

Housing market overview

Produced 10 October 2024

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

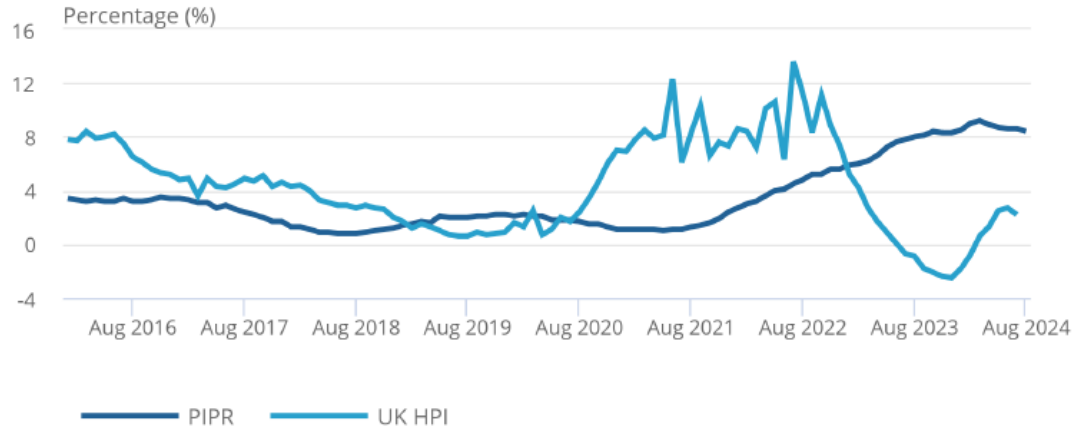
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- > Like last month we have a mixed bunch of reports with four of our sources (gov.uk, Halifax, Nationwide & Rightmove) indicating month-on-month house price increases (in the range of 0.3% to 0.8%). LSL & home.co.uk report decreases. The majority of our sources are recording annual house price increases (in the range of 0.7% to 4.7%). LSL Property Services is the only source to record an annual decrease (2.6%).
- > Halifax says year-on-year prices are up 4.7%, beating last month as the strongest rate since November 2022. They stress the importance of considering rising house prices in context and that this is largely recovery of ground lost, when compared to two years ago, prices have increased by just 0.4%. They also say mortgage affordability seems to be easing with agreed mortgages increasing by 40% in the last year.
- > Hometrack tells us UK house prices are up 0.7% from -0.3% a year ago, and this is supported by a boost in sales market activity as a result of the lowest mortgage rates for 15 months. They say buyers remain price-sensitive as overall choice improves and sellers must price sensibly to secure a sale.
- > Rightmove comments that despite seeing an 0.8% increase in asking prices, the market remains cautious as it is still taking an average of 60 days for a seller to find a buyer. They do say more positively, the traditionally busier Autumn market seems to have started early, with many movers spotting a window of opportunity to act as mortgage rates trend downwards and property choice increases.
- > Nationwide reports that September saw the fastest annual house price growth in two years. UK house prices increased by 0.7% in September, after taking account of seasonal effects. They say this resulted in the annual rate of growth rising from 2.4% in August to 3.2% in September, the fastest pace since November 2022 (4.4%). Average prices are now around 2% below the all-time highs recorded in summer 2022.
- > The GFK consumer confidence overall index score saw a big fall (-7) in September and has consequently now fallen to -20. They say strong consumer confidence matters because it underpins economic growth and is a significant driver of shoppers' willingness to spend.
- > According to Hometrack, a fifth of homes currently for sale were previously on the market over the last 2 years. They say despite market conditions improving, setting the right price is key to attracting new buyers. When properties are left unsold for more than 6 months, many sellers have had their asking price cut by 5% or more to attract buyers.

