

Housing market overview

Produced 7 February 2024

This document provides the latest information available from various sources, with dates varying from November 2023 – January 2024

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- > In complete contrast to last month, this month sees all but one of our reported sources (gov.uk) are indicating month-on-month house price increases (in the range of 0.2% to 1.3%). home.co.uk doesn't report any change from the previous month. The majority of our sources still continue to record annual house price decreases (in the range of -0.2% to -3.5%). Halifax is the only source to record an annual increase (of 2.5%).
- > Nationwide comments raising a deposit remains a major challenge for those wanting to buy, with a 20% deposit on a typical first-time buyer home equating to c.105% of average annual gross income – down from the all-time high of 116% recorded in 2022, but still close to the pre-financial crisis level of 108%. They say this reflects that house prices are still very high relative to earnings, with the house price to earnings ratio standing at 5.2 at the end of 2023, well above the long run average of 3.9.
- > Persimmon has reported a particularly strong final quarter of 2023 with improved sales and increased completions, resulting in the company selling 9,922 homes in the full year, ahead of previous guidance but 33% below 2022 (14,868). They say despite the strong final quarter, they expect market conditions to “remain highly uncertain during 2024, particularly for first time buyers and with an election likely this year”.
- > Hometrack reports buyer demand is 12% higher than a year ago but remains 13% below the five-year average, which includes the pandemic ‘boom years’ (2021-2022).
- > Rightmove tells us that since Christmas, it has seen nine of its ten busiest days on record for people getting a Mortgage in Principle to see what they can afford to borrow, they say this could be another early sign of movers getting their 2024 plans in place.
- > Halifax comments the average house price in January was £291,029, up +1.3% or, in cash terms, £3,924 compared to December 2023. They report this is the fourth consecutive month that house prices have risen and, as a result, the pace of annual growth is now +2.5%, the highest rate since January last 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	November '23	▼ 0.8	▼ 2.1	£284,950	17.01.2024
LSL Property Services	December '23	▲ 0.2	▼ 3.5	£362,187	10.01.2024
Halifax	January '24	▲ 1.3	▲ 2.5	£291,029	07.02.2024
home.co.uk	January '24	> 0.0	▼ 0.5	£349,400	12.01.2024
Hometrack	January '24	N/A	▼ 0.8	£264,400	29.01.2024
Nationwide	January '24	▲ 0.7	▼ 0.2	£257,656	01.2024
Rightmove	January '24	▲ 1.3	▼ 0.7	£359,748	15.01.2024

UK annual house prices – rate of change

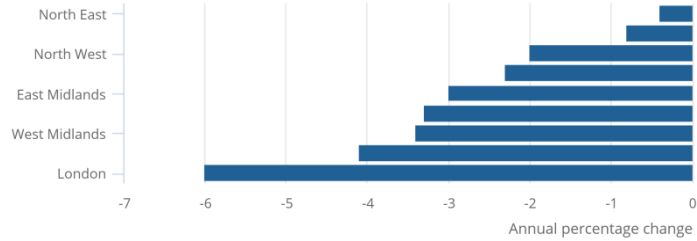


Source: [gov.uk price index](https://www.gov.uk/price-index)

“ UK house prices rose by 0.7% in January, after taking account of seasonal effects. This resulted in an improvement in the annual rate of house price growth from -1.8% in December to -0.2% in January, the strongest outturn since January 2023. ”

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)

“ This is the fourth consecutive month that house prices have risen and, as a result, the pace of annual growth is now +2.5%, the highest rate since January last year. ”

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 November 2023	Monthly change	Annual change
First time buyer	£236,326	-0.9%	-2.6%
Former owner occupier	£334,205	-0.8%	-1.9%

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

“ For those looking to buy a first home, the average deposit raised is now £53,414, around 19% of the purchase price. It’s not surprising that almost two thirds (63%) of new buyers getting a foot on the ladder are now buying in joint names. ”

Source: [Halifax price index](#)

UK house-price rates of change: types of dwelling

Property status	Average price September 2023	Monthly change	Annual change
New build	£396,098	-5.1%	8.3%
Existing resold property	£282,350	-0.1%	-1.4%

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

“ Half of those with a mortgage are yet to refinance onto higher rates. This is important as many would-be buyers are upsizers who will need a larger mortgage to move to a bigger home. Higher repayments will ensure buyers remain price sensitive and focused on value for money. ”

Source: [Hometrack price index](#)

Number of housing transactions per month

Country	September 2023	September 2022
England	39,498	69,868
Northern Ireland	1,841	2,191
Scotland	8,382	10,115
Wales	2,343	3,738

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

“ Strong seasonal rebound in sales activity in first weeks of January on back of pent-up demand and sub-5% mortgage rates. ”

Source: [Hometrack price index](#)

