

Housing market overview

Produced 10 July 2023

This document provides the latest information available from various sources, with dates varying from April – June 2023

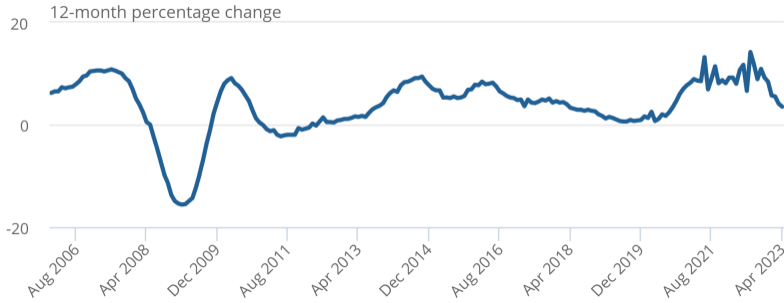
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- > This month under half of our reported sources are indicating month-on-month house price rises (in the range of 0.1 to 0.5%). LSL Property Services and Halifax are reporting a decrease in month-on-month house prices, Rightmove has remained the same. All but three of our sources (Halifax, home.co.uk and Nationwide) are, however, continuing to record annual increases.
- > Bellway has seen “healthy” customer interest since February but with private reservations down almost 30% on the equivalent period last year.
- > Crest Nicholson has seen its profit fall 60% in its half year as it suffered the effects of market turmoil in the autumn, subsequent economic uncertainty and affected margins from a “more benign sales environment”. They say that in previous years, housebuilders had been able to counteract high inflation and rising construction costs with higher selling prices. But “in a more benign sales environment this has not been possible and has consequently impacted our margin performance in the first half”.
- > Rightmove says buyer demand over the last two weeks is 6% higher than the same period in 2019’s more normal market.
- > Hometrack comments mortgage rates moving from 4% to 5% drive an 11% reduction in buying power. The gap rises to 20% if mortgage rates move from 4% to 6%.
- > Halifax reports with markets now forecasting a peak in Bank Rate of over 6%, the likelihood is that mortgage rates will remain higher for longer, and the squeeze on household finances will continue to put downward pressure on house prices over the coming year.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	April '23	▲ 0.5	▲ 3.5	£286,489	21.06.2023
LSL Property Services	May '23	▼ 0.2	▲ 2.0	£373,066	05.2023
Halifax	June '23	▼ 0.1	▼ 2.6	£285,932	07.07.2023
home.co.uk	June '23	▲ 0.4	▼ 1.3	£356,055	16.06.2023
Hometrack	June '23	N/A	▲ 1.2	£261,100	28.06.2023
Nationwide	June '23	▲ 0.1	▼ 3.5	£262,239	06.2023
Rightmove	June '23	> 0.0	▲ 1.1	£372,812	19.06.2023

UK annual house prices – rate of change

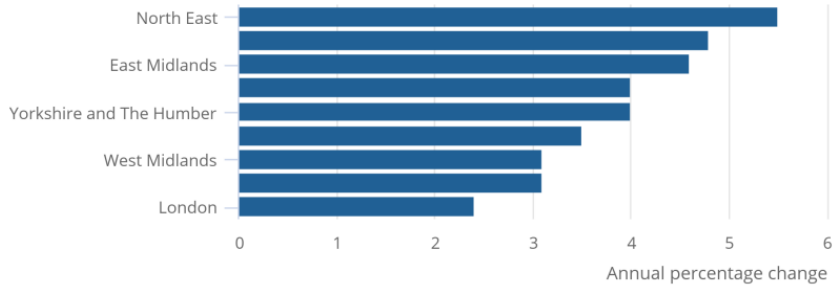


Source: [gov.uk price index](https://www.gov.uk/price-index)

“ Annual house price growth was broadly stable at -3.5% in June, little changed from the 3.4% decline recorded in May. ”

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

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



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

“ Prices fell on an annual basis in June across all property types led by flats (-3.1%) and terraced homes (-2.5%). The declines for semi-detached and detached homes were -1.9% and -1.3% respectively. ”

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 April 2023	Monthly change	Annual change
First time buyer	£238,114	0.6%	3.3%
Former owner occupier	£336,056	0.5%	3.7%

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

“ Latest figures do suggest a degree of stability in the face of economic uncertainty, and the volume of mortgage applications held up well throughout June, particularly from first-time buyers. ”

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

UK house-price rates of change: types of dwelling

Property status	Average price February 2023	Monthly change	Annual change
New build	£419,943	8.6%	23.2%
Existing resold property	£279,734	-0.8%	4.6%

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

Existing properties, which were instrumental in driving prices up during the pandemic related housing rush, were down by -3.5% year-on-year in June. That was the steepest decline since August 2009.

