

Housing market overview

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

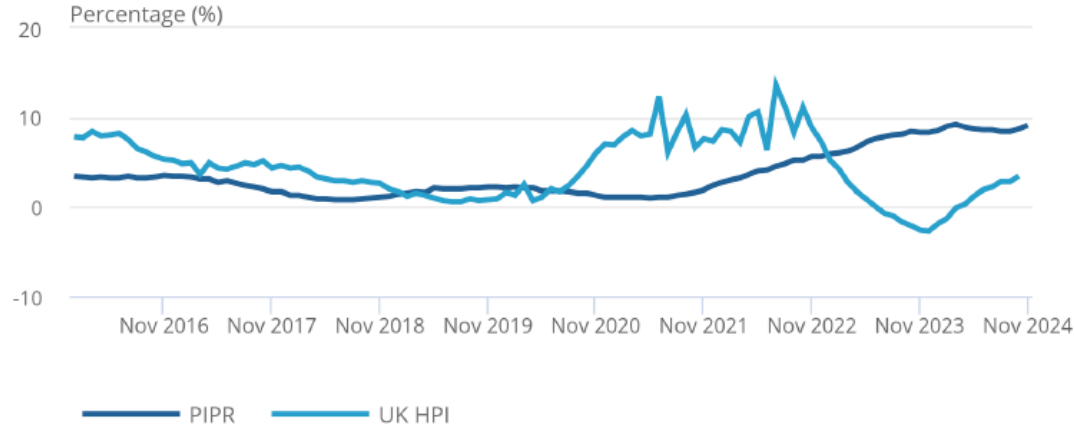
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- > This month again sees a mixed bunch, with three of our reported sources (gov.uk, LSL and Nationwide) indicating month-on-month house price increases (in the range of 0.2% to 0.7%). Halifax, home.co.uk and Rightmove all report decreases. More positively, all but one of our sources reported annual house price increases (in the range of 1.4% to 4.7%). LSL is the only source to record an annual decrease (of 1.5%).
- > Halifax reflects on 2024 commenting that the housing market was fairly steady at the start of the year with house prices making growth from the Summer onwards. Looking forward to 2025, they predict mortgage affordability will remain a challenge for many especially as the Bank Rate is likely to come down more slowly than previously predicted.
- > Hometrack tells us that sales market activity has rebounded over 2024 as buyers and sellers return to the market. They say this has boosted sales volumes, but buyers remain price-sensitive, especially in the wake of the Budget and uncertainty over the outlook for mortgage rates in 2025. Affordability pressures are keeping price inflation in check; however, the current UK house price inflation is at +1.9% compared to -1.2% a year ago.
- > Rightmove reported its busiest Boxing Day ever, as home-hunters and sellers jumped ahead to prepare for a 2025 move. Key highlights include:
 - > Record Listings: The number of new properties listed for sale on Boxing Day 2024 was 26% higher than in 2023.
 - > Increased Buyer Demand: Buyer enquiries to estate agents surged by 20% compared to Boxing Day 2023.
 - > Platform Traffic: They recorded its busiest-ever Boxing Day for visits, surpassing its previous record from 2021.
- > Nationwide reports the highest annual increase, +4.7% up on December 2023. They look back on 2024 and comment that mortgage market activity and house prices proved surprisingly resilient in 2024 given the ongoing affordability challenges facing potential buyers. They say those in the private rented sector struggled to save deposits and those with mortgages or sufficient savings for a deposit then faced significantly higher monthly payments due to increasing borrowing costs. They predict the changes in stamp duty are likely to generate volatility in the market for early 2025.
- > The GFK consumer confidence Overall Index Score increased one point this month to -17. Despite this being far from strong, they say there is potential for optimism as views on personal finances increased 2 points since November. The major purchase measure saw no change for December suggesting consumers are thinking twice about spending big at Christmas.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	October '24	▲ 0.2	▲ 3.4	£292,000	18.12.2024
LSL Property Services	November '24	▲ 0.2	▼ 1.5	£358,828	12.12.2024
Halifax	December '24	▼ 0.2	▲ 3.3	£297,166	07.01.2025
home.co.uk	December '24	▼ 1.0	▲ 1.7	£355,042	13.12.2024
Hometrack	December '24	N/A	▲ 1.9	£267,500	23.12.2024
Nationwide	December '24	▲ 0.7	▲ 4.7	£269,426	12.2024
Rightmove	December '24	▼ 1.7	▲ 1.4	£360,197	16.12.2024

