



Housing market overview

Produced 11 July 2018

This document provides the latest information available from various sources, with dates varying from April - June 2018

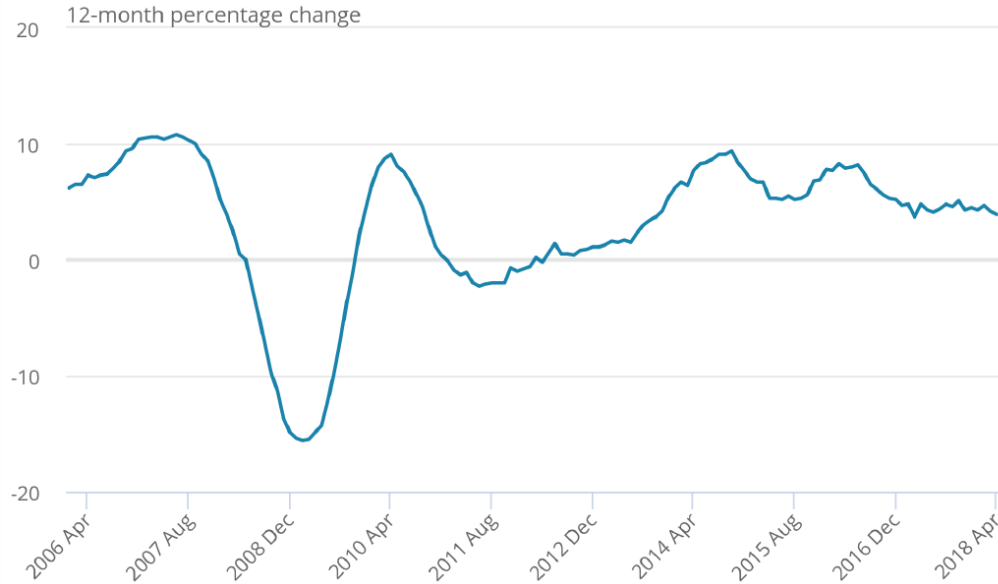
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- > In sharp contrast to last month's report, none of our sources are reporting falls in month-on-month house prices. Five are reporting increases, albeit modest ones, in the range 0.3 to 1.2%, with just LSL standing alone in claiming no change in month-on-month prices. However, in absolute terms, the market remains broadly flat.
- > Rightmove is characteristically upbeat, reporting that May marked the third consecutive record high in asking prices for newly-marketed properties and, according to the eponymous portal, the spring market concluded with stronger numbers of sales agreed overall in May, just 2% down on May last year and 5.4% up on May 2016.
- > Halifax states that activity levels have risen in May, with home sales up by 1% and the number of mortgages approved to finance house purchases – a leading indicator of completed house sales – were 64,526 in May. This was a 2.5% month-on-month increase, ending the run of three consecutive monthly falls, but was 2.1% lower than May 2017.
- > There has been a clear shift in levels of supply, according to home.co.uk, up by 11% across the UK, with the biggest increases found in the east of England (+20%) and the south west (+21%) year-on-year. It goes on to say that the total stock of properties on the market in England and Wales continues to rise (8.5% year-on-year) and is now at its highest level since July 2015.
- > Typical time on market for England and Wales is now 81 days, three days more than in June 2017 (source: home.co.uk).

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 '18	^ 1.2	^ 3.9	£226,906	13.06.2018
LSL Property Services	May '18	> 0.0	^ 2.2	£305,654	18.06.2018
Halifax	June '18	^ 0.3	^ 1.8	£225,654	06.07.2018
Home.co.uk	June '18	^ 0.7	^ 1.4	£310,240	12.06.2018
Hometrack	May '18	N/A	^ 4.6	£257,200	29.06.2018
Nationwide	June '18	^ 0.5	^ 2.0	£215,444	06.2018
Rightmove	June '18	^ 0.4	^ 1.7	£309,439	18.06.2018

