



Housing market overview

Produced 11 August 2018

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

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 – England & Wales	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

- > As last month, the month-on-month house price movements continue to reflect a pretty flat market, with changes in the range -0.2% (LSL) to +1.4% (Halifax). Year-on-year fluctuations are all positive, ranging from 1.3% (home.co.uk) to 4.6% (Halifax)
- > Savills report that the Midlands and Scotland continue to lead greenfield land value growth this quarter. Development land values in the east, west and Scotland increased by 1.6%, 0.9% and 2.0% respectively in Q2 2018. More housebuilders are now active in the Midlands. They go on to say that the supply of permissioned land is increasing, suppressing land value growth, with planning permissions up 21% in 2017 compared with 2016
- > The NHBC have recently released details of private sector registrations; while they fell 7% in the period from April to June compared with the same period last year, there were significant regional variations, with Northern Ireland at a 49% rise compared to a year ago, the Eastern region up by 27% and Yorkshire & Humberside recording a 19% increase.
- > The recent base rate rise is not expected to have a significant effect on either mortgage affordability or transaction volumes, according to Halifax. They state that the labour market remains robust, with the numbers of people in employment rising by 137,000 in the three months to May with much of the job creation driven by a rise in full-time employment. Pressures on household finances are also easing as growth in average earnings continues to rise at a faster rate than consumer prices
- > According to home.co.uk, typical time on market continues to rise in London (+12%), the south east (+8%) and the east of England (+13%) year-on-year, but falls for England and Wales as a whole to 80 days, two days less than July 2017

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	May '18	^ 0.1	^ 3.0	£226,351	18.07.2018
LSL Property Services	July '18	v 0.2	^ 1.6	£302,251	13.08.2018
Halifax	July '18	^ 1.4	^ 3.3	£230,280	07.08.2018
Home.co.uk	July '18	^ 0.1	^ 1.3	£310,577	12.07.2018
Hometrack	June '18	N/A	^ 4.6	£259,700	25.07.2018
Nationwide	July '18	^ 0.6	^ 2.5	£217,010	07.2018
Rightmove	June '18	v 0.1	^ 1.4	£309,191	16.07.2018

UK annual house prices – rate of change



“ New seller asking prices hit summer slowdown this month resulting in virtual price standstill (-0.1% or -£248)

”

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)

“ The mix-adjusted average growth for England and Wales is only 1.3% year-on-year: well below the rate of inflation.

Largest monthly price increases detected in Wales (1.0%) and the West Midlands (1.1%).

”
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 May 2018	Monthly change	Annual change
First time buyer	£190,743	0.0%	2.4%
Former owner occupier	£262,996	0.3%	3.5%

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

“ Flat prices are largely down to slower activity. In July, there was an estimated 75,000 transactions: 2% down on June and 6% lower than the seasonal trend. Transactions in the first seven months of 2018 are estimated to be 4% below the same period in 2017. ”

Source: [LSL Property Services price index](#)

UK house-price rates of change: types of dwelling

Property Status	Average price March 2018	Monthly change	Annual change
New build	£285,072	-2.1%	7.0%
Existing resold property	£219,932	-0.2%	4.0%

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

“ The percentage of home owners has remained stable at 63% over recent years, but it is down from 71% in the early 2000s. The number of mortgaged home owners is down from a peak of 8.5 million in 2000 to just over 6.5 million in 2016-17 – a fall of 2 million. This reflects not only the fall in younger people entering the tenure with a mortgage, but also the ageing of the population with more households becoming outright owners. ”

Source: [LSL Property Services price index](#)

Number of housing transactions per month

Country	March 2018	March 2017	Difference
England	58,203	74,386	-21.8%
Northern Ireland (Quarter 1 - 2018)	4,545	5,187	-12.4%
Scotland	7,861	9,364	-16.1%
Wales	3,368	3,909	-13.8%

