

Housing market overview

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

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- > This month all but two of our reported sources (gov.uk and Rightmove) are indicating month-on-month house price decreases (in the range of -0.2% to -0.4%). Nationwide doesn't report any change from the previous month. The majority of our sources are also now recording annual house price decreases (in the range of -0.4% to -5.3%). Gov.uk is our only source recording an annual increase (0.6%).
- > Redrow reports sales since the start of July have declined further, falling to 0.34 reservations per outlet per week against the previous year's 0.61, during an anticipated "challenging" summer.
- > Halifax says many economists and financial markets predict that Base Rate will remain higher for longer, with any significant cuts appearing unlikely until inflation gets closer to the Bank of England's 2% target.
- > Hometrack comments mortgage rates remain over 5%, reducing household buying power by over 20% compared to early 2022.
- > Nationwide reports housing market activity remains weak, with just 45,400 mortgages approved for house purchase in August, c.30% below the monthly average prevailing in 2019 before the pandemic struck. They say this relatively subdued picture is not surprising given the more challenging picture for housing affordability.
- > Rightmove reports small steps towards improved buyer affordability as mortgage rates continue to fall: they say the average five-year fixed mortgage is now at 5.67%, the seventh consecutive week of five-year fixed rates dropping, after peaking at 6.11% in July.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	July '23	▲ 0.5	▲ 0.6	£289,824	20.09.2023
LSL Property Services	August '23	▼ 0.2	▼ 1.3	£369,127	11.09.2023
Halifax	September '23	▼ 0.4	▼ 4.7	£278,60	06.10.2023
home.co.uk	September '23	▼ 0.4	▼ 1.8	£353,264	13.09.2023
Hometrack	September '23	N/A	▼ 0.5	£265,100	28.09.2023
Nationwide	September '23	> 0.0	▼ 5.3	£257,808	09.2023
Rightmove	September '23	▲ 0.4	▼ 0.4	£366,281	21.09.2023

UK annual house prices – rate of change

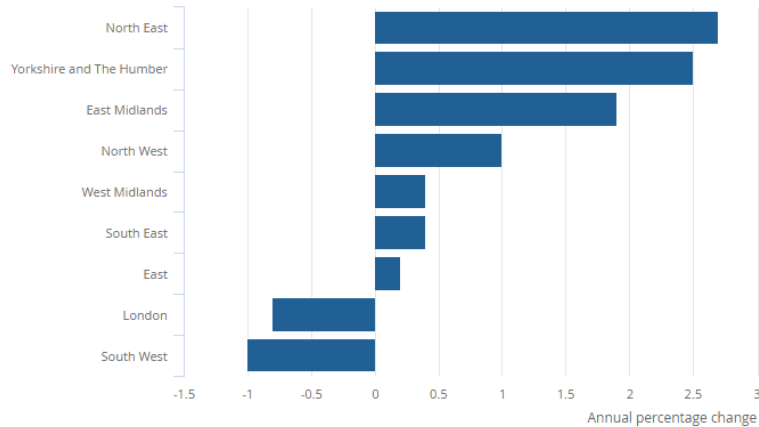


Source: [gov.uk price index](https://www.gov.uk/price-index)

“ Annual house price growth was unchanged at -5.3% in September. Prices were also flat over the month, after taking account of seasonal effects, following the 0.8% decline seen in August. ”

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)

“ Younger buyers are taking longer mortgages, to boost buying power, so they want to buy a home they are going to be happy in for a decade or longer. ”

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

UK house-price rates of change: types of buyer

Type of buyer	Average price July 2023	Monthly change	Annual change
First time buyer	£240,789	0.4%	0.2%
Former owner occupier	£340,098	0.8%	1.0%

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

Looking by sector, the first-time buyer sector saw new listings up by a smaller 7%, which may be helping to support prices in this sector where asking prices are still up on this time last year, albeit by a muted 0.3%. New listings in the second stepper sector are up by 11% on the same period, and the top of the ladder, although a smaller proportion of the overall market, has seen new listings up by 24%.

