

Housing market overview

Produced 7 June 2024

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

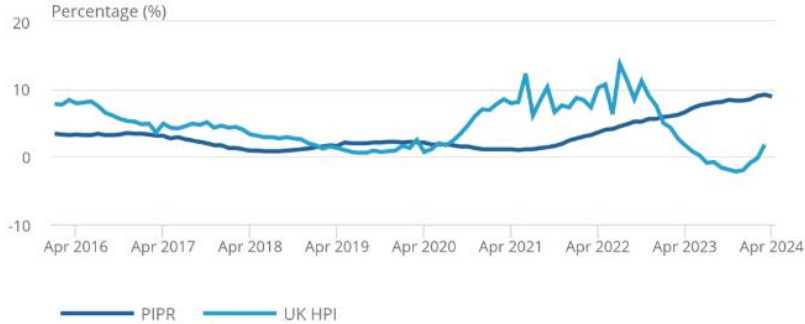
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- > May 2024 sets a new asking price record in the last 12 months, fuelled by seasonal activity. This month sees all but one of our reported sources (Halifax) indicating slight month-on-month house price increases (in the range of 0.4% to 0.8%). LSL reports no change over the last month. The majority of our sources (gov.uk, Halifax, home.co.uk, Nationwide and Rightmove) are also recording annual house price increases (in the range of 0.4% to 1.8%).
- > Halifax says house prices were fairly static in May, however, on an annual basis house prices rose for a sixth consecutive month. The market is showing resilience which is primarily supported by strong nominal wage growth and some evidence of an improvement in confidence about the economic outlook. They suspect it's unlikely to see any huge fluctuations in the near term, despite homebuyers and those remortgaging having to respond to changes in borrowing costs, they're set against a backdrop of limited available properties.
- > Hometrack reports more homes for sale than at any point in the last 8 years (up 20% year-on-year). They comment on the general election announcement and that it's likely to reduce the upward momentum in sales agreed, but committed buyers will continue to secure sales.
- > Rightmove report that recent record asking prices are driven by pent-up demand from would-be buyers who paused plans last year. They also advise sellers to work with estate agents on pricing competitively from the outset to avoid price reduction down the line. Those that reduce prices end up on the market over 3x longer.
- > Nationwide considers the impact of the general election on house prices. They suggest the housing market is not susceptible to significant change before, during, or after the election period. Nationwide also cite the modest rebound in May's house price growth (+0.4% month on month) shows market resilience after consumer confidence improves noticeably supported by solid wage gains and lower inflation.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	March '24	▲ 0.7	▲ 1.8	£283,000	22.05.2024
LSL Property Services	April '24	> 0.0	▼ 2.9	£359,154	13.05.2024
Halifax	May '24	▼ 0.1	▲ 1.5	£288,688	07.06.2024
home.co.uk	May '24	▲ 0.4	▲ 0.4	£356,006	15.05.2024
Hometrack	May '24	N/A	▼ 0.1	£264,300	30.05.2024
Nationwide	May '24	▲ 0.4	▲ 1.3	£264,249	05.2024
Rightmove	May '24	▲ 0.8	▲ 0.6	£375,131	20.05.2024

Private rent and house price annual inflation

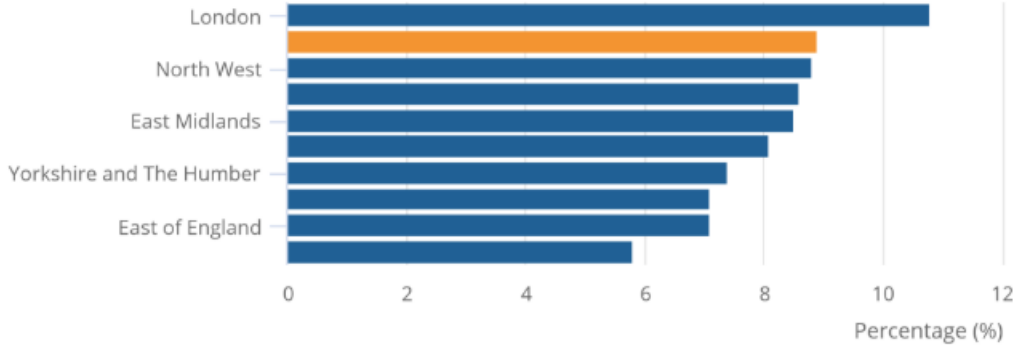


Source: [gov.uk price index](https://www.gov.uk/price-index)

