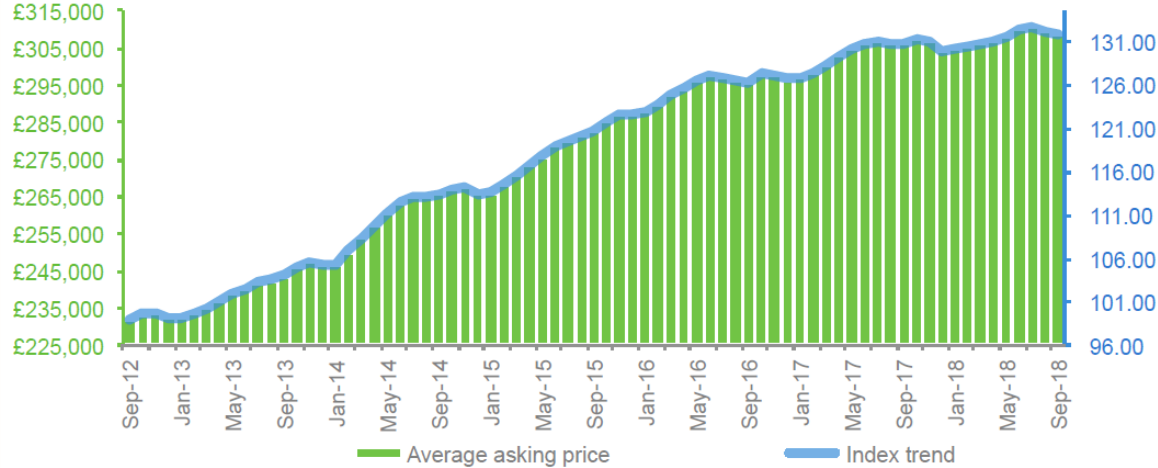


Source: [Rightmove price index](#)

“ Annual house price growth was stable in September at 2%. Indeed, annual house price growth remains within the fairly narrow range of c2-3% which has prevailed over the past 12 months, suggesting little change in the balance between demand and supply in the market. ”

Source: [Nationwide price index](#)

Home asking-price trend for England & Wales

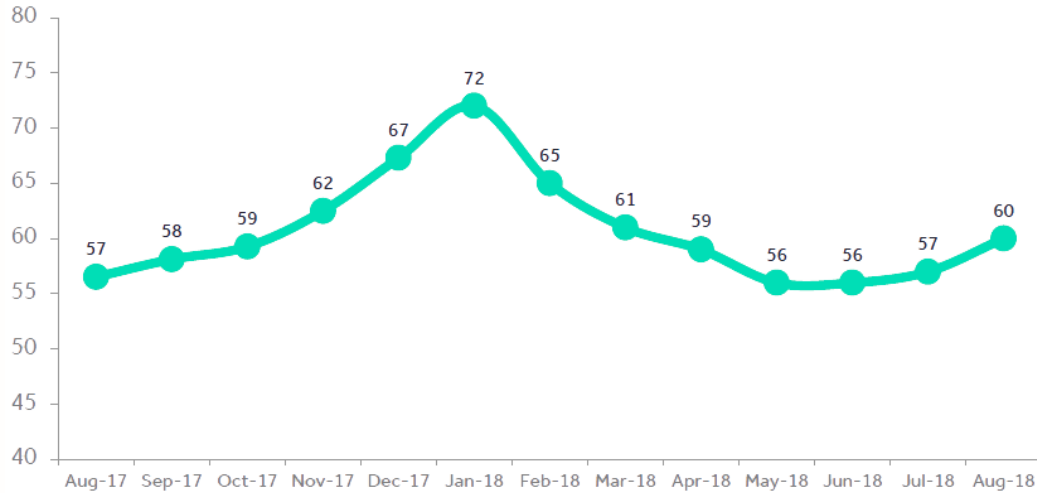


The mix-adjusted average price growth for England and Wales slid to a mere 0.9% year-on-year, well below the rate of monetary inflation. Regional markets in the north and west continue to indicate significant annualised gains, with Welsh prices up 6.0% and up 5.2% in the West Midlands.