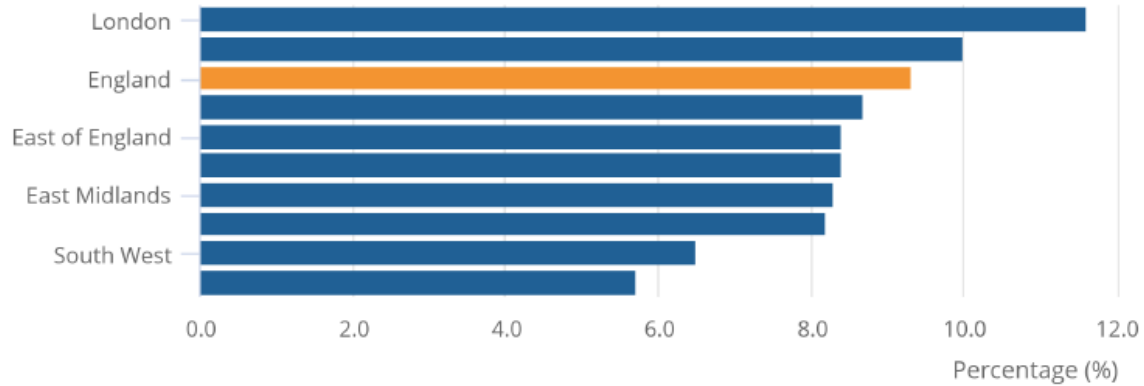
Private rent and house price annual inflation



“ Average UK house prices increased by 3.4% (provisional estimate), to £292,000, in the 12 months to October 2024. This annual growth was up from 2.8% in the 12 months to September 2024. Annual inflation has been generally increasing since its low point of negative 2.7% in the 12 months to December 2023. ”

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)



UK asking rent growth is now sub-inflation (0.8%). However, it is important to reiterate that this annualised national growth figure obscures the enormous differences regionally between Greater London at -1.9% and the two best performers, East Midlands (+12.7%) and Yorkshire (+11.0%). This is due to the predominance of rental properties in the capital. ”

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 October 2024	Monthly change	Annual change
First time buyer	£245,419	0.3%	3.7%
Former owner occupier	£337,070	0.1%	2.9%

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

“ In the latter half of the year, house prices grew in response to the falls in mortgage rates, alongside income growth, both leading to financial pressures somewhat easing for buyers. Impending changes to Stamp Duty thresholds have also given prospective first-time buyers even greater motivation to get on the housing ladder and bring any home-buying plans forward. Together, these elements meant mortgage demand picked up, hitting the highest level in over two years and back to levels seen pre-pandemic. ”

Source: [Halifax price index](#)

UK house-price rates of change: types of dwelling

Property status	Average price August 2024	Monthly change	Annual change
New build	£441,118	6.1%	28.3%
Existing resold property	£286,523	0.7%	1.3%

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



The Prime Minister has re-affirmed that building 1.5 million homes in England is one of his Government's key milestones. We can expect the government in England to publish its long term housing plan in the spring of 2025 along with the updated Spending Review. This will bring clarity to what support the government might give to first-time buyers which could in turn help boost the market in the run-up to the summer helping counteract some of the more gloomy views about medium term prospects.



Source: [e.surv price index](#)

Number of housing transactions per month

Country	August 2024	August 2023
England	41,726	59,192
Northern Ireland	1,991	1,998
Scotland	9,791	8,415
Wales	2,399	3,135

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

“ Our regional house price indices are produced quarterly, with data for Q4 (the three months to December) indicating that all regions saw price rises over 2024. Northern Ireland was the best performing area for the second year running, with prices up 7.1% over the year. Across England overall, prices were up 3.1%, compared with Q4 2024. There was a clear north-south divide in house price performance in 2024 as Northern England (comprising North, North West, Yorkshire & The Humber, East Midlands and West Midlands) continued to outperform southern England, with prices up 4.9% year on year. ”

Source: [Nationwide price index](#)

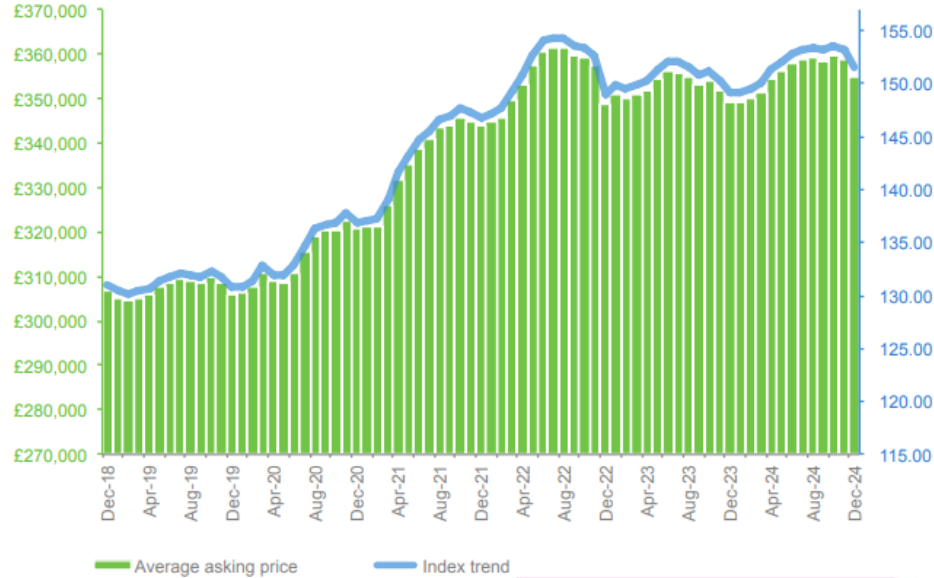
Monthly asking-price trend



“ New seller asking prices drop by a seasonal 1.7% (-£6,395) this month to £360,197, in line with the usual December monthly fall. Prices end the year 1.4% above December 2023, and Rightmove predicts that new seller asking prices will rise by 4% next year. ”