“ There is a record high supply of homes for sale which shows renewed confidence among sellers, many of whom are also buyers. Greater choice will keep prices in check over 2024. The general election is likely to dampen the number of sales agreed in the run up to summer. ”

Source: [Hometrack price index](#)

Private rent annual inflation – 12-month % change



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

“ UK private rents increased by 8.9% in the 12 months to April 2024. This was down from the record high of 9.2% in the 12 months to March 2024 (revised estimate) and was the first slowing of the annual inflation rate since December 2023. ”

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

UK house-price rates of change: types of buyer

Type of buyer	Average price March 2024	Monthly change	Annual change
First time buyer	£236,461	0.8%	1.8%
Former owner occupier	£328,831	0.8%	1.6%

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

“ Pent-up demand is a key driver behind increased buyer and seller activity, despite mortgage rates remaining elevated for longer than anticipated. In the first four months of the year, the number of sales being agreed between buyers and sellers is 17% higher than in the same period in 2023, outstripping the 12% increase in the number of new sellers coming to market. Like pricing activity, these trends are being driven most by the top-of-the-ladder sector, made up of four bedroom detached and five bedroom plus properties. ”

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

UK house-price rates of change: types of dwelling

Property status	Average price January 2024	Monthly change	Annual change
New build	£388,789	6.1%	17.0%
Existing resold property	£276,194	-0.3%	-1.8%

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



The flow of new supply into the market is growing faster than sales as market confidence improves. House prices are broadly static, falling 0.1% over the last 12 months. They will continue to be kept in check by rising supply.



Source: [Hometrack price index](#)

Number of housing transactions per month

Country	January 2024	January 2023
England	19,365	45,117
Northern Ireland	1,511	1,556
Scotland	6,047	5,917
Wales	1,041	2,459

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

“ The number of new instructions during April 2024 was 7% more than during April 2023. The increase may be based on the hope of a cut in mortgage rates as opposed to the actual supply/demand balance of the current market. ”

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

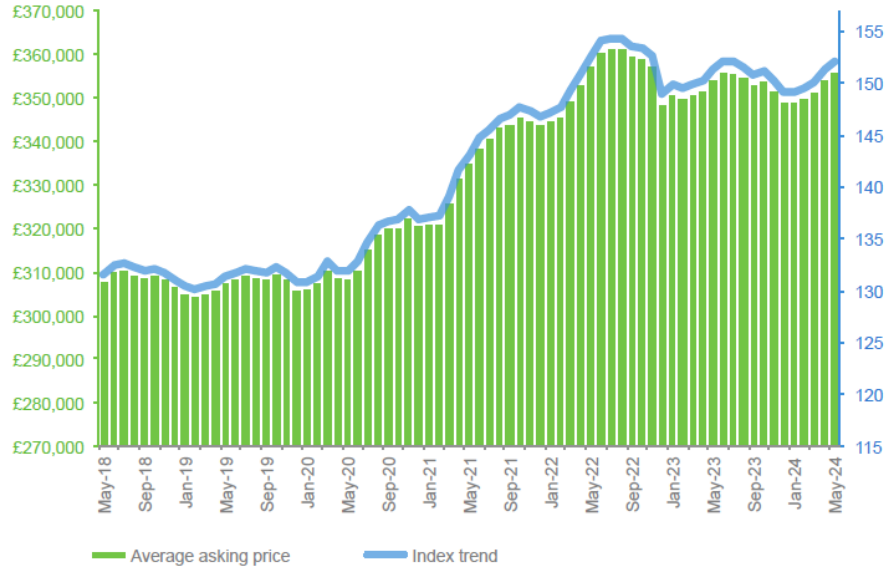
Monthly asking-price trend



“ The average price of property coming to the market for sale reaches a new record of £375,131, rising by 0.8% (+£2,807) in the month, as the momentum of the Spring selling season exerts some modest upwards price pressure. However, since the last price record set a year ago in May 2023, average prices are only 0.6% higher overall, a reminder that the market remains very price-sensitive. ”

