

Housing market overview

Produced 11 September 2023

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

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: types 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 (National)	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

- > This month all but one of our reported sources are indicating month-on-month house price decreases (in the range of -0.1% to -1.9%). Three of our sources (gov.uk, LSL and Hometrack) are continuing to record annual house price increases (in the range of 0.1% to 1.7%).
- > For the six months to June 30 2023, Cala Homes' reports their pre-tax profit was £73 million against the £98 million achieved during the same period in 2022. They say they've sold 1,428 units compared to last year's 1,527.
- > Crest say pricing has remained resilient but economic uncertainty was putting off prospective home movers. They say "additional mortgage borrowing for those looking to upgrade or for those with low levels of equity, notably first-time buyers, has become significantly more expensive with no government support (following the end of Help to Buy) now in place to cushion this impact."
- > Nationwide reports in the first half of 2023, the number of completed housing transactions was nearly 20% below pre-pandemic (2019) levels and 40% lower than in the first half of 2021 – although they do say the latter reflects the boost to activity from pandemic-related shifts in housing preferences, the stamp duty holiday and ultra-low borrowing costs.
- > Rightmove says the average five-year fixed mortgage rate is now 5.81%, falling from 6.08% this time just three weeks ago and currently showing signs of an improving trend.
- > Halifax comments they do expect further downward pressure on property prices through to the end of this year and into next, in line with previous forecasts. They say while any drop won't be welcomed by current homeowners, it's important to remember that prices remain some £40,000 (+17%) above pre-pandemic levels.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	June '23	▲ 0.7	▲ 1.7	£287,546	16.08.2023
LSL Property Services	July '23	▼ 0.1	▲ 0.3	£370,610	11.08.2023
Halifax	August '23	▼ 1.9	▼ 4.6	£279,569	07.09.2023
home.co.uk	August '23	▼ 0.3	▼ 1.8	£354,845	16.08.2023
Hometrack	August '23	N/A	▲ 0.1	£265,100	30.08.2023
Nationwide	August '23	▼ 0.8	▼ 5.3	£259,153	08.2023
Rightmove	August '23	▼ 1.9	▼ 0.1	£364,895	21.08.2023

UK annual house prices – rate of change

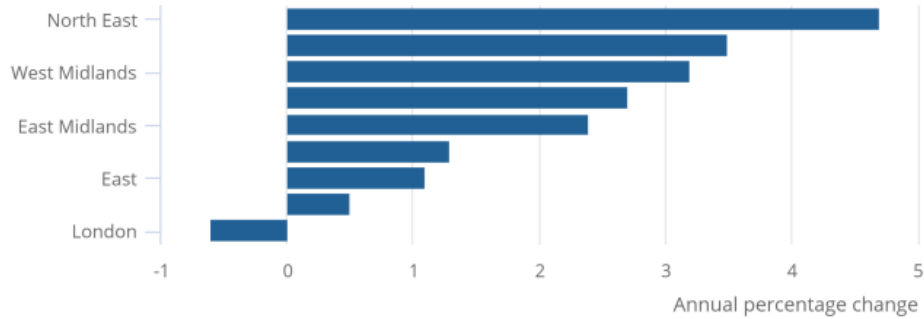


Source: [gov.uk price index](https://www.gov.uk/price-index)

“ August saw a further softening in the annual rate of house price growth to -5.3%, from -3.8% in July, the weakest rate since July 2009. Prices fell by 0.8% over the month, after taking account of seasonal effects.

”
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)

Annual UK house price growth at +0.1% is at a virtual standstill. This is the lowest annual growth rate for over 12 years - since August 2012.