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 '24	▲ 0.6	▲ 2.2	£290,000	18.09.2024
LSL Property Services	August '24	▼ 0.5	▼ 2.6	£356,056	13.09.2024
Halifax	September '24	▲ 0.3	▲ 4.7	£293,399	07.10.2024
home.co.uk	September '24	▼ 0.2	▲ 1.5	£358,563	13.09.2024
Hometrack	September '24	N/A	▲ 0.7	£267,100	3.10.2024
Nationwide	September '24	▲ 0.7	▲ 3.2	£266,094	09.2024
Rightmove	September '24	▲ 0.8	▲ 1.2	£370,759	16.09.2024

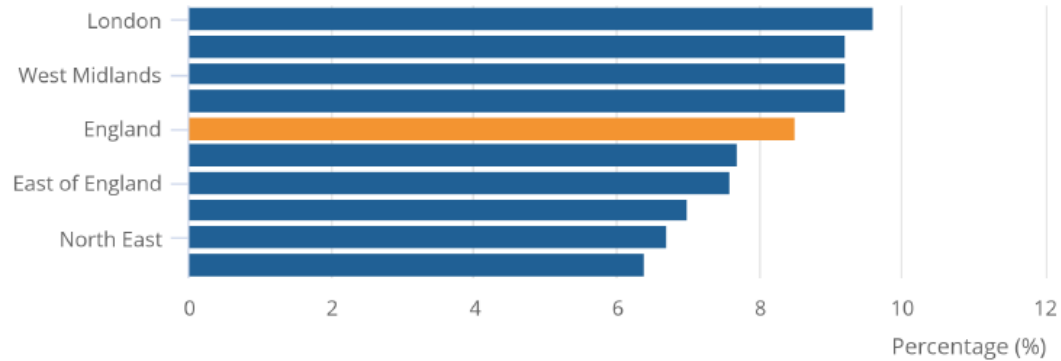
Private rent and house price annual inflation



“ Average UK private rents increased by 8.4% in the 12 months to August 2024 (provisional estimate). Average UK house prices increased by 2.2% (provisional estimate), to £290,000, in the 12 months to July 2024. This annual growth was down from 2.7% the 12 months to June 2024, and was the fifth consecutive month with an annual increase in prices, following eight months of annual falls. ”

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

Private rent annual inflation – 12-month % change



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

“ The Private Rented Sector (PRS) needs more investment but government policy is instead causing divestment from the sector... renters will suffer unless landlords are given an incentive to stay in the market. ”

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 July 2024	Monthly change	Annual change
First time buyer	£242,789	0.5%	2.4%
Former owner occupier	£335,756	0.7%	1.9%

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

“ The average amount paid by first-time buyers has increased by +4.2% over the past year, which equates to an extra £9,409 in cash terms. This brings the typical first-time buyer property price up to £232,769, its highest level since May 2024. However that’s still about £1,000 less than the average amount paid by a first-time buyer two years ago (£233,760), a decrease of around -0.4%. ”

Source: [Halifax price index](#)

UK house-price rates of change: types of dwelling

Property status	Average price May 2024	Monthly change	Annual change
New build	£422,288	8.7%	23.2%
Existing resold property	£280,469	1.1%	1.3%

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

“ Speculation over possible tax changes in the Budget is likely to support the growth in supply with investors, second home owners and others with multiple homes consider selling. Nearly a third (32%) of homes for sale on Zoopla are ‘chain-free’.”

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

Number of housing transactions per month

Country	May 2024	May 2023
England	29,930	44,542
Northern Ireland	1,688	1,740
Scotland	8,986	7,673
Wales	1,715	2,515

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

“ A surge in new instructions has swelled agents’ portfolios further. However, given the large number of properties entering the market last month, the current total of stock for sale has only increased by a comparatively small margin. The total number of new instructions entering the market during August 2024 was 14% more than during August 2023 and 8% more than August 2019. ”