Monthly asking-price trend

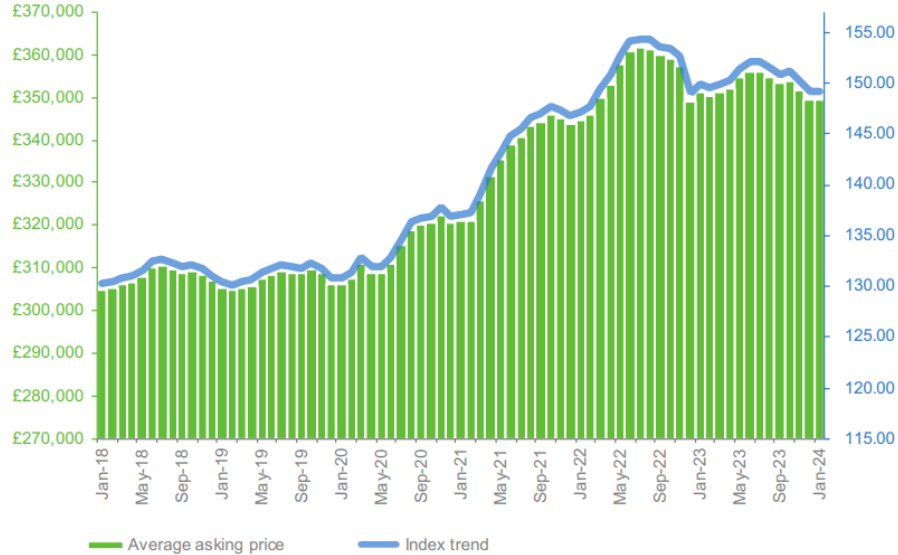


Source: [Rightmove price index](#)

“ A fifth of sellers having to accept more than 10% below the asking price to secure a sale, closer to 1 in 4 across southern England. ”

Source: [Hometrack price index](#)

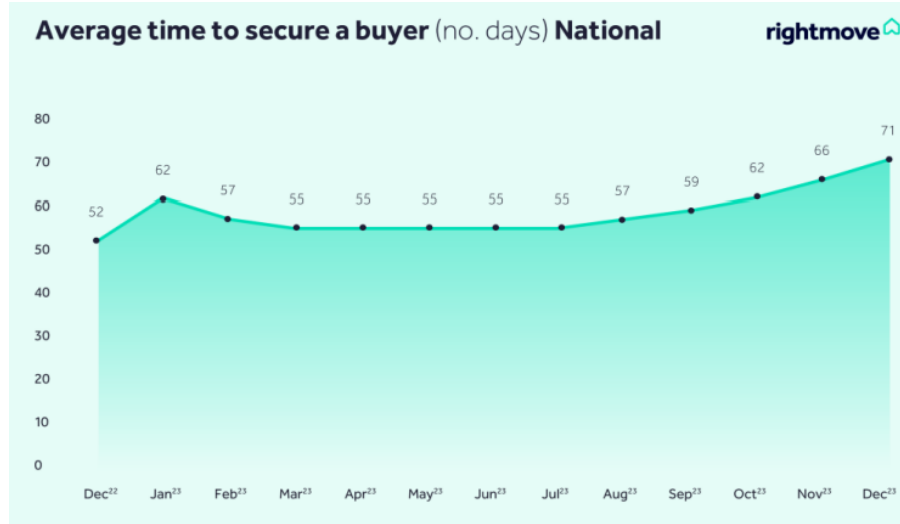
Home asking-price trend for England & Wales



“ Asking prices remain unchanged since last month across England and Wales but are down year-on-year by just 0.5% vs. Jan 2023. ”

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

Average-time-on-market indicator – National

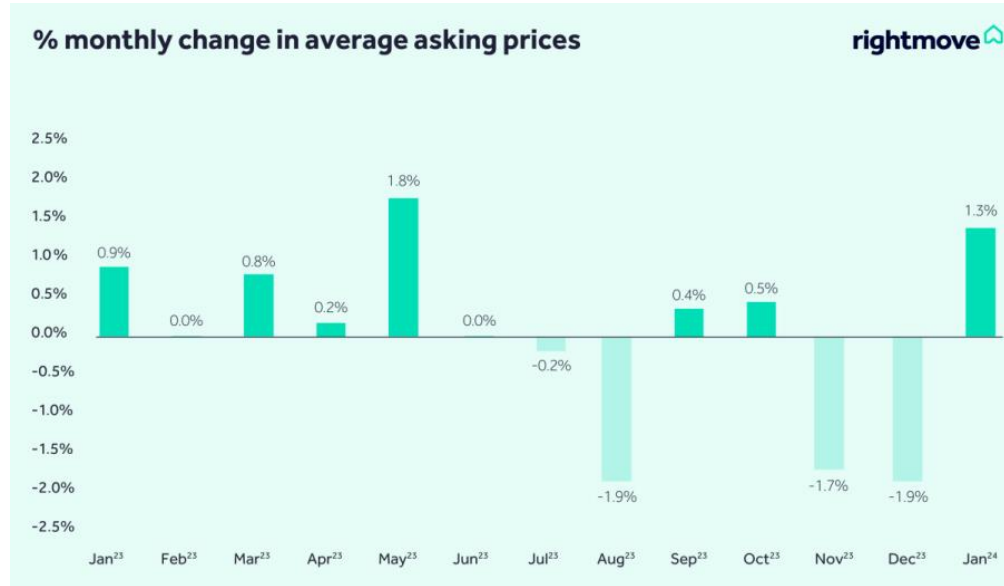


Source: [Rightmove price index](#)