Source: [Halifax price index](#)

Number of housing transactions per month

Country	February 2023	February 2022
England	35,843	58,578
Northern Ireland (Quarter 1 - 2023)	1,427	1,953
Scotland	5,365	6,547
Wales	2,001	3,423

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

“ The number of sales being agreed has dropped marginally, and in the last two weeks is 6% behind the same period in 2019 compared to being 3% behind in May. ”

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

Monthly asking-price trend



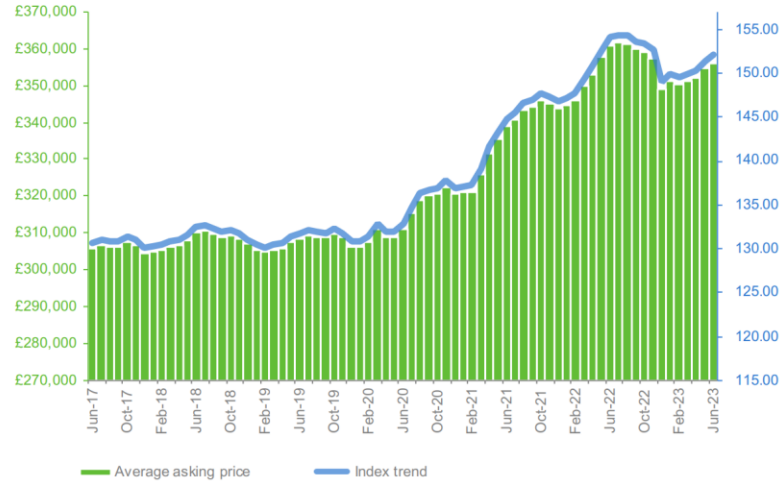
Source: [Rightmove price index](#)

“ Sellers are having to accept lower offers that, on average, are 3.8% below the original asking price. ”

Source: [Hometrack price index](#)

Home asking-price trend for England & Wales

Home Asking Price Trend for England & Wales



“ Asking prices across England and Wales rose again during May by 0.4% as the market shrugged off interest rate woes, although year-on-year growth slipped further into the negative again (-1.3%) due to the market correction late last year. ”

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

Average-time-on-market indicator – National

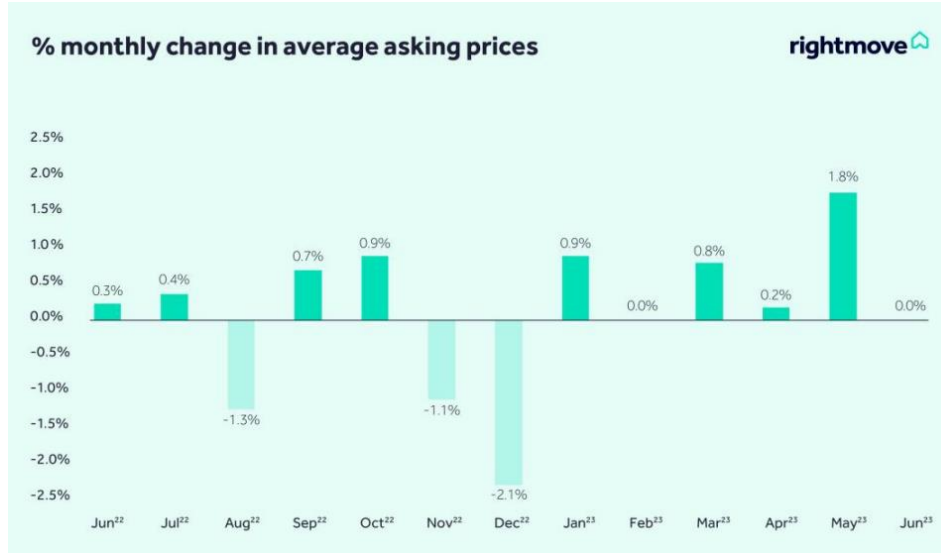


Source: [Rightmove price index](#)

“ The Typical Time on Market for unsold property in England and Wales decreased by two days during May to make the current median 79 days, indicating a healthy throughput of properties. ”

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

Asking-price fluctuation percentage



Asking prices set to fall in most months for the rest of the year in line with the usual seasonal pattern, and Rightmove still predicts an overall 2% annual drop in new seller average asking prices by the end of 2023.

Source: [Rightmove price index](#)

UK sales volumes by funding status

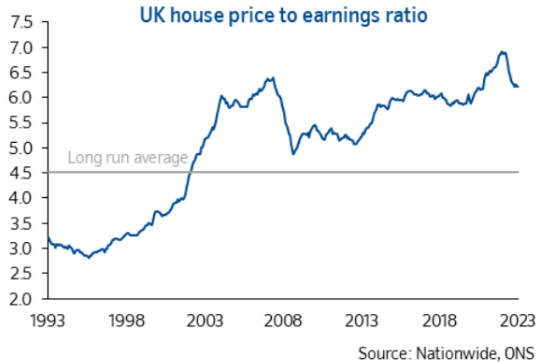
Funding status	Average price April 2023	Monthly change	Annual change
Cash	£271,170	0.6%	3.1%
Mortgage	£299,022	0.5%	3.7%

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

“ Longer term borrowing costs have risen to levels similar to those prevailing in the wake of the mini-Budget last year, but this has yet to have the same negative impact on sentiment. ”

Source: [Nationwide price index](#)

UK house-price-to-earnings ratio



Source: [Nationwide price index](#)

“ A 10% deposit on a typical first-time buyer home is equal to around 55% of gross annual income –this is down from the all-time highs of 59% prevailing in late 2022, but still marginally above the levels prevailing before the financial crisis struck in 2007/8. ”

Source: [Nationwide price index](#)

Average properties for sale per estate agent



Source: [Rightmove price index](#)

“ The supply rate of new instructions entering the market continues to be benign: down 1% on May 2022 and down 15% on May 2018. ”

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

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