Source: [Rightmove price index](#)

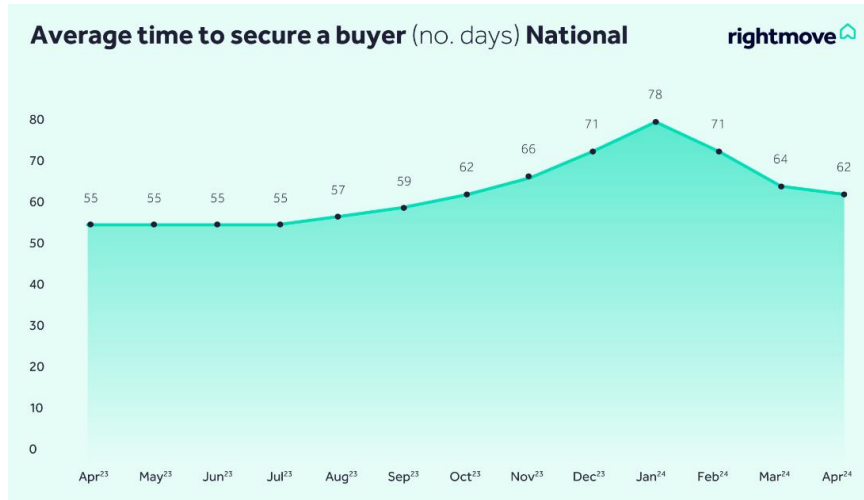
Home asking-price trend for England & Wales



“ Asking prices have risen a fairly modest 0.4% since last month across England and Wales and are up just 0.4% since May 2023. ”

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

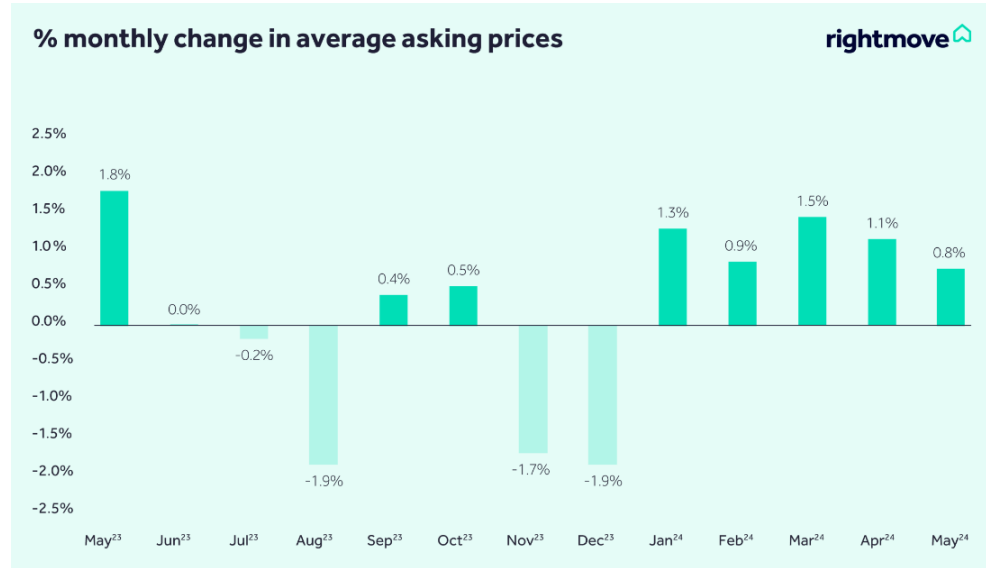
Average-time-on-market indicator – National



“ Properties that need an asking price reduction take more than three times longer (112 days) to find a buyer as those that do not (32 days), giving sellers who price right from the outset the edge to sell more quickly. ”

Source: [Rightmove price index](#)

Asking-price fluctuation percentage



Some predicted that property prices would suffer sharp falls and take a while to recover following the Bank of England increasing the Base Rate up to 5.25%, where it has remained since August 2023. However, the momentum of the Spring selling season has exerted enough upwards price pressure to reach a new record asking price.

