

Housing market overview

Produced 9 August 2024

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

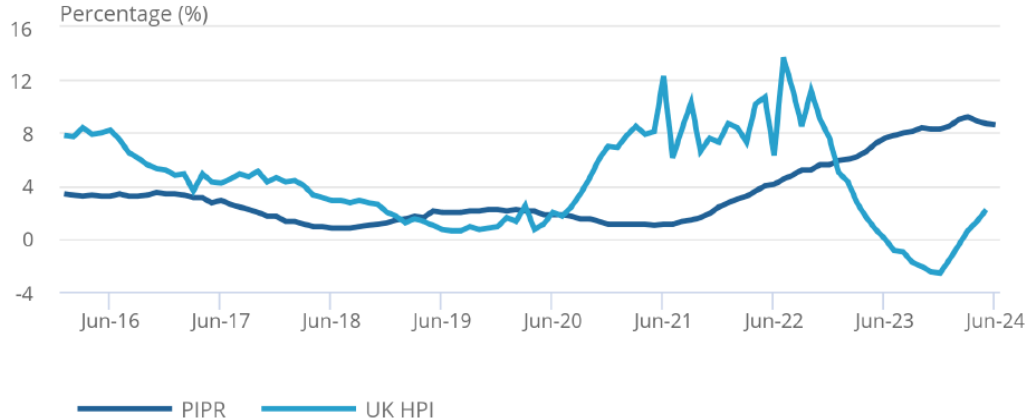
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- > This month sees limited changes in house prices month-on-month (in the range of -0.4% to 1.2%). All sources recorded a fluctuation in price in the month of July. The majority of our sources (gov.uk, Halifax, home.co.uk, Hometrack, Nationwide & Rightmove) are recording annual house price increases (in the range of 0.1% to 2.2%). LSL reported the only decrease of 1.6%.
- > Halifax says house prices have increased slightly (+0.8%) in July compared to a relatively flat three months. They report last week's Bank of England's Base Rate cut is encouraging for those looking to remortgage, purchase a first home or move along the housing ladder. However, affordability constraints and the lack of available properties continue to pose challenges for prospective homeowners.
- > Hometrack tells us the outlook for the housing market continues to improve with more sales and buyers paying a greater proportion of the asking price. They say the supply of homes for sale continues to grow and is 16% higher than a year ago and they also report house prices are on track to be up to 2% higher over 2024.
- > Rightmove reports that market activity remained steady throughout the General Election period. There are some signs that would-be movers are waiting for the first Bank of England Base Rate cut, but most are continuing with their moving plans. They say average new seller prices have dropped slightly, a bigger drop than usually seen in July, suggesting sellers are attempting to cut through the distractions of the General Election, sporting events and summer holiday season with a tempting price.
- > Nationwide comments the housing market has held relatively steady in recent months with monthly approved mortgages averaging 600,000. Despite this, affordability is still stretched, and first-time buyers are spending much more of their monthly wage (37%) on mortgages than the pre-Covid average of 28%.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	May '24	▲ 1.2	▲ 2.2	£285,000	17.07.2024
LSL Property Services	June '24	▲ 0.4	▼ 1.6	£360,175	09.07.2024
Halifax	July '24	▲ 0.8	▲ 2.3	£291,268	07.08.2024
home.co.uk	July '24	▲ 0.2	▲ 0.7	£358,603	12.07.2024
Hometrack	July '24	N/A	▲ 0.1	£265,600	30.07.2024
Nationwide	July '24	▲ 0.3	▲ 2.1	£266,334	07.2024
Rightmove	July '24	▼ 0.4	▲ 0.4	£373,493	15.07.2024