Source: [Rightmove price index](#)

UK house-price rates of change: types of dwelling

Property status	Average price May 2023	Monthly change	Annual change
New build	£395,477	-0.3%	13.8%
Existing resold property	£278,175	0.5%	1.0%

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

“ New listings in the second stepper sector are up by 11% on the same period, and the top of the ladder, although a smaller proportion of the overall market, has seen new listings up by 24%. ”

Source: [Rightmove price index](#)

Number of housing transactions per month

Country	May 2023	May 2022
England	32,220	59,744
Northern Ireland	1,592	2,034
Scotland	7,538	8,573
Wales	1,914	3,457

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

“ The number of sales being agreed in August across all property types drops to 18% down versus August 2019. ”

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

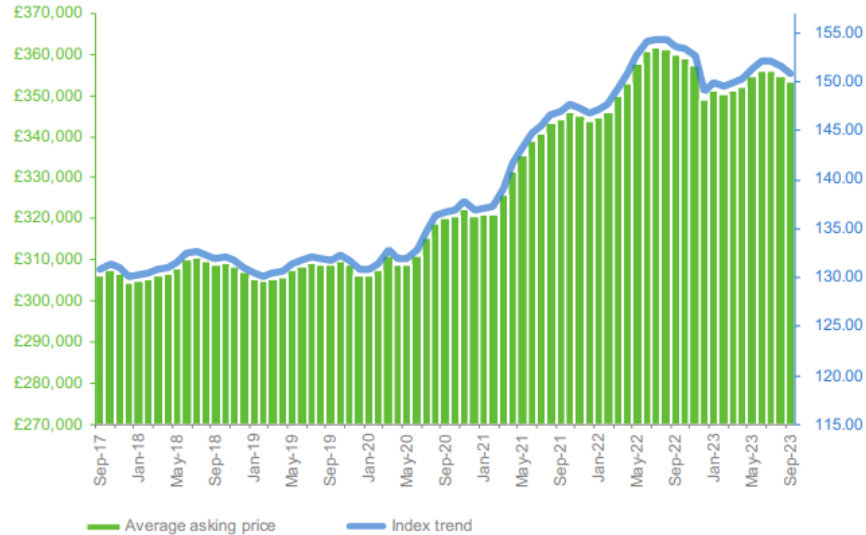
Monthly asking-price trend



“ 36.3% of properties currently for sale have had a price reduction, with an average reduction equating to £22,700 nationally (6.2%). ”

Source: [Rightmove price index](#)

Home asking-price trend for England & Wales



“ Asking prices across England and Wales have slipped a further 0.4% since last month, although the year-on-year fall remains just -1.8%. ”

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 four days during August, which is consistent with seasonal expectations again. The current median is 84 days; in September 2019 the same measure was 96 days. ”

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

Asking-price fluctuation percentage



Source: [Rightmove price index](#)

“ The discount to the asking price for newly agreed sales has increased over the summer and now averages 4.2% or £12,125 off the original asking price. ”

Source: [Hometrack price index](#)

UK sales volumes by funding status

Funding status	Average price July 2023	Monthly change	Annual change
Cash	£274,100	0.3%	0.3%
Mortgage	£302,564	0.6%	0.8%

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

“ Mortgage rates continuing their downward decline could help some first-time buyers, as although things are still tough for many, we’ve now seen seven consecutive weeks of falling mortgage rates.

”

Source: [Rightmove price index](#)

UK house-price-to-earnings ratio



Source: [Nationwide price index](#)

“ The modest reduction in house prices is not sufficient to boost affordability and support a recovery in sales volumes, even if mortgage rates were to dip below 5%. ”

Source: [Hometrack price index](#)

Average properties for sale per estate agent



Source: [Rightmove price index](#)

“ The number of new properties coming to market was up by 12% in the first week of September when compared with the unusually low weekly average in August. ”

Source: [Rightmove price index](#)

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