Source: [Rightmove price index](#)

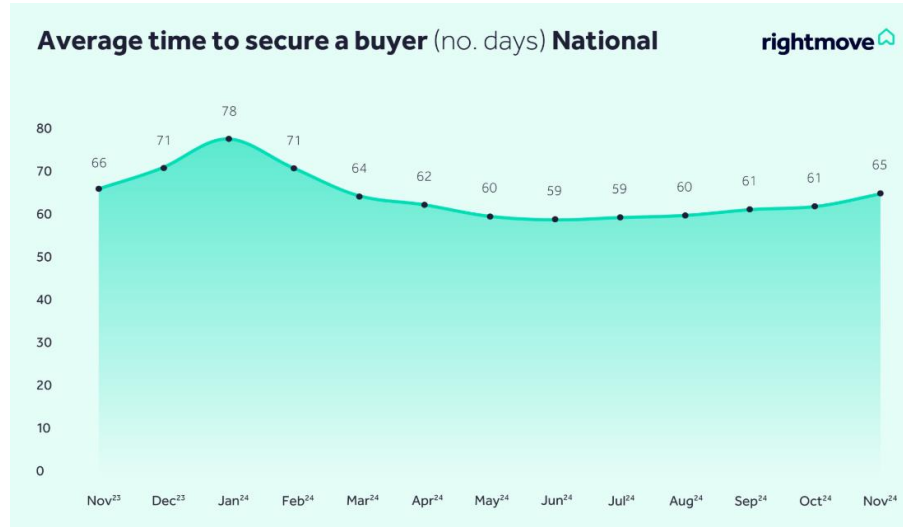
Home asking-price trend for England & Wales



“ Asking prices continue their seasonal decline, falling by 1.0% since last month across England and Wales; this is a drop that slightly exceeds purely seasonal variance. Annualised home price growth reduced to just 1.7% overall. ”

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

Average-time-on-market indicator – National

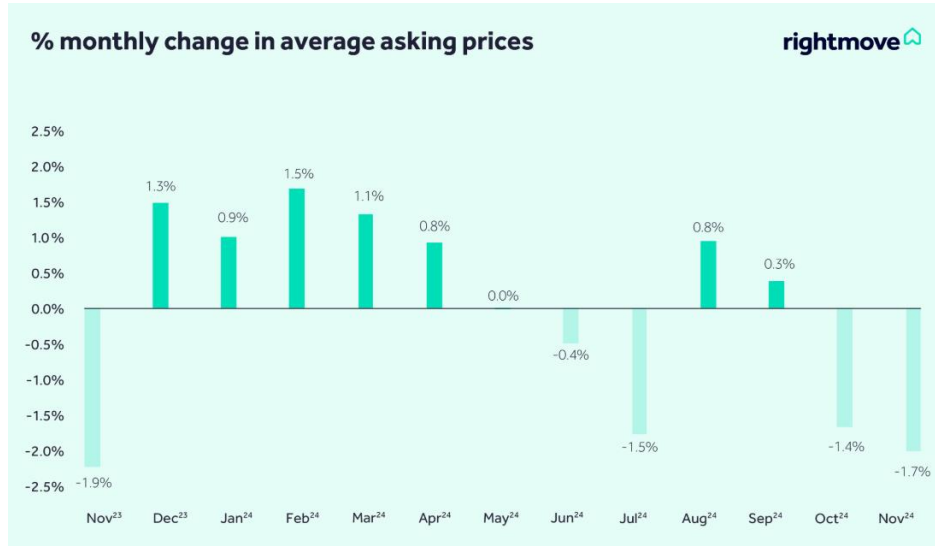


Source: [Rightmove price index](#)

“ For the time being, properties continue to move quickly through the market in significant volume. The current flux of sales properties compares favourably with the pre-pandemic years, despite the fact that interest rates were much lower. We expect the sales market turnover will trend further downwards to the annual low point next month. From then, we anticipate that activity will increase very rapidly until April at least and perhaps beyond. ”

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

Asking-price fluctuation percentage



Source: [Rightmove price index](#)

“ UK house prices ended 2024 on a strong footing, up 4.7% compared with December 2023, though prices were still just below the all-time high recorded in summer 2022. House prices increased by 0.7% month on month, after taking account of seasonal effects, following a 1.2