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

Average-time-on-market indicator – National

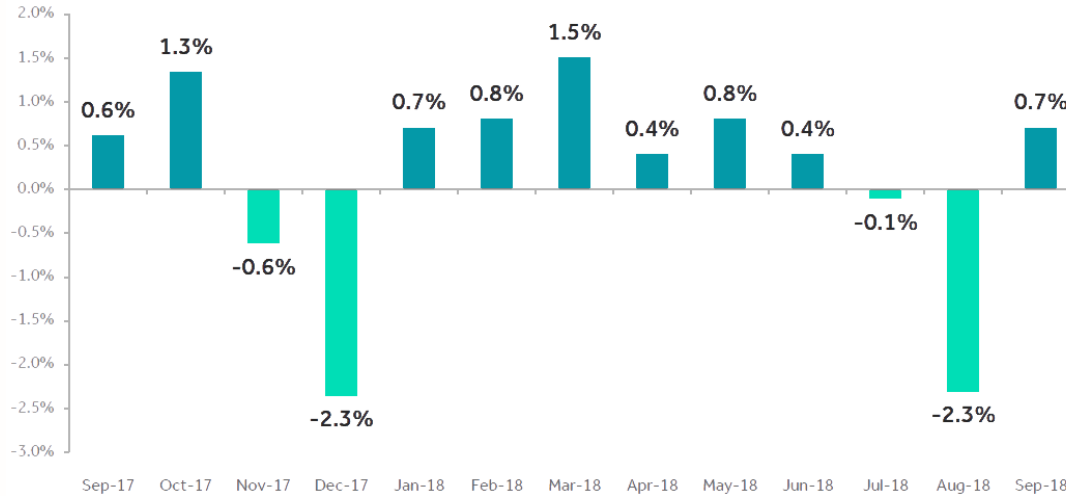


Source: [Rightmove price index](#)

“ Typical time on market continues to rise in London (+12%), the South East (+11%) and the East of England (+15% YoY). ”

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

Asking-price fluctuation percentage



“ The autumn market has stronger momentum in areas with better affordability and sentiment, with Wales, East Midlands, West Midlands and Yorkshire & the Humber all recording average annual price rises of at least 4% ”

Source: [Rightmove price index](#)

UK sales volumes by funding status

| Funding status | Average price July 2018 | Monthly change | Annual change |
|----------------|-------------------------|----------------|---------------|
| Cash | £221,467 | 1.6% | 3.2% |
| Mortgage | £241,068 | 1.0% | 3.0% |

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

“ Mortgage approvals have remained relatively low but stable over the past five years. The monthly average from August 2013 to July 2018 was 66,550, and the maximum and minimum monthly variance from this average is 11%. ”

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

UK house-price-to-earnings ratio



Source: [Nationwide price index](#)



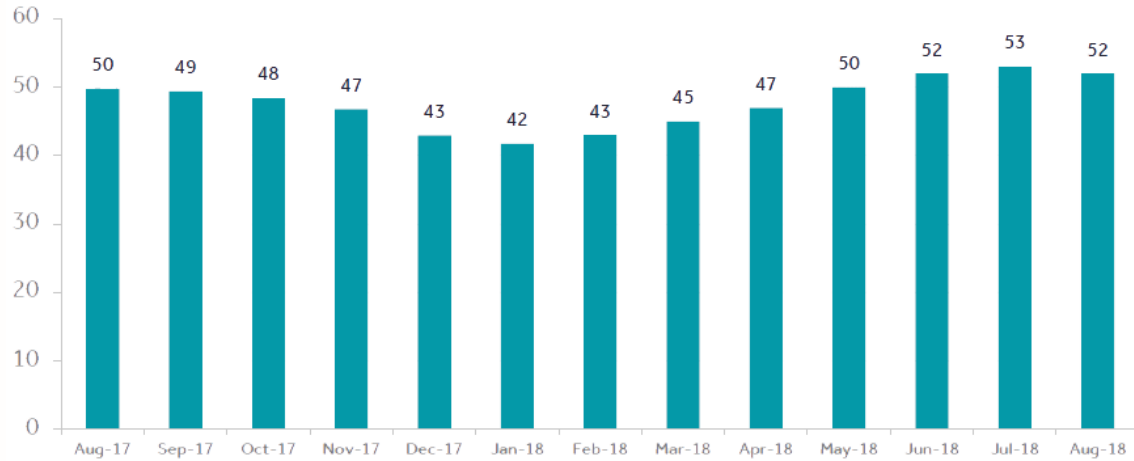
Looking further ahead, much will depend on how broader economic conditions evolve, especially in the labour market, but also with respect to interest rates.

Subdued economic activity and ongoing pressure on household budgets is likely to continue to exert a modest drag on housing market activity and house price growth this year, though borrowing costs are likely to remain low.



Source: [Nationwide price index](#)

Average properties for sale per estate agent



Source: [Rightmove price index](#)

“ The number of homes for sale continues its trend of being low, with 2018 seeing the lowest recorded number of homes for sale for any year in the past decade. Since June 2015, the average stock of houses for sale per surveyor has been less than 50, which is below the lowest rate and trend for the previous 5 years. ”

Source: [Halifax price index](#)

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