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

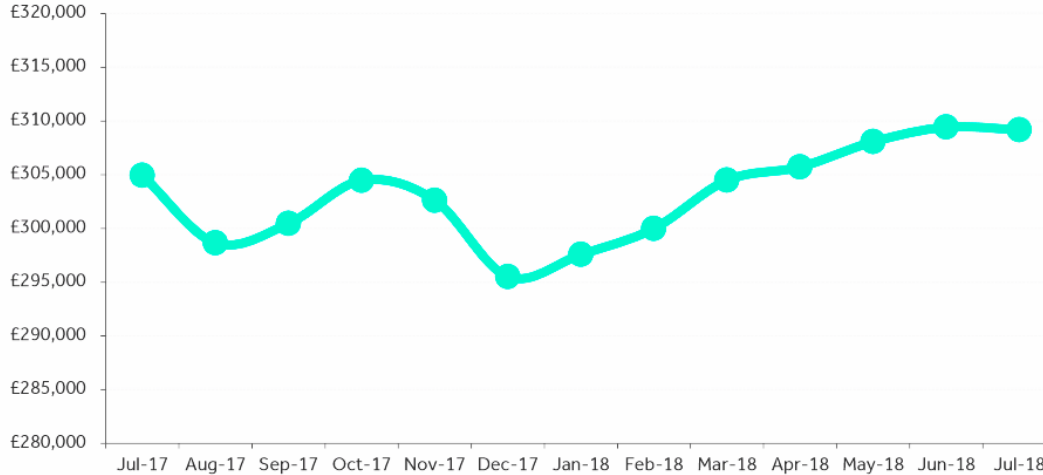


Number of properties coming to market jumps by 8.6% compared with the same month last year, but no corresponding increase in buyer numbers to soak up the new seller influx (sales agreed holding steady at -0.2% compared to the same month a year ago.



Source: [Rightmove price index](#)

Monthly asking-price trend



Source: [Rightmove price index](#)



Annual house price growth fell to its slowest pace for five years in June. However, at 2% this was only modestly below the 2.4% recorded the previous month. Indeed, annual house price growth has been confined to a fairly narrow range of c2-3% over the past 12 months, suggesting little change in the balance between demand and supply in the market over that period.



Source: [Nationwide price index](#)

Home asking-price trend for England & Wales

Home Asking Price Trend for England & Wales

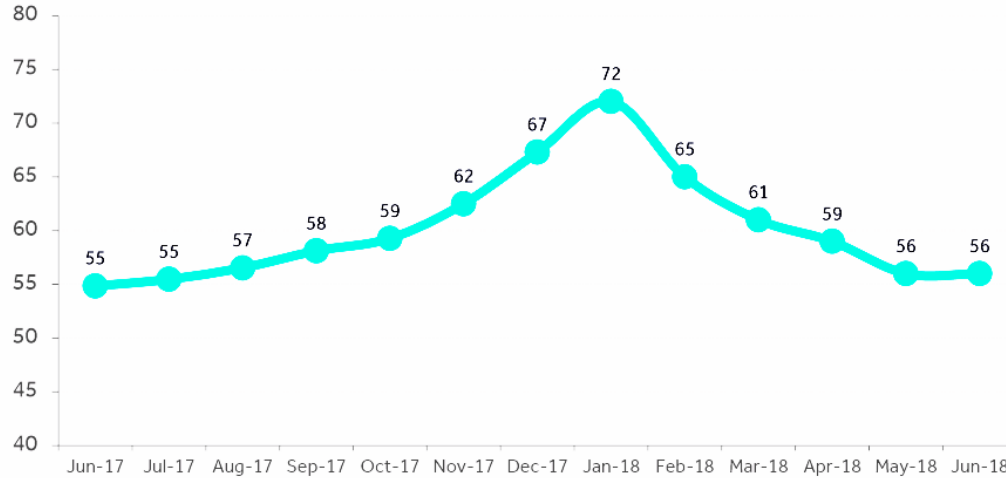


Source: Home.co.uk Asking Price Index, July 2018

“ Prices have risen in four out of nine English regions and in Wales since last month. Largest monthly price increases detected in Wales (1.0%) and the West Midlands (1.1%). Largest monthly falls in Scotland (-0.6%) and the East of England (-0.3%). ”

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

Average-time-on-market indicator – National



Source: [Rightmove price index](#)

