

Housing market overview

Produced 08 March 2023

This document provides the latest information available from various sources, with dates varying from December 2022 – February 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 0.2 to 0.5%). LSL Property Services and Halifax are reporting an increase in month-on-month house prices. Rightmove reports no change month-on-month. All but one of our sources (Nationwide) are, however, continuing to record annual increases.
- > The NHQC reports in Q4 2022, total registrations for new homes decreased to 35,041 from Q3's 44,542 "as the impact of September's mini-Budget and wider economic challenges took hold".
- > The Home Builders Federation (HBF) is calling on mortgage lenders to introduce "green mortgages" which recognise the energy efficiency of new homes and the savings they bring, as research they have published shows new build properties could save home owners more than £3,000 on annual energy bills.
- > Hometrack reports sellers, supported by agents, are adjusting asking prices in the face of weaker demand. They say over 40% of homes currently listed for sale on Zoopla have seen their asking prices reduced to attract price-sensitive buyers.
- > Rightmove tell us the number of sales agreed continues to rebound, and is now just 11% down on 2019's levels, recovering from 15% down at the start of the year, and 30% down in the aftermath of the mini-budget.
- > Nationwide says it will be hard for the market to regain much momentum in the near term since economic headwinds look set to remain relatively strong, with the labour market widely expected to weaken as the economy shrinks in the quarters ahead, while mortgage rates remain well above the lows prevailing in 2021.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	December '22	▼ 0.4	▲ 9.8	£294,329	15.02.2023
LSL Property Services	January '23	▲ 0.1	▲ 6.0	£378,277	01.2023
Halifax	February '23	▲ 1.1	▲ 2.1	£285,476	07.03.2023
home.co.uk	February '23	▼ 0.2	▲ 1.3	£350,246	15.02.2023
Hometrack	February '23	N/A	▲ 5.3	£260,800	02.2023
Nationwide	February '23	▼ 0.5	▼ 1.1	£257,406	02.2023
Rightmove	February '23	> 0.0	▲ 3.9	£362,452	20.02.2023

UK annual house prices – rate of change

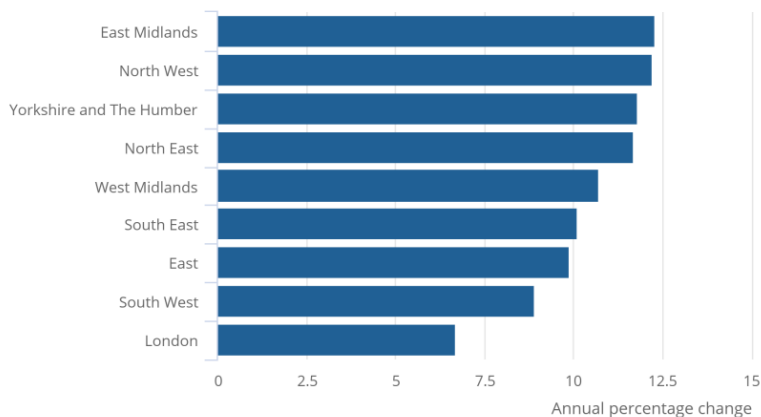


Source: [gov.uk price index](https://www.gov.uk/house-price-index)

Annual house price growth slipped into negative territory for the first time since June 2020, with prices down 1.1% in February compared with the same month last year.

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

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



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

“ By property type, prices of flats are now into negative territory over the past 12 months (-0.3% annual growth), while prices for terraced properties have broadly stagnated (+0.3%). For detached properties, these have increased by just +1.5% on the year, the lowest rise since the end of 2019. ”

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

UK house-price rates of change: types of buyer

Type of buyer	Average price December 2022	Monthly change	Annual change
First time buyer	£245,958	-0.3%	10.0%
Former owner occupier	£343,953	-0.6%	9.6%

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

“ Despite the modest fall in house prices, for a prospective first-time buyer earning the average income looking to buy the typical home, mortgage payments remain well above the long run average as a share of take-home pay. ”

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

UK house-price rates of change: types of dwelling

Property status	Average price October 2022	Monthly change	Annual change
New build	£396,713	1.4%	19.8%
Existing resold property	£288,245	0.2%	11.4%

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

“ Annual price inflation remains stronger for new houses (+6.6%, a four-month high) than for existing properties (+1.1%, unchanged at the lowest in nearly a decade). ”

Source: [Halifax price index](#)

Number of housing transactions per month

Country	October 2022	October 2021
England	52,334	47,410
Northern Ireland (Quarter 4 - 2022)	2,047	2,260
Scotland	8,945	10,429
Wales	2,993	4,155

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

“ Buyer demand and sales volumes are 20-50% lower than a year ago but slightly ahead of the pre-pandemic years (2017-2019). ”

Source: [Hometrack price index](#)