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

UK house-price rates of change: types of buyer

Type of buyer	Average price June 2023	Monthly change	Annual change
First time buyer	£239,589	0.8%	1.5%
Former owner occupier	£336,257	0.7%	1.7%

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

“ In the typical first-time buyer sector of two-bedroom and fewer properties, average advertised rents are up by 12% compared to last year and by 33% compared with the same time in 2019. ”

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

UK house-price rates of change: types of dwelling

Property status	Average price April 2023	Monthly change	Annual change
New build	£407,265	1.1%	19.3%
Existing resold property	£277,679	0.5%	2.1%

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

“ Existing homeowners using a mortgage typically account for a third of annual sales. This group is under less pressure to move as they already have a home and, where possible, will be waiting until the outlook for mortgage rates improves from their current levels. ”

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

Number of housing transactions per month

Country	April 2023	April 2022
England	29,344	58,765
Northern Ireland	1,592	2,034
Scotland	6,902	8,694
Wales	1,742	3,420

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

“ Number of sales being agreed is now 15% lower than the more normal 2019, although the first-time buyer sector is holding up better and down by only 10%. ”

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

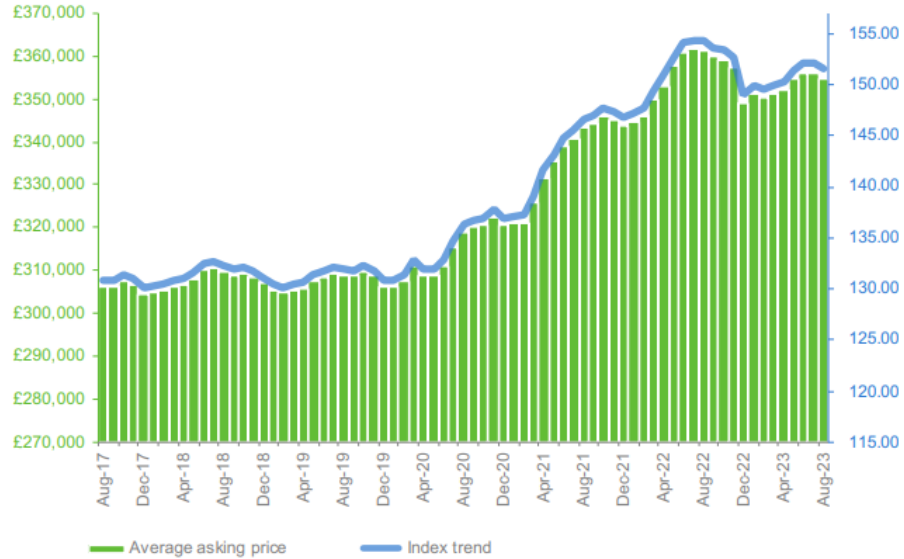
Monthly asking-price trend



“ These lower asking prices, combined with increasing average earnings and the apparent downward trend of mortgage rates are tentative steps towards improved buyer affordability, although average prices are still £59,000 (19%) higher than in the pre-pandemic market of August 2019. ”

Source: [Rightmove price index](#)

Home asking-price trend for England & Wales



“ Asking prices across England and Wales have taken what could be regarded simply as a seasonal dip of 0.3% since last month, although at the same time rising mortgage costs are inevitably dampening vendors’ expectations, most notably in the South. ”