“ The Typical Time on Market for unsold property in England and Wales rose by twelve days during December, again in line with seasonal expectations. The current median is 112 days; in pre-COVID January 2020, the same measure was 120 days. ”

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

Asking-price fluctuation percentage



“ Average new seller asking prices rise by 1.3% (+£4,571) month-on-month to £359,748, the biggest December to January increase in prices since 2020, though average prices are still 0.7% lower than at this time last year. ”

Source: [Rightmove price index](#)

UK sales volumes by funding status

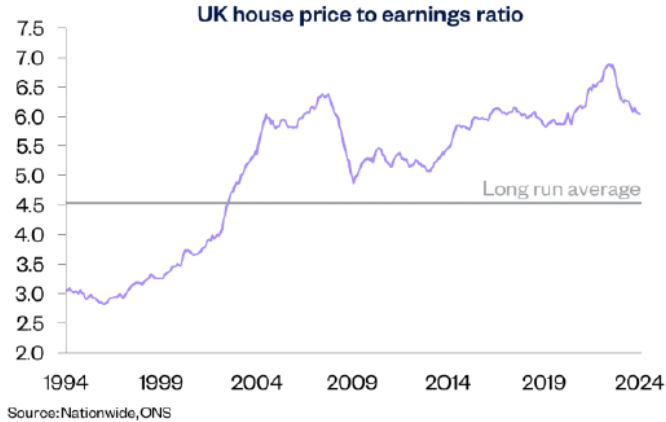
Funding status	Average price November 2023	Monthly change	Annual change
Cash	£269,762	-0.7%	-2.3%
Mortgage	£296,816	-0.9%	-2.2%

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

“ There have been some encouraging signs for potential buyers recently with mortgage rates continuing to trend down. This follows a shift in view amongst investors around the future path of Bank Rate, with investors becoming more optimistic that the Bank of England will lower rates in the years ahead. ”

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

UK house-price-to-earnings ratio

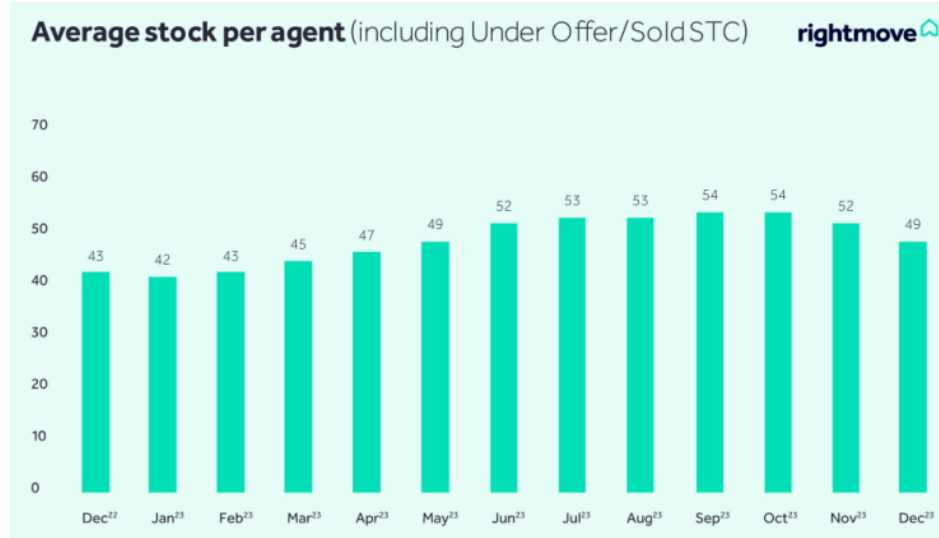


Source: [Nationwide price index](#)

How mortgage rates evolve will be crucial, as affordability pressures were the key factor holding back housing market activity in 2023. Indeed, at the end of 2023, a borrower earning the average UK income and buying a typical first-time buyer property with a 20% deposit had a monthly mortgage payment equivalent to 38% of take-home pay – well above the long run average of 30%.

Source: [Nationwide price index](#)

Average properties for sale per estate agent



Source: [Rightmove price index](#)

“ The number of new instructions entering the market in December 2023 was only 3% more than during December 2022. This is a remarkably small increase given the market chaos caused by the doomed Truss-Kwarteng minibudget, which led to a shock drop in prices of 2.4% in just one month. ”

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

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