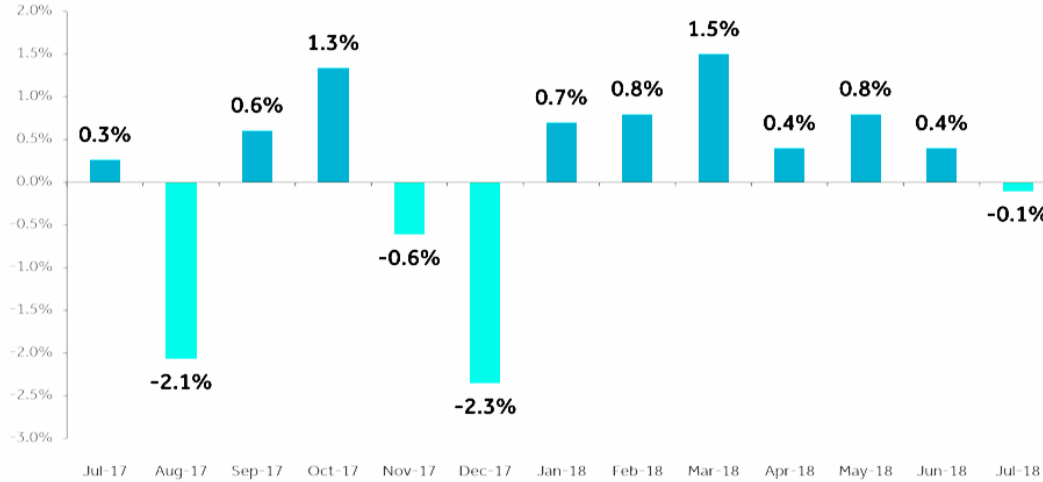


Typical Time on Market for England and Wales falls to 80 days, two days less than in July 2017.



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

Asking-price fluctuation percentage



“ The price of property coming to market this month is at a virtual standstill, just 0.1% (-£248) cheaper than last month, partly due to the summer slowdown. However, finding a buyer this summer is made more difficult by an average 8.6% increase in new seller numbers this month compared with the same period last year. ”

Source: [Rightmove price index](#)

UK sales volumes by funding status

Funding status	Average price May 2018	Monthly change	Annual change
Cash	£215,765	0.2%	2.8%
Mortgage	£236,212	0.1%	3.1%

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



While the quarterly and annual rates of house price growth have improved, housing activity remains soft. Despite the recent modest improvement in mortgage approvals, the latest survey data for new buyer enquiries and agreed sales suggest that approvals will remain broadly flat until the end of the year.



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

UK house-price-to-earnings ratio



Source: [Nationwide price index](#)

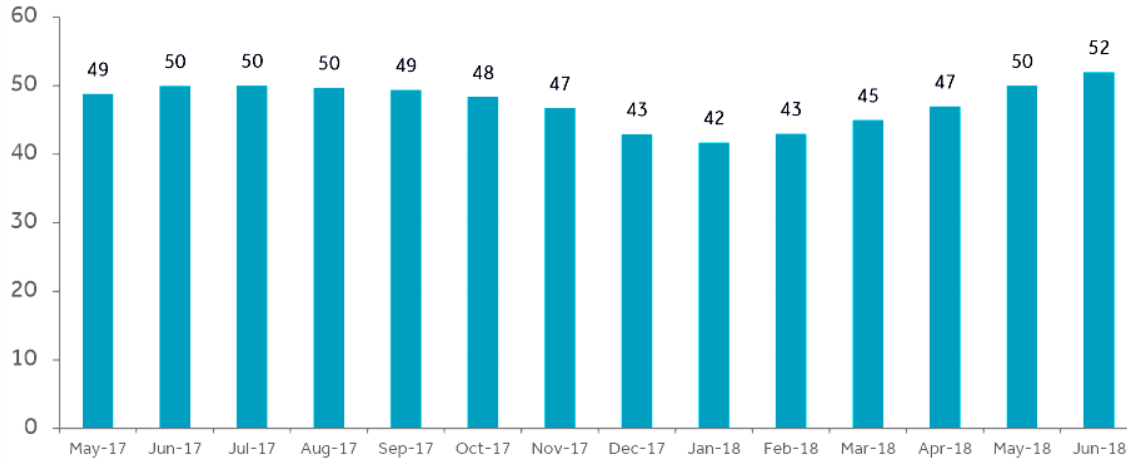


The labour market remains robust, with the numbers of people in employment rising by 137,000 in the three months to May with much of the job creation driven by a rise in full-time employment. Pressures on household finances are also easing as growth in average earnings continues to rise at a faster rate than consumer prices. With regards to the recent rise in the Bank of England Base Rate, we do not anticipate that this will have a significant effect on either mortgage affordability or transaction volumes



Source: [Halifax price index](#)

Average properties for sale per estate agent



Source: [Rightmove price index](#)



New instructions, which had fallen for 26 consecutive months have now edged up in the past two months.



Source: [Halifax price index](#)

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