

# Housing market overview

Produced 11 September 2024

This document provides the latest information available from various sources, with dates varying from June – August 2024

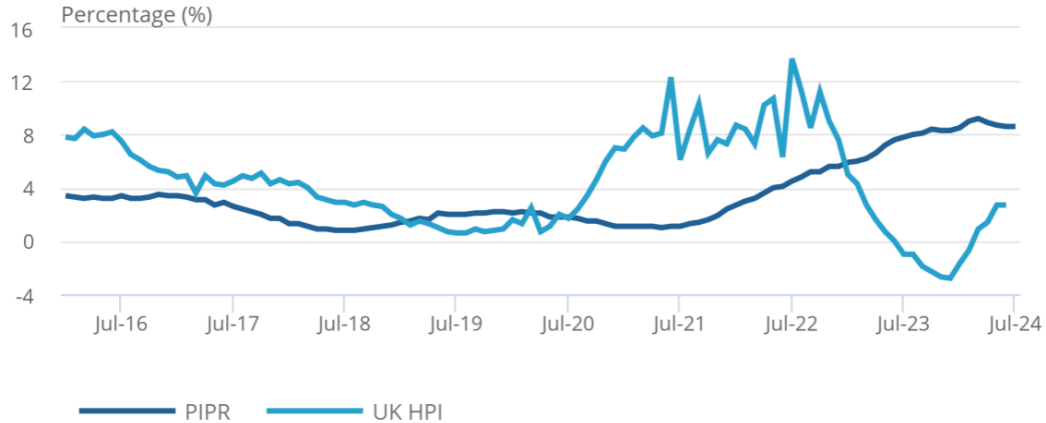
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- > A mixed bunch this month sees three of our reported sources (gov.uk, Halifax and home.co.uk) indicating month-on-month house price increases (in the range of 0.2% to 0.5%). LSL Property Services, Nationwide and Rightmove all report decreases. Similar to last month the majority of our sources are recording annual house price increases (in the range of 0.8% to 4.3%). LSL Property Services is our only source recording an annual decrease (1.3%).
- > Halifax says year-on-year prices are up +4.3%, the strongest rate since November 2022. They also comment on the recent price rises contributing towards a positive Summer for the UK housing market and that prospective homebuyers are feeling more confident thanks to easing interest rates. That optimism is reflected in the latest mortgage approval figures, now at their highest level in almost two years.
- > Hometrack tells us the market conditions continue to improve as the outlook improves but buyers remain price sensitive. They report all measures of activity are up year-on-year, however, the long-awaited base rate cut has not had a major impact on market activity so far.
- > Rightmove comments the average new seller saw a seasonal drop of 1.5% in August. They also report the Bank of England's base rate cut saw an immediate upturn in buyer activity; the number of potential buyers contacting estate agents increased 11% compared to the prior year across the month of July. Due to positive market data and trends, Rightmove raises its 2024 forecast from -1% to +1%.
- > Nationwide reports a fall of 0.2% in house prices after taking account of seasonal effects, however, annual growth picked up to 2.4% which is the fastest pace of annual growth since December 2022. They also comment on energy efficiency and how this is becoming a more important factor when considering what buyers will pay for a home. Considering newly built properties typically have a higher rating (97% are C or above), Nationwide found properties rated A or B attract a premium of 2.8%.

## 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 '24	▲ 0.5	▲ 2.7	£288,000	14.08.2024
LSL Property Services	July '24	▼ 0.1	▼ 1.3	£360,630	09.08.2024
Halifax	August '24	▲ 0.3	▲ 4.3	£292,505	06.09.2024
home.co.uk	August '24	▲ 0.2	▲ 1.2	£359,259	16.08.2024
Hometrack	August '24	N/A	▲ 0.5	£266,400	28.08.2024
Nationwide	August '24	▼ 0.2	▲ 2.4	£265,375	08.2024
Rightmove	August '24	▼ 1.5	▲ 0.8	£367,785	19.08.2024

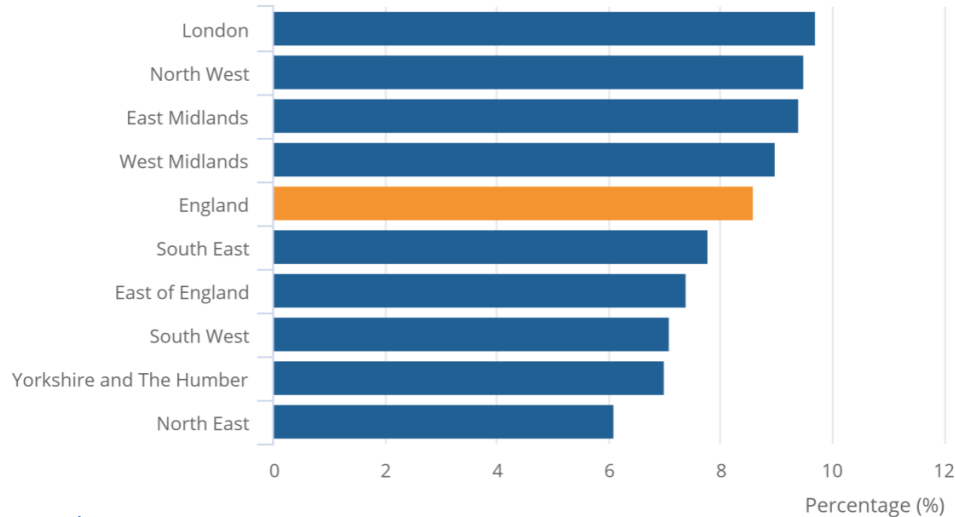
# Private rent and house price annual inflation



“ In August 2019, 96,000 properties were available for rent compared to the current total of 66,000, representing a drop of 31%... Home prices continue their steady ascent overall, although they have not yet revisited their 2022 high. ”

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

## Private rent annual inflation – 12-month % change



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

“ The annualised national growth figure for asking rents has slowed further to just 1.1%, dragged down by London’s poor performance. However, Wales continues to lead the regional growth table, followed by the South West, with rises of 14.5% and 11.7% respectively year-on-year. ”

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 June 2024	Monthly change	Annual change
First time buyer	£241,502	0.9%	2.8%
Former owner occupier	£333,346	0.1%	2.5%

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

“ The average property is now just £1,000 shy of the record high set in June 2022 (£293,507). While this is welcome news for existing homeowners, affordability remains a significant challenge for many potential buyers still adjusting to higher mortgage costs. ”

Source: [Halifax house price index](#)

# UK house-price rates of change: types of dwelling

Property status	Average price April 2024	Monthly change	Annual change
New build	£398,520	4.4%	17.3%
Existing resold property	£276,898	0.4%	0.4%

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



Our analysis suggests that a more energy efficient property, rated A or B, attracts a modest [price] premium of 2.8% compared to a similar property rated 'D' (the most commonly occurring rating). Newly built properties typically have a much higher rating (97% are rated C or above), although the stock increases very slowly (typically by c.1% per annum). However, it is important to note that while these homes are energy efficient once built, a significant proportion of new homes' carbon footprint (between 25% and 50%) relates to its construction.



Source: [Nationwide price index](#)



# Number of housing transactions per month

Country	April 2024	April 2023
England	22,027	38,699
Northern Ireland	1,688	1,740
Scotland	7,646	7,040
Wales	1,329	2,190

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

“ Nationwide, the supply of new instructions remained steady in July, increasing by only 4% year-on-year. Overall, we expect further price gains over the coming months until the inevitable seasonal downturn towards the end of the year. ”

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

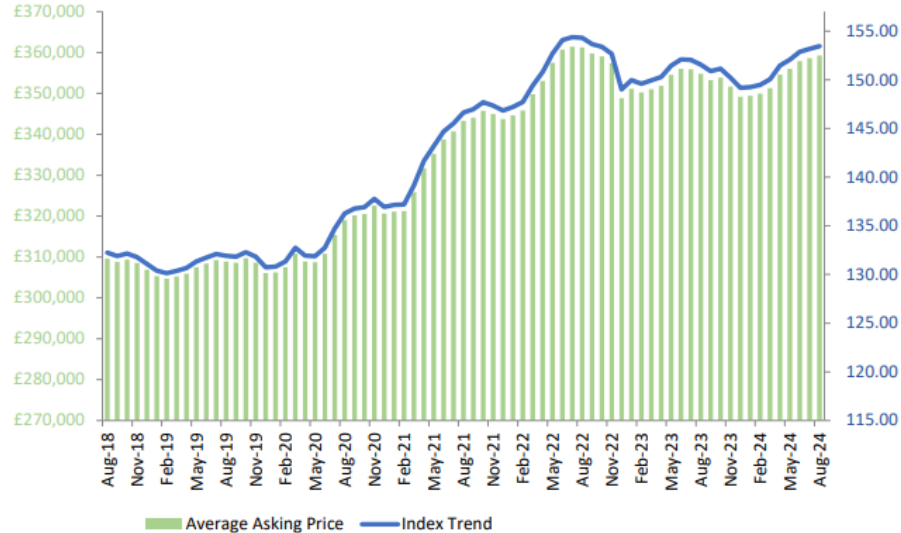
# Monthly asking-price trend



“ New seller asking prices have fallen in the month of August for the past 18 years, and the size of this month’s drop (-1.5%, -£5,708) is in line with the long-term average. ”

Source: [Rightmove price index](#)