UK annual house prices – rate of change

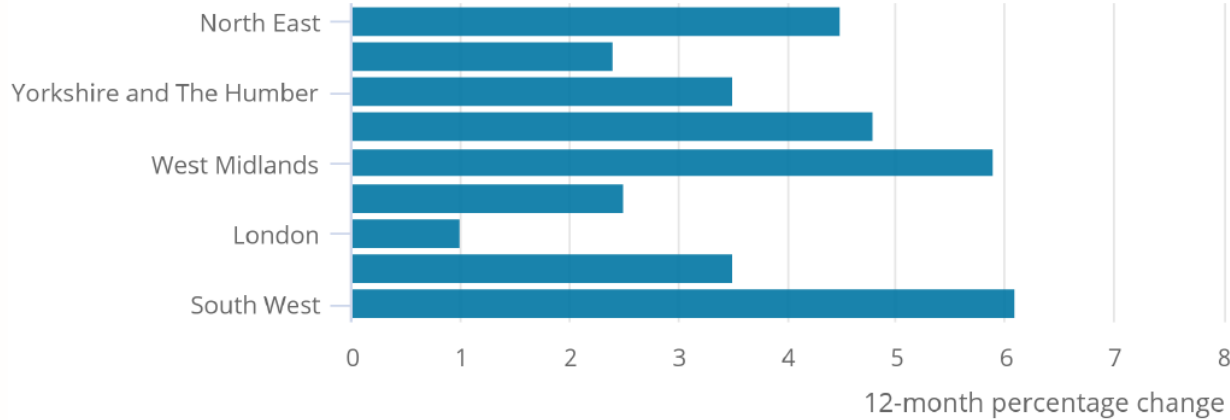


Source: gov.uk price index

“ New record in asking price of newly-marketed property for third consecutive month as steady monthly increases continue, with a 0.4% (+£1,364) rise.

”
Source: Rightmove price index

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



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

“ The mix-adjusted average growth for England and Wales is only 1.4% year-on-year: well below the rate of inflation. The largest monthly price increases were detected in Scotland (1.4%) and the West Midlands (1.3%). ”

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 April 2018	Monthly change	Annual change
First time buyer	£191,646	1.4%	3.8%
Former owner occupier	£263,098	1.0%	3.9%

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

“ The UK housing market remained resilient showing a very slight rise in the annual house price rate in May (from 2.1% to 2.2%) following 11 months of falls. The positive performance in May means the market has narrowly avoided a full year of slowing house price growth. ”

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

UK house-price rates of change: types of dwelling

Property Status	Average price February 2018	Monthly change	Annual change
New build	£297,238	6.4%	11.5%
Existing resold property	£220,551	0.0%	4.1%

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

“ The impact of new builds on the market in London is clear when analysing the prices paid for new builds against existing properties in 2017. This was particularly pronounced for flats, where new build flats sold at an average premium of almost a third (32.3%). They also made up a substantial proportion of sales of all flats, accounting for more than a quarter (26.4%), whereas new builds accounted for just 2.4% of sales of detached properties. ”

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

Number of housing transactions per month

Country	February 2018	February 2017	Difference
England	51,340	60,662	-15.4%
Northern Ireland (Quarter 1 - 2018)	4,545	5,187	-12.4%
Scotland	5,288	5,816	-9.1%
Wales	2,947	3,225	-8.6%

