

Housing market overview

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This document provides the latest information available from various sources, with dates varying from November 2022 – January 2023

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- > Similar to last month, all but three of our reported sources are now indicating month-on-month house price falls (in the range of 0.3 to 3.6%). LSL Property Services, home.co.uk and Rightmove are reporting an increase in month-on-month house prices. All of our sources are, however, continuing to record annual increases.
- > Persimmon report they are promoting initiatives to stoke demand in the face of higher mortgage rates and Help to Buy's withdrawal. But they added that it was "too early to predict" when a recovery in demand would come following the launch of its "10 months mortgage free" offer, which they said had prompted a "strong increase" in website enquiries in its first week.
- > Gleeson saw a 4.1% drop in sale completions to 894 homes during its half year to December 31 2022 compared to H1 2021. They said this reflected the weaker market and "considerably higher mortgage costs as a consequence of the mini-budget". But they noted that selling prices had remained stable.
- > Hometrack reports demand has rebounded to pre-pandemic levels, they say this is in line with 2018 and 10% higher than in 2019.
- > Rightmove tell us that the number of prospective buyers contacting agents is up 4% compared to the same period in 2019, and up by 55% compared with the two weeks before Christmas, they say this is the biggest New Year bounce since 2016 after the extended lull at the end of the year.
- > Nationwide says all regions have seen a deterioration in affordability compared to 2021, with the cost of servicing the typical mortgage as a share of take-home pay now at or above the long-run average in all regions.

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 '22 | ▼ 0.3 | ▲ 10.3 | £294,910 | 18.01.2023 |
| LSL Property Services | December '22 | ▲ 0.5 | ▲ 7.8 | £380,450 | 12.2022 |
| Halifax | January '23 | ▼ 3.6 | ▲ 1.9 | £281,684 | 07.02.2023 |
| home.co.uk | January '23 | ▲ 0.6 | ▲ 1.9 | £351,111 | 12.01.2023 |
| Hometrack | January '23 | N/A | ▲ 6.5 | £261,200 | 01.2023 |
| Nationwide | January '23 | ▼ 0.6 | ▲ 1.1 | £258,297 | 01.2023 |
| Rightmove | January '23 | ▲ 0.9 | ▲ 6.3 | £362,438 | 16.01.2023 |

UK annual house prices – rate of change

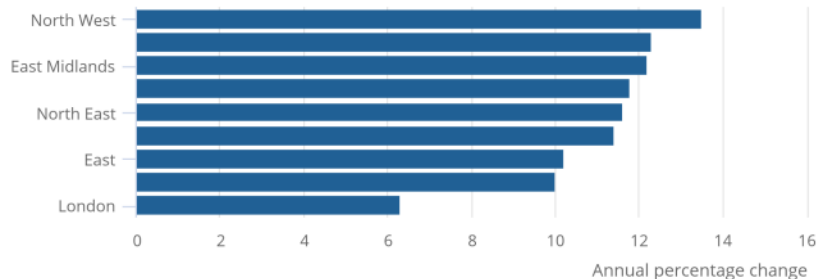


Source: [gov.uk price index](https://www.gov.uk/price-index)

“ The pace of annual growth has continued to slow, to +1.9% (from +2.1% in December), which is the lowest level recorded over the last three years. ”

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

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



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

“ On an annual (twelve-month) basis, the rate of price growth has slowed from the peak rate of 12.9% in August 2022 to 7.8% by the end of December. ”

Source: [LSL Property services price index](https://www.lslproperty.co.uk/price-index)

UK house-price rates of change: types of buyer

| Type of buyer | Average price November 2022 | Monthly change | Annual change |
|-----------------------|-----------------------------|----------------|---------------|
| First time buyer | £245,522 | -0.4% | 10.3% |
| Former owner occupier | £345,576 | -0.3% | 10.3% |

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

“ Average monthly mortgage payments for hard-pressed first-time buyers continue to fall as mortgage interest rates soften, with some deals on offer below 5%. ”

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 2022 | Monthly change | Annual change |
|--------------------------|------------------------------|----------------|---------------|
| New build | £396,667 | 4.8% | 19.3% |
| Existing resold property | £288,332 | 0.5% | 8.8% |

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

“ 27% of new buyers are looking for 1- and 2-bed flats, up from 22% a year ago. In contrast, demand for 3-bed houses has fallen 5 percentage points to 39%, although they are still the most in demand homes across the UK. ”

Source: [Hometrack price index](https://www.hometrack.com/price-index)

Number of housing transactions per month

| Country | September 2022 | September 2021 |
|-------------------------------------|----------------|----------------|
| England | 53,772 | 112,689 |
| Northern Ireland (Quarter 3 - 2022) | 2,134 | 2,821 |
| Scotland | 9,862 | 9,477 |
| Wales | 2,935 | 4,281 |

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

“ Buyer demand is down by 36% compared to last year’s busiest ever start to a year, as the market navigates its return to a more normal level of activity. ”

Source: [Rightmove price index](#)

Monthly asking-price trend

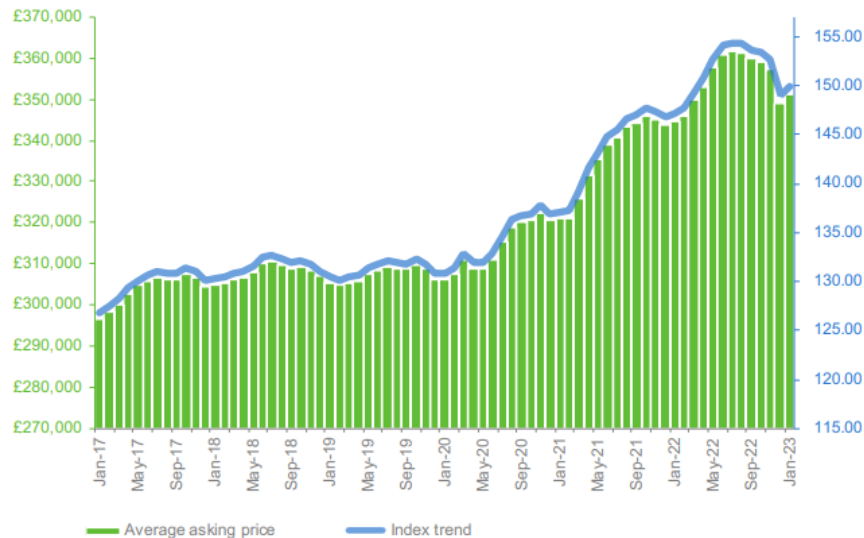


Source: [Rightmove price index](#)

“ The discounts to asking prices to achieve a sale widened quickly at the end of 2022. But this gap between asking and achieved prices is now holding at 3% to 4% and there is no sign of this worsening at this stage. ”

Source: [Hometrack price index](#)

Home asking-price trend for England & Wales



Asking prices across England and Wales surprise; recovering 0.6% during December following the shock drop of -2.4% in November, nudging the year-on-year growth up to 1.9%.

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

Average-time-on-market indicator – National



Source: [Rightmove price index](#)

“ The Typical Time on Market for unsold property in England and Wales jumped in line with seasonal expectations, adding 16 days to make the median 94 days. This is just two days more than in January 2022 and seven days less than in January 2021. ”

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

Asking-price fluctuation percentage



Source: [Rightmove price index](#)

Asking prices bounced +0.6% following the steep decline registered last month. The mix-adjusted average rose despite a year-on-year increase in discounting of on-market properties (although compared to pre-COVID years, the number of discounted properties last month remains relatively normal for the time of year).

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

UK sales volumes by funding status

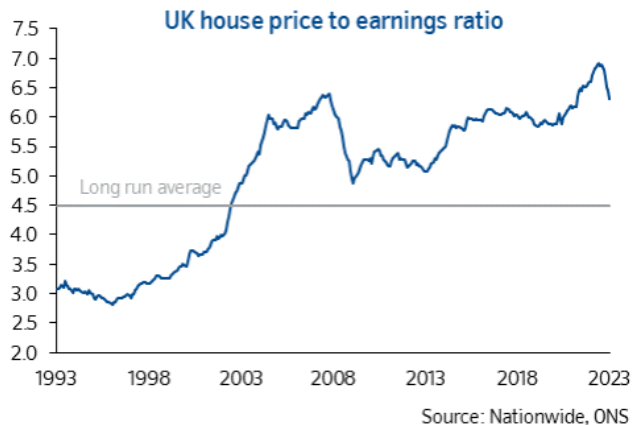
| Funding status | Average price November 2022 | Monthly change | Annual change |
|----------------|-----------------------------|----------------|---------------|
| Cash | £279,138 | -0.4% | 9.7% |
| Mortgage | £307,887 | -0.3% | 10.5% |

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

“ The average completion price paid in both cash- and mortgage-based transactions for a home in England and Wales was £380,450, some £1,900 higher than in November. ”

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

UK house-price-to-earnings ratio



Source: [Nationwide price index](#)

“ High house prices relative to earnings mean deposit requirements remain a major challenge. Moreover, the Help To Buy Equity Loan scheme that helped those with a smaller deposit buy a new build property is due to end in March. ”

Source: [Nationwide price index](#)

Average properties for sale per estate agent



Source: [Rightmove price index](#)

“ There is now an average of 23 homes for sale per estate agent, up from a low of just 14 homes in early 2022. ”

Source: [Hometrack price index](#)

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