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

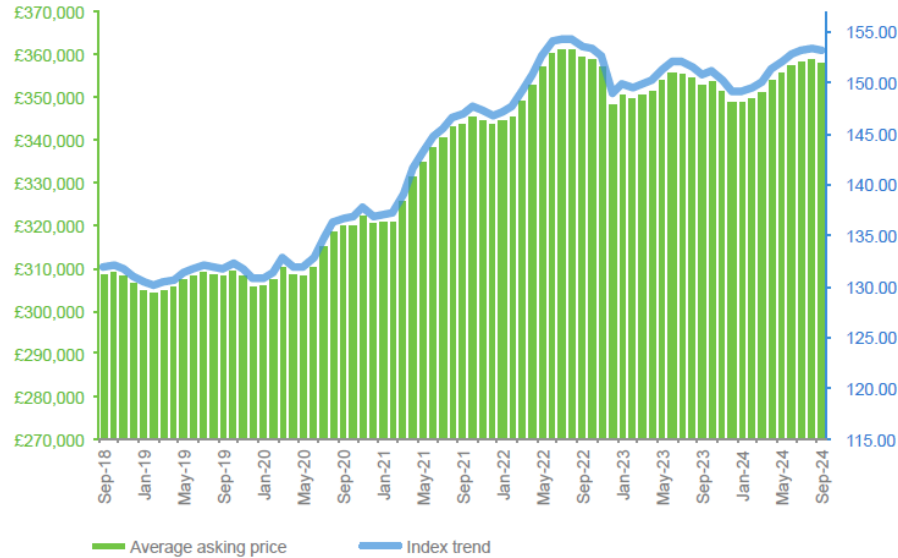
Monthly asking-price trend



“ Average new seller asking prices rise by 0.8% (+£2,974) this month to £370,759. September usually sees a monthly rise in prices, but this year’s increase is double the long-term average, with prices supported by increased activity levels. ”

Source: [Rightmove price index](#)

Home asking-price trend for England & Wales



“ The average home price for England and Wales has failed to exceed the 2022 high this year. Due to seasonality, it will likely be next year before prices will have an opportunity to revisit their 2022 high. ”

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

Average-time-on-market indicator – National

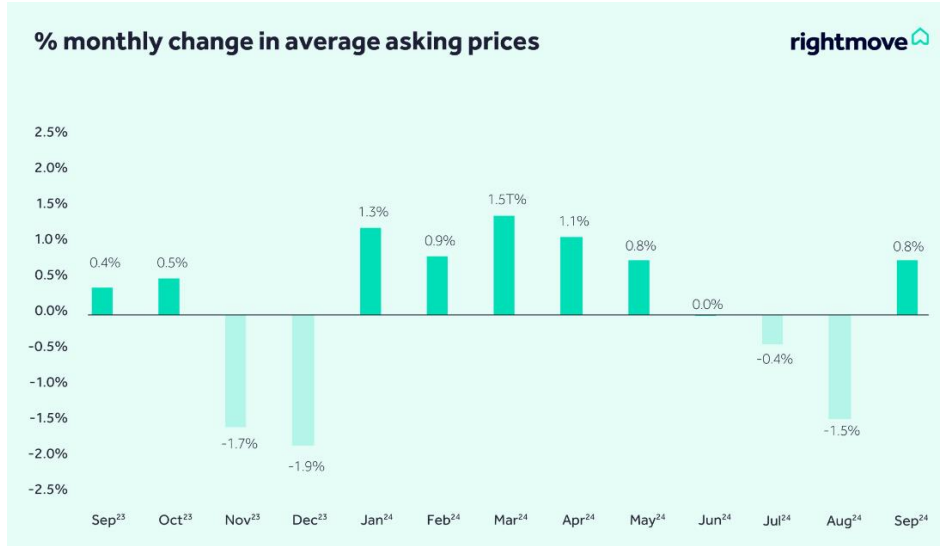


Source: [Rightmove price index](#)

“ Rising sales volumes are being supported by more homes available for sale, up 12% on this time last year. Many of these homes are new listings from home owners looking to sell and buy another home. However, not all homes are ‘brand new’ to the market. A fifth of homes currently for sale were previously on the market over the last 2 years. While market conditions are improving, setting the right price is important to attract buyers. ”

Source: [Hometrack price index](#)

Asking-price fluctuation percentage



September nearly always sees a rise in prices from August, but this year's increase of 0.8% is double the long-term average. This rise in prices beyond the usual seasonal norm has been driven by a strong recovery in activity this summer when compared with the much more subdued market at this time in 2023. It appears that the traditionally busier autumn market has arrived earlier than usual, with many buyers and sellers spotting a window of opportunity to act.