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

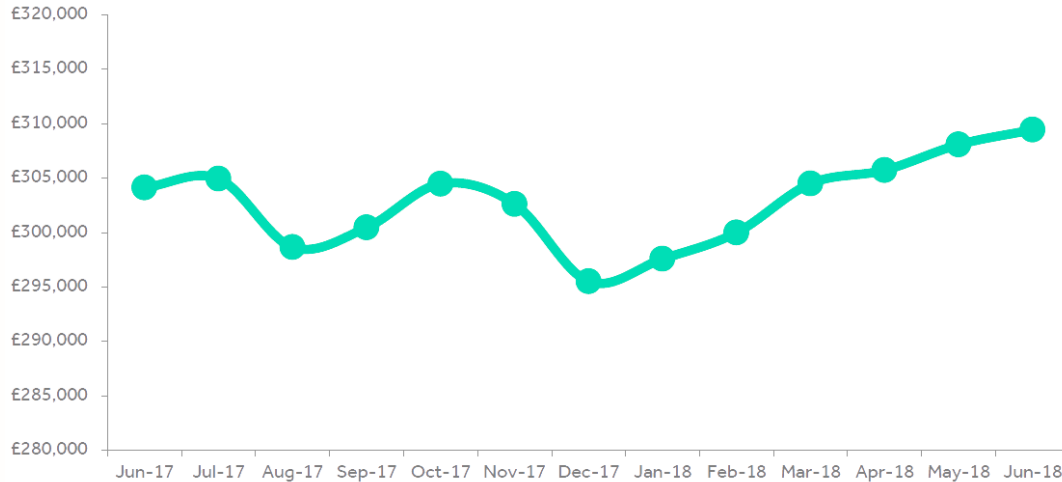


Whilst all of these measures at a national level point to a steady market, closer inspection reveals, as ever, that there are very different local markets. In this case, conditions are varying significantly between the northern and southern halves of Great Britain.



Source: [Rightmove price index](#)

Monthly asking-price trend



Source: [Rightmove price index](#)

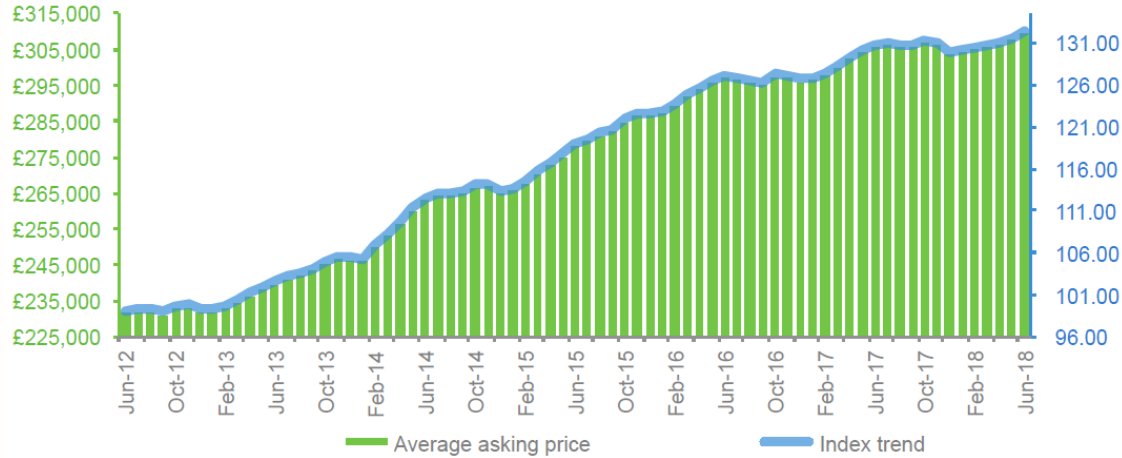


Annual house price growth fell to its slowest pace for five years in June. However, at 2% this was only modestly below the 2.4% recorded the previous month. Indeed, annual house price growth has been confined to a fairly narrow range of c2-3% over the past 12 months, suggesting little change in the balance between demand and supply in the market over that period.



Source: [Nationwide price index](#)