Source: [Rightmove price index](#)

UK sales volumes by funding status

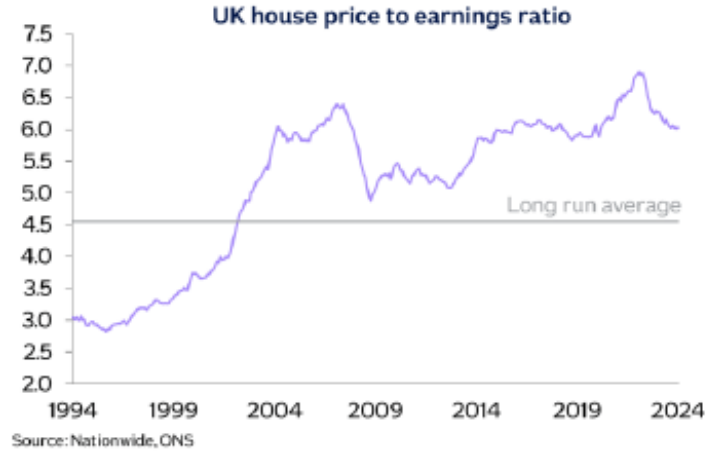
Funding status	Average price March 2024	Monthly change	Annual change
Cash	£268,102	0.9%	1.5%
Mortgage	£294,403	0.7%	1.8%

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

“ A lack of available homes for sale in this sector during the pandemic years, together with the rapid rise, and subsequent volatility of mortgage rates in the post-mini-Budget period, meant that activity in this sector was particularly susceptible to some potential movers taking a step back. Now, with mortgage rates more stable albeit still high, and greater buyer choice, many who had postponed their moving plans in this sector appear to be returning. ”

Source: [Rightmove price index](#)

UK house-price-to-earnings ratio

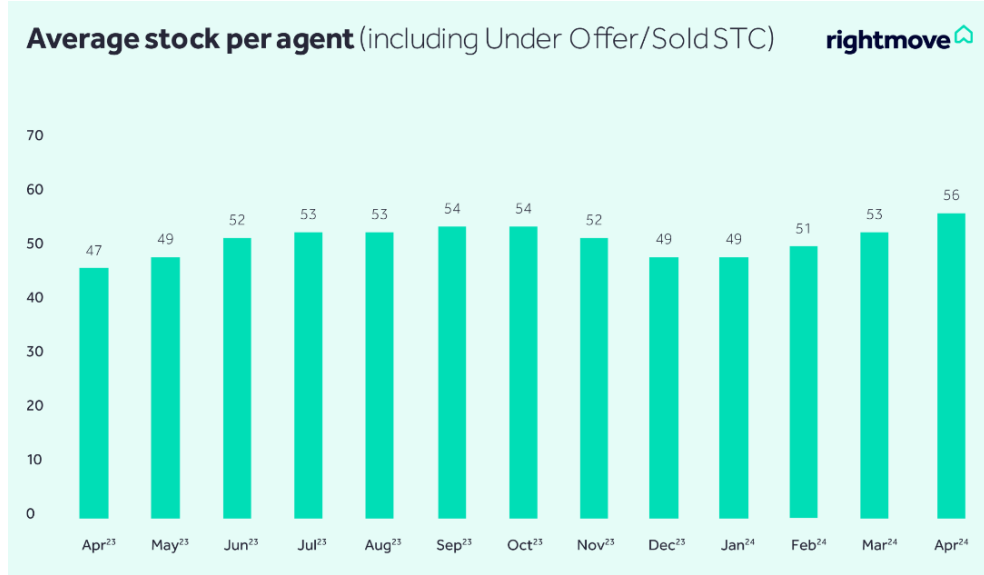


Source: [Nationwide price index](#)

“ Market activity remained resilient throughout the spring months, supported by strong nominal wage growth and some evidence of an improvement in confidence about the economic outlook. A period of relative stability in both house prices and interest rates should give a degree of confidence to both buyers and sellers. ”

Source: [Halifax price index](#)

Average properties for sale per estate agent



Source: [Rightmove price index](#)



There are more homes for sale than at any point in the last eight years, as sellers return to the market in growing numbers. The average agent has 31 homes for sale, up 20% on this time last year.



Source: [Hometrack price index](#)

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