Private rent and house price annual inflation

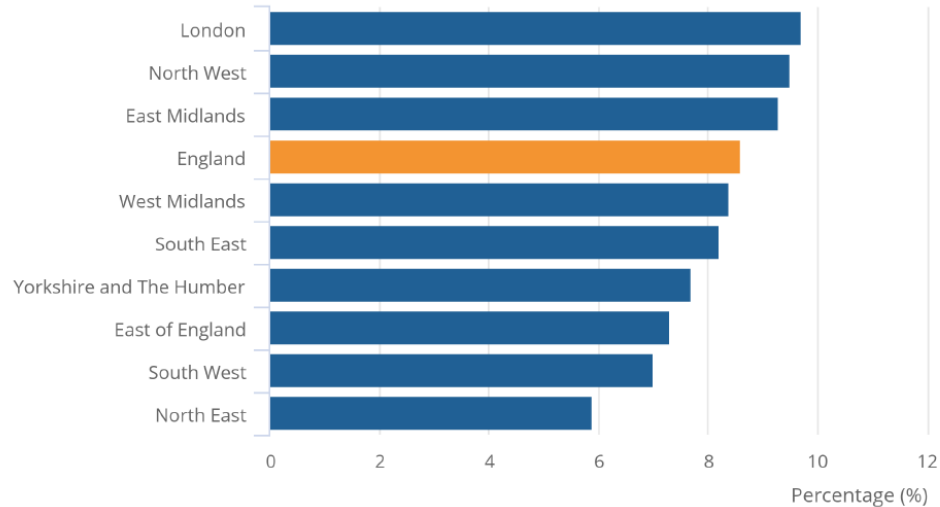


Source: [gov.uk price index](https://www.gov.uk/price-index)

“ Since 2019, UK rents have risen by 44.6% and this meteoric rise has provided enormous support for the sales market. Moreover, this support has a regional bias with respect to gross rental yields which are higher in the North. Clearly, without this vast support from the rental market, the sales market would be in a much worse state. ”

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

Private rent annual inflation – 12-month % change



“ Average UK private rents increased by 8.6% in the 12 months to June 2024 (provisional estimate). This was down from 8.7% in the 12 months to May 2024 (revised estimate), and below the record-high annual rise of 9.2% in March 2024. ”

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 May 2024	Monthly change	Annual change
First time buyer	£238,284	1.0%	1.8%
Former owner occupier	£332,133	1.5%	2.7%

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

“ Overall buyer demand, measured by the number of would-be buyers contacting estate agents about homes for sale, has remained stable in the last four weeks when compared with this time last year. However, there’s a slight drop (-2%) in buyer demand in the particularly affordability-stretched first-time buyer sector, as some look to rate cuts to improve their affordability. ”

Source: [Rightmove price index](#)

UK house-price rates of change: types of dwelling

Property status	Average price March 2024	Monthly change	Annual change
New build	£383,796	-1.2%	13.1%
Existing resold property	£275,030	0.0%	-0.1%

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

“ More supply means more sellers, most of whom are also buyers, motivated to move by a range of reasons. Many would-be movers are upsizers who are looking further afield to get the home and features they are looking for, while also seeking value for money. ”

Source: [Hometrack price index](#)

Number of housing transactions per month

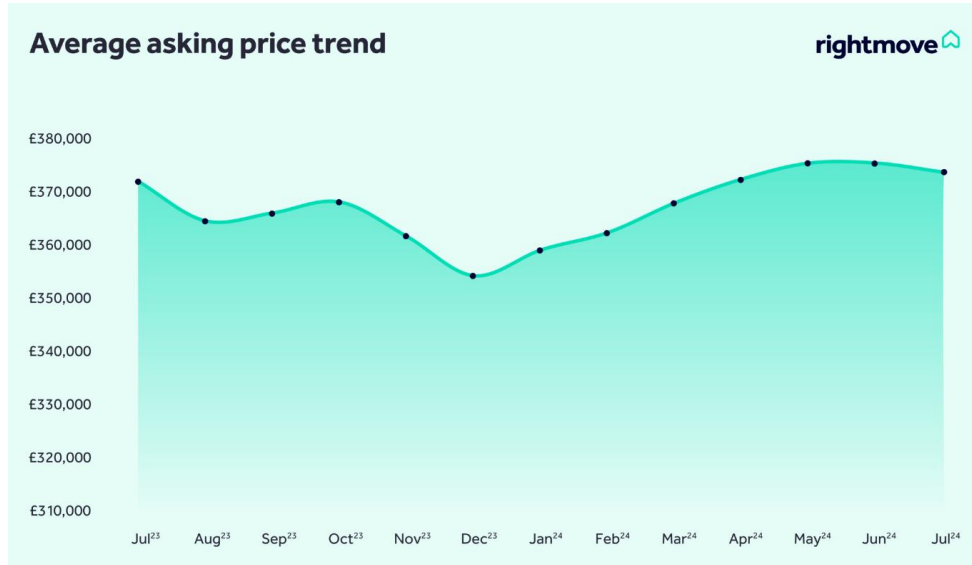
Country	March 2024	March 2023
England	22,466	52,391
Northern Ireland	1,511	1,556
Scotland	7,665	8,143
Wales	1,327	2,994

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

“ The total number of new instructions entering the market during June 2024 was 4% more than during June 2023. The supply of new instructions moderated slightly in June but may well pick up again now the election is out of the way. We expect further price rises to be slight at best until the BoE rate cut finally materialises. ”

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

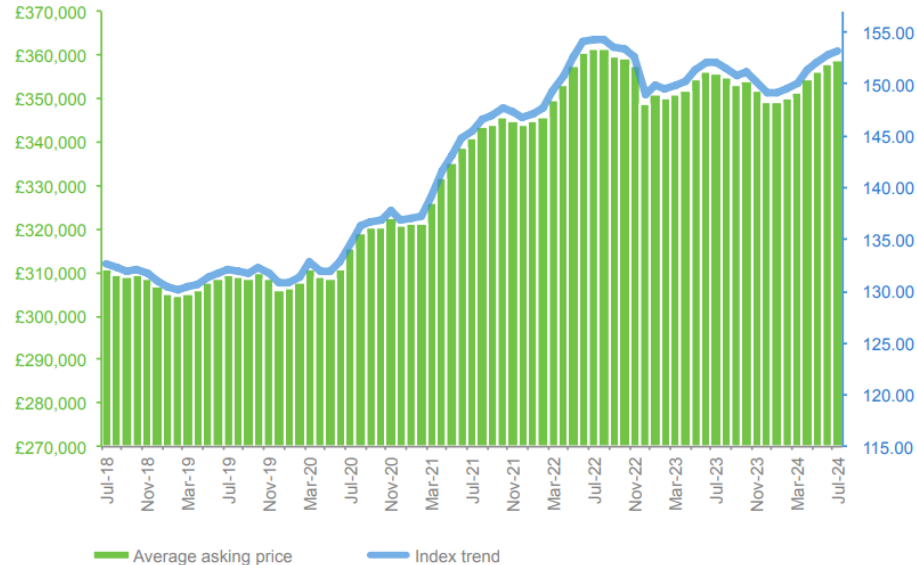
Monthly asking-price trend



“ Average new seller asking prices drop by 0.4% (-£1,617) this month to £373,493, a bigger July drop than usual, as new sellers try to cut through the distractions of the General Election, sporting events and summer holiday season with a tempting price. ”

Source: [Rightmove price index](#)

Home asking-price trend for England & Wales



“ Home prices continue to nudge upwards overall but have yet to return to their 2022 high. Price growth is severely limited by the current high stock levels which ensures that properties must be competitively priced to sell. The supply of new instructions moderated slightly in June but may well pick up again now the election is out of the way. ”

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

Average-time-on-market indicator – National

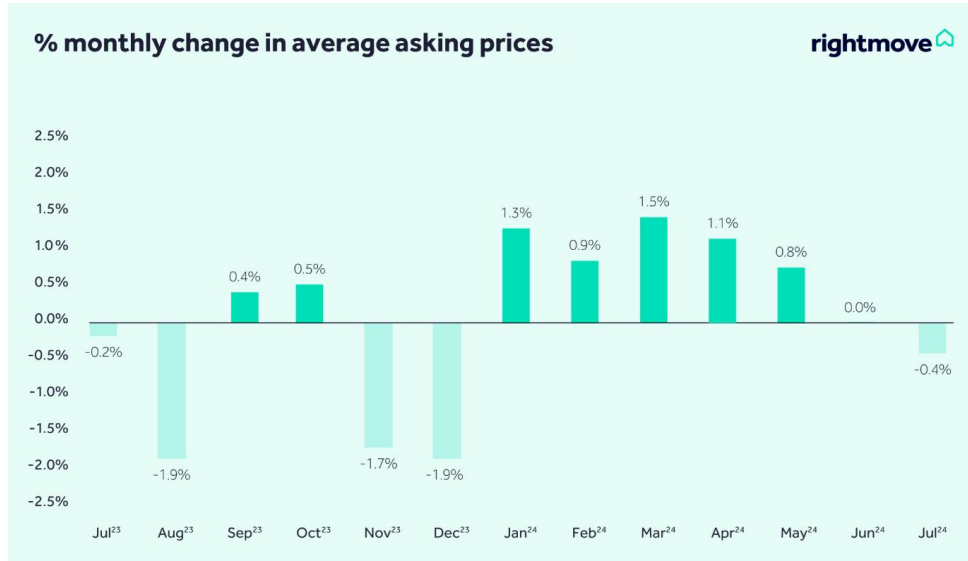


Source: [Rightmove price index](#)

“ Despite the relatively large amount of stock for sale, market momentum remains relatively healthy as indicated by both the Typical Time on Market (median) for unsold property being seven days less than in July 2019 and our Market Turnover Indicator. However, the current median time on market for unsold property in England and Wales is six days more than in July last year. ”

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

Asking-price fluctuation percentage



“ The average price of property coming to the market for sale drops 0.4% (-£1,617) to £373,493. This is a bigger drop than the 20-year July average of -0.2%, as sellers try to capture the attention of buyers with a more tempting price heading into the thick of the summer holidays and the Olympics. Home-movers are dealing with more diversions than normal at this time of year, having just come through the distractions of the General Election campaign and the Euro football tournament, but prices remain stable overall at 0.4% higher than a year ago. ”

Source: [Rightmove price index](#)

UK sales volumes by funding status

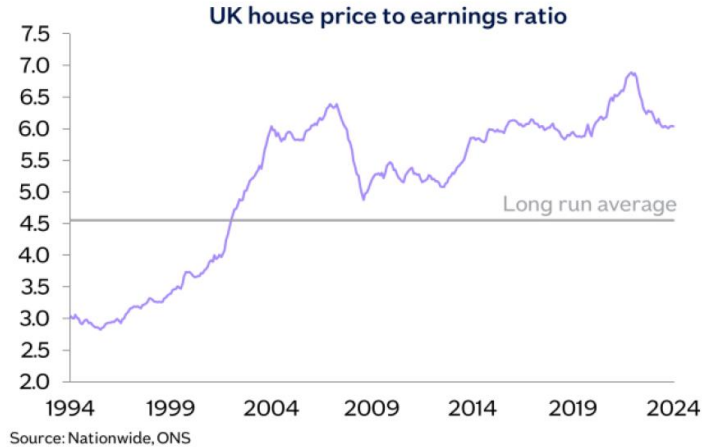
Funding status	Average price May 2024	Monthly change	Annual change
Cash	£270,398	1.4%	1.8%
Mortgage	£297,069	1.2%	2.5%

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

“Affordability is likely to improve only gradually through a combination of wage growth outpacing house price growth (which is expected to remain fairly flat), with some support from modestly lower borrowing costs.”

Source: [Nationwide price index](#)

UK house-price-to-earnings ratio



For an average earner buying a typical first-time buyer property, the monthly mortgage payment is equivalent to around 37% of take-home pay, well above the 28% prevailing pre-Covid and the long-run average of c30%. Affordability is still stretched for many prospective buyers, however, investors expect Bank Rate to be lowered modestly in the years ahead, which, if correct, will help to bring down borrowing costs.

Source: [Nationwide price index](#)

Average properties for sale per estate agent



Source: [Rightmove price index](#)

“ One important feature of the housing market at present is that there are more homes for sale than at any point in the last six years. The average agent has 33 homes for sale, 16% higher than a year ago and above the longer run average of 25. ”

Source: [Hometrack price index](#)

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