Home asking-price trend for England & Wales

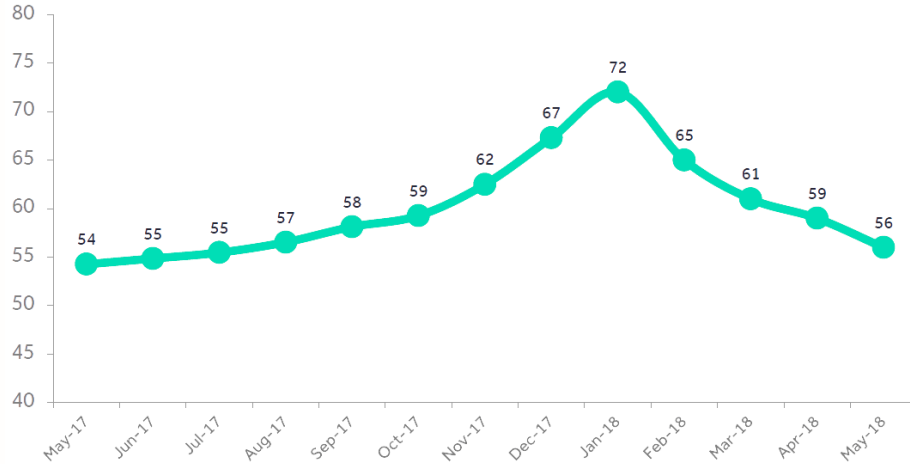


Prices have risen in all English regions, Scotland and Wales since last month, with the exception of London where there was no change.



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

Average-time-on-market indicator – National



Source: [Rightmove price index](#)

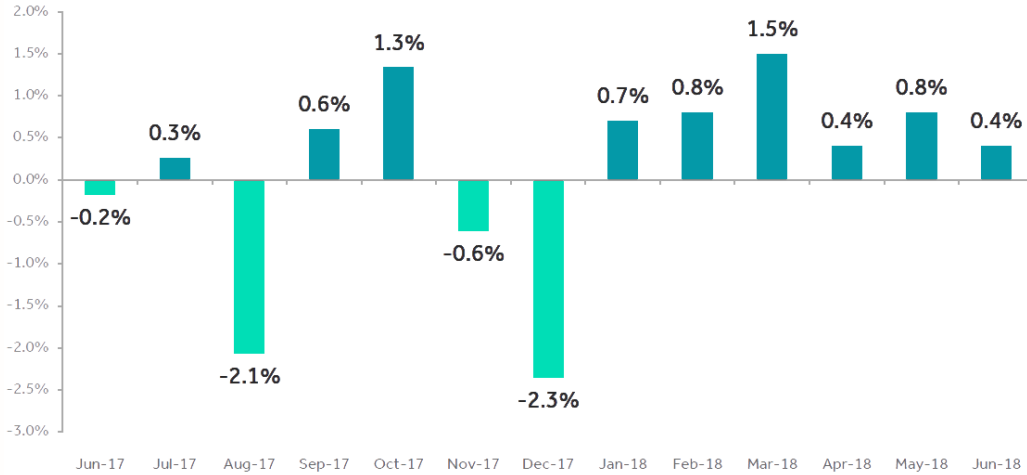


Typical Time on Market continues to rise in London (+14%), the South East (+15%) and East (+17%) year-on-year.



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

Asking-price fluctuation percentage



“ The average price of newly marketed property continues its gentle upward trend... also following a consistent pattern is the current 1.7% annual rate of increase, which has remained stable between 1.1% and 2.1% every month so far in 2018. ”

Source: [Rightmove price index](#)