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

Average-time-on-market indicator – National

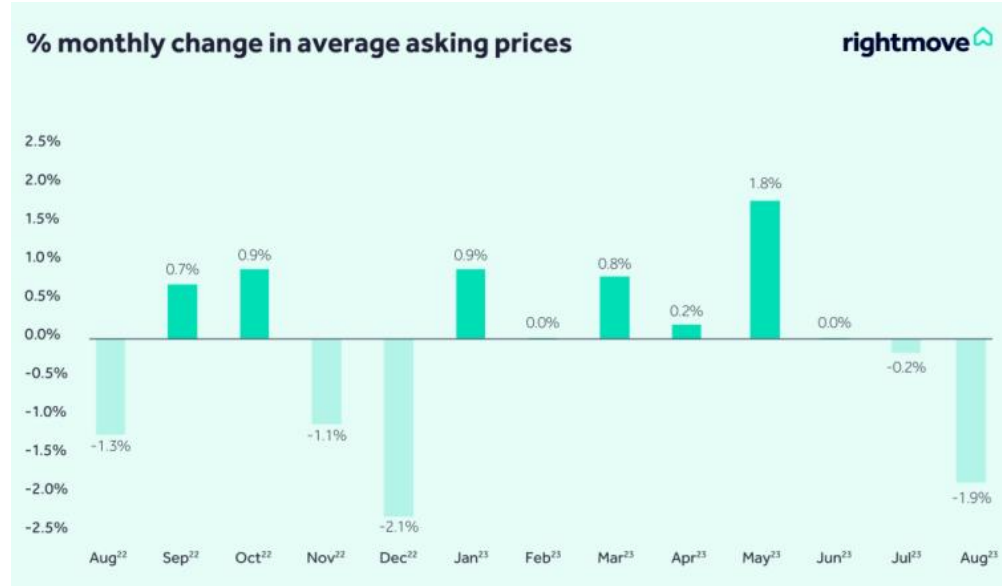


Source: [Rightmove price index](#)

“ The Typical Time on Market for unsold property in England and Wales increased by just two days during July, consistent with seasonal expectations. The current median is a relatively healthy 80 days, which is considerably lower than at any point during pre-pandemic 2019. ”

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

Asking-price fluctuation percentage



Source: [Rightmove price index](#)

“ Year-on-year growth in asking prices is now -1.8%. This minor fall represents the total drop from last year’s peak pricing in August 2022. ”

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

UK sales volumes by funding status

Funding status	Average price June 2023	Monthly change	Annual change
Cash	£272,364	0.7%	1.6%
Mortgage	£299,975	0.7%	1.7%

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

“ An examination of the composition of transactions reveals that cash purchases, though down from the 2021 highs, have been remarkably resilient, while purchases involving a mortgage have slowed much more sharply. ”

Source: [Nationwide price index](#)

UK house-price-to-earnings ratio

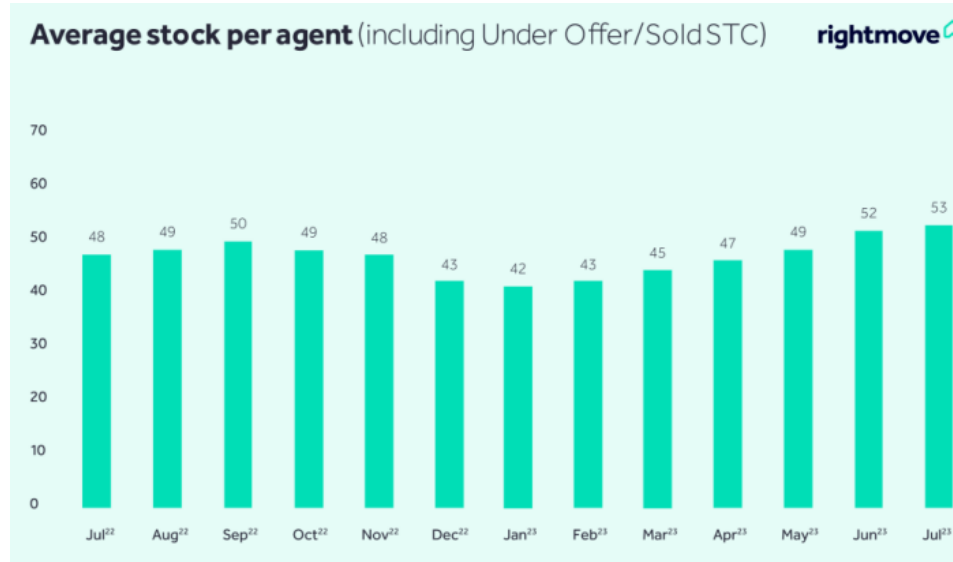


Source: [Nationwide price index](#)

“ Unemployment is expected to remain low (below 5%) and the vast majority of existing borrowers should be able to weather the impact of higher borrowing costs, given the high proportion on fixed rates, and where affordability testing should ensure that those needing to refinance can afford the higher payments. ”

Source: [Nationwide price index](#)

Average properties for sale per estate agent



Source: [Rightmove price index](#)

“ The supply rate of new instructions entering the market remains very restrained: down 2% vs. July 2022 and down 4% vs. July 2018. The largest year-on-year rise was in the East of England (+5%). ”

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

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