Source: [Rightmove price index](#)

UK sales volumes by funding status

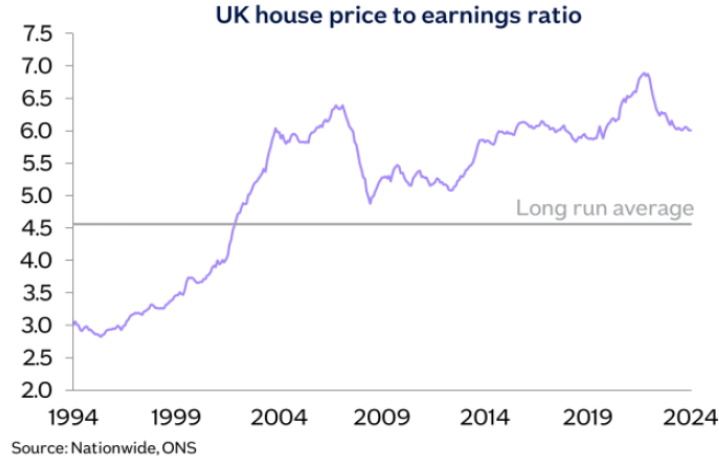
Funding status	Average price July 2024	Monthly change	Annual change
Cash	£273,877	0.6%	1.6%
Mortgage	£301,922	0.6%	2.4%

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

“ Home buyers are benefitting from the lowest average mortgage rates for 15 months, which is supporting double-digit growth in all key measures of sales market activity. UK house price inflation is positive, but remains below 1%. The average mortgage rate for a new 5-year 75% LTV loan is 4.3%, compared to 5.5% a year ago and the lowest since May 2023. Intense competition amongst lenders ensures attractive rates for buyers, especially for those with larger amounts of equity. ”

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

UK house-price-to-earnings ratio



Source: [Nationwide price index](#)

“ Mortgage affordability has been easing thanks to strong wage growth and falling interest rates. This has boosted confidence among potential buyers, with the number of mortgages agreed up over 40% in the last year and now at their highest level since July 2022. While improved mortgage affordability should continue to support buyer activity – boosted by anticipated further cuts to interest rates – housing costs remain a challenge for many. As a result we expect property price growth over the rest of this year and into next to remain modest. ”

Source: [Halifax price index](#)

Average properties for sale per estate agent



“ The average number of available homes for sale per estate agency branch is at its highest since 2014, at 33 homes. This has come from a 14% increase in new properties coming to the market for sale compared with last year, but there still isn't a glut of homes for sale, as this figure is only up by 3% when compared with the more normal pre-pandemic 2019 market. ”

Source: [Rightmove price index](#)

UK consumer confidence

Measure	↑↔↓	September 2024	August 2024	July 2024	September 2023
Overall Index Score	↓7	-20	-13	-13	-27
Personal Financial Situation over last 12 months	↓2	-9	-7	-8	-18
Personal Financial Situation over next 12 months	↓9	-3	+6	+3	-6
General Economic Situation over last 12 months	↓2	-37	-35	-32	-53
General Economic Situation over next 12 months	↓12	-27	-15	-11	-29
Major Purchase Index	↓10	-23	-13	-16	-28
Savings Index <small>(commented on but not used in Overall Index Score)</small>	↓10	23	33	27	23



Source: GfK Consumer Confidence Barometer powered by NIM (September 2024)

“ Headline consumer confidence has recorded a big fall this month to -20, taking us back to a similar level seen at the beginning of this year. Both the personal financial situation for the next 12 months and major purchase index are key looking-forward indicators so, despite stable inflation and the prospect of further cuts in the base interest rate, this is not encouraging news for the UK’s new government. ”

Source: [GfK consumer confidence index](#)

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