Monthly asking-price trend

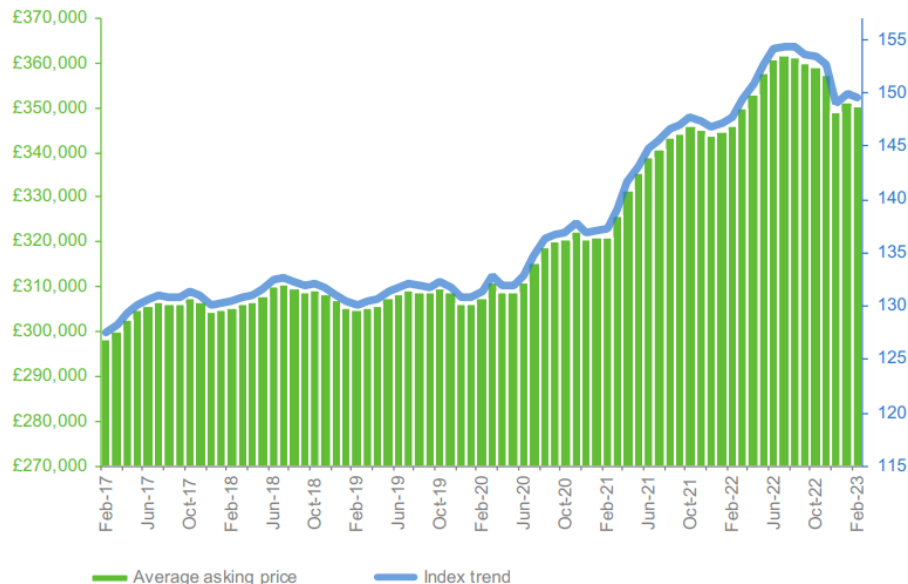


Source: [Rightmove price index](#)

“ Sellers having to accept an average 4.5% discount to the asking price to achieve a sale – the highest for 5 years as a buyers' market takes hold. ”

Source: [Hometrack price index](#)

Home asking-price trend for England & Wales



Asking prices across England and Wales dipped by a slight 0.2% during January following the surprise bounce of 0.6% in December, making the year-on-year growth just 1.3%.

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

Average-time-on-market indicator – National

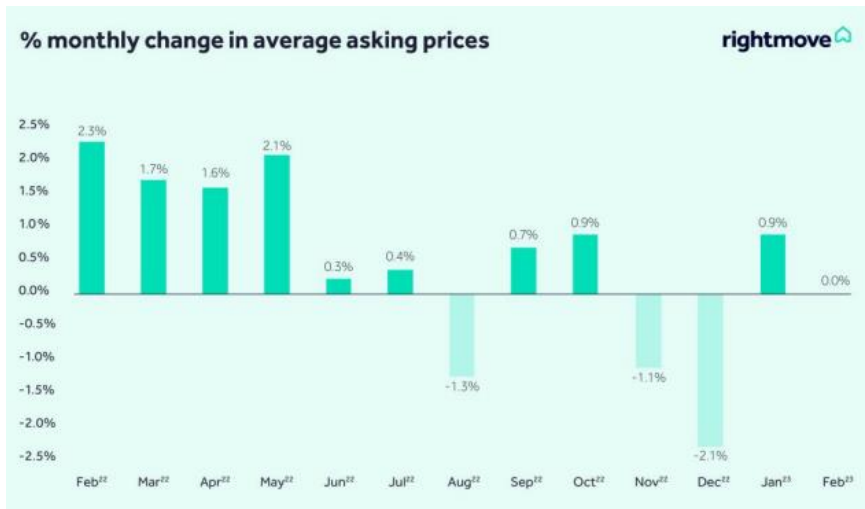


Source: [Rightmove price index](#)

“ The Typical Time on Market for unsold property in England and Wales rose again during January, adding six days to make the median 100 days, which is comparatively short for this time of year. ”

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

Asking-price fluctuation percentage



Source: [Rightmove price index](#)

“ Average discount to asking price is £14,000 meaning sellers are having to forgo a third of their pandemic house price gains. ”

Source: [Hometrack price index](#)

UK sales volumes by funding status

Funding status	Average price December 2022	Monthly change	Annual change
Cash	£277,675	-0.7%	8.6%
Mortgage	£307,709	-0.4%	10.2%

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

“ The latest data shows that someone looking to take out a five-year fixed mortgage with a 15% deposit would now be looking at an average rate of 4.82%, compared with 5.90% in October. ”

Source: [Rightmove price index](#)

UK house-price-to-earnings ratio



Source: [Nationwide price index](#)

Conditions should gradually improve if inflation moderates in the coming months as expected, easing pressure on household budgets. Solid gains in nominal incomes together with weak or declining house prices will also support housing affordability, especially if mortgage rates edge lower in the coming months.

Source: [Nationwide price index](#)

Average properties for sale per estate agent



“ The number of available homes for sale is up by 48% on the record low levels of last year, and this slower-paced, greater-choice market appears to be suiting the mass of buyers who need to organise a mortgage and who often lost out to cash buyers in the frenzied best bid scenarios of recent years. ”

Source: [Rightmove price index](#)

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