UK sales volumes by funding status

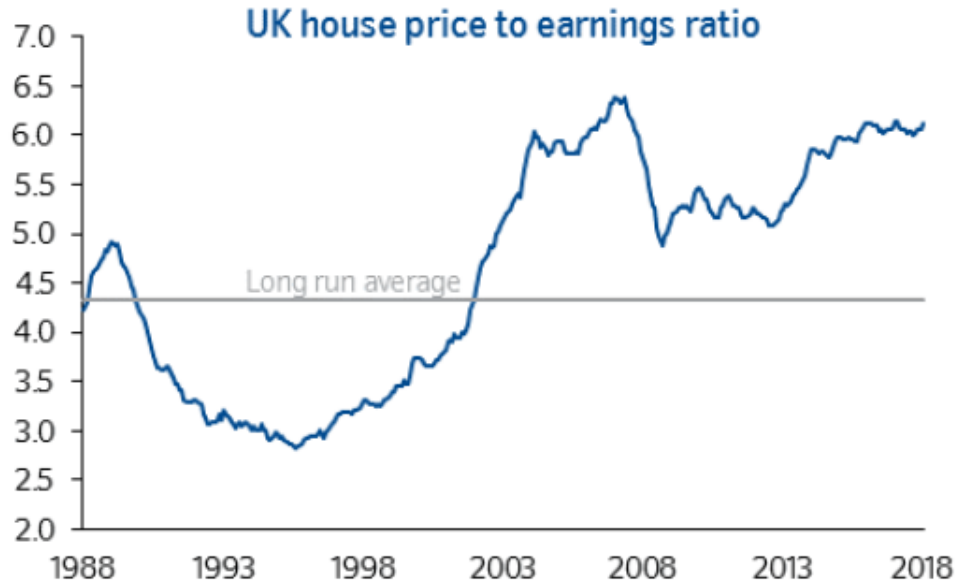
Funding status	Average price April 2018	Monthly change	Annual change
Cash	£216,066	1.1%	3.6%
Mortgage	£236,928	1.3%	4.0%

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

“ Bank of England industry-wide figures show that the number of mortgages approved to finance house purchases – a leading indicator of completed house sales – were 64,526 in May. This was a 2.5% month-on-month increase, ending the run of three consecutive monthly falls and was 2.1% lower than May 2017. ”

Source: [Halifax price index](#)

UK house-price-to-earnings ratio



Source: [Nationwide price index](#)

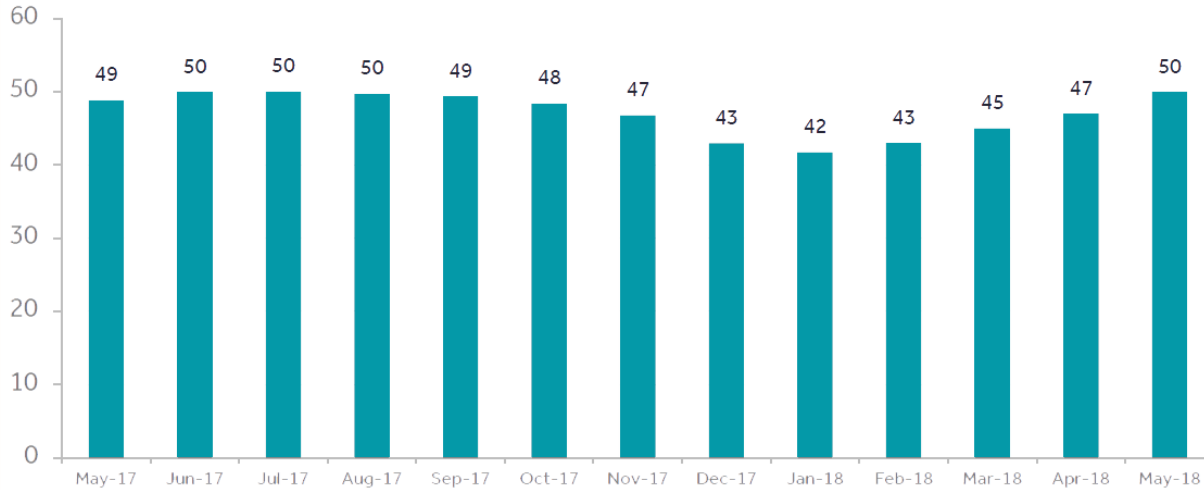


At the half way stage of the year the annual rate [of house price growth] is within our forecast range of 0-3% for 2018. We continue to see very positive factors of continuing low mortgage rates, great affordability levels and a robust labour market. The continuing shortage of properties for sale should also continue to support price growth.



Source: [Halifax price index](#)

Average properties for sale per estate agent



Source: [Rightmove price index](#)

“ After falling for 26 months in succession, new instructions edged up in May. Furthermore average stock of homes for sale on estate agents’ books held broadly steady, albeit close to historic lows. ”

Source: [Halifax price index](#)

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