# Home asking-price trend for England & Wales

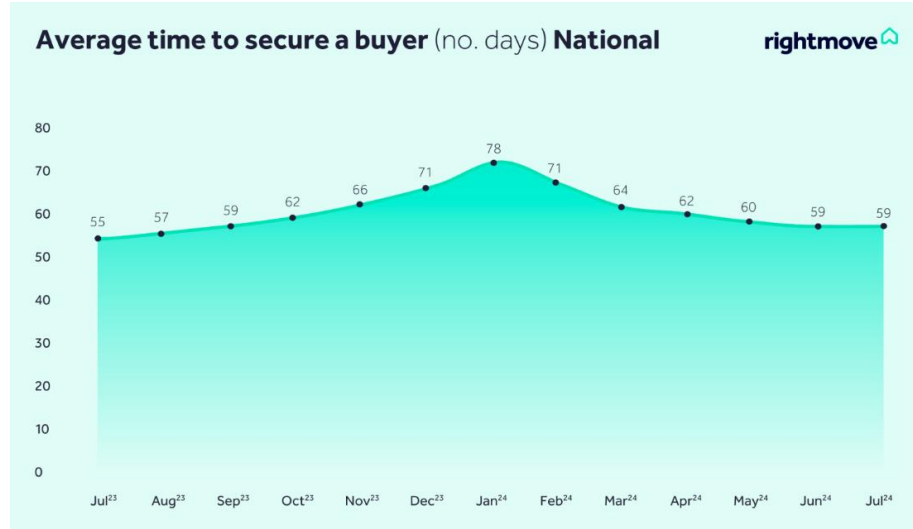


The “better late than never” rate cut by the Bank of England serves to boost an already very busy property market... our expectations are that home price growth overall will remain moderate while high stock levels persist. However, considerable regional variation is apparent.



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

# Average-time-on-market indicator – National

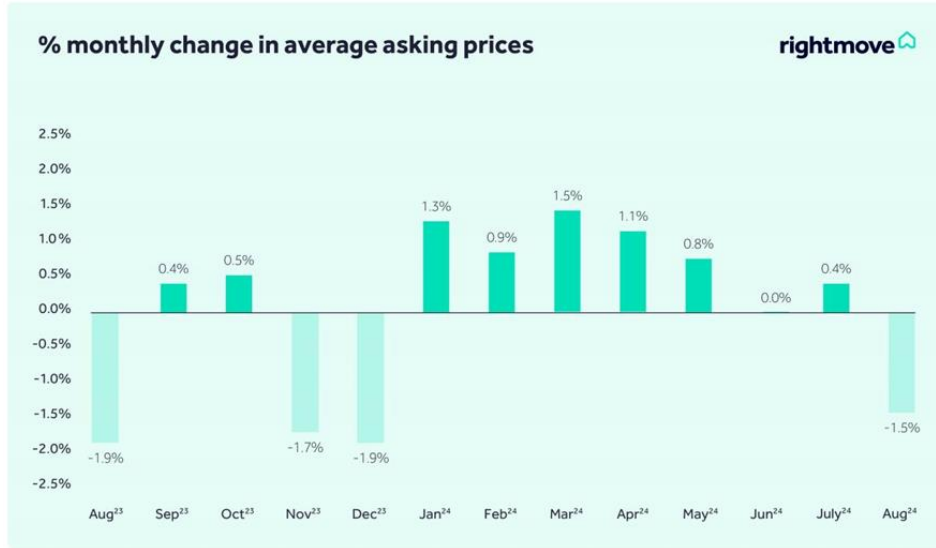


Source: [Rightmove price index](#)

“ The UK property market is in good shape and looks set to prosper as borrowing costs steadily decline. Typical Time on Market is slightly lower (4 days) than in pre-pandemic August 2019 and annualised price growth is significantly better overall. ”

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

# Asking-price fluctuation percentage



“ The positive impact of the Bank Rate cut, combined with other encouraging market data, has led Rightmove to revise its end-of-year price prediction upwards — from a 1% drop in new seller asking prices over the whole of 2024, to a 1% rise over the year. We expect small price rises in the autumn, followed by the usual seasonal monthly falls in prices at the end of the year. ”

Source: [Rightmove price index](#)

## UK sales volumes by funding status

Funding status	Average price June 2024	Monthly change	Annual change
Cash	£271,910	0.3%	1.8%
Mortgage	£300,114	0.7%	3.0%

“ Mortgage rates continue to head downwards and have picked up some pace in recent weeks. The average five-year fixed mortgage rate is now 4.80%, which though still high compared with three years ago, before the first of 14 consecutive Bank Rate increases, is an improvement from 5.82% at this time in 2023. Rightmove’s weekly mortgage tracker shows that the best available 5-year fixed rate is now 3.83% for those with a 40% deposit, the lowest that a 5-year fixed rate has been since the period before the mini-Budget in September 2022. ”

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

# UK house-price-to-earnings ratio



Source: [Nationwide price index](#)

“ As the June Financial Stability Report rate highlighted, rate shocks are still working their way through the stock of existing borrower with for example some 400,000 still to come off long term fixes shortly and where their payments could rise by over 50%. Over time, with continued wage growth and lower inflation, mortgage costs should move lower relative to incomes. ”

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

# Average properties for sale per estate agent



Source: [Rightmove price index](#)

“ Sellers continue to bring homes to market at an above-average rate. Many of these sellers are also buyers, which explains why sales agreed continue to increase. More new supply means the stock of homes for sale continues to increase and now stands at a 7-year high of 33 homes per agent, giving buyers ever more choice. ”

Source: [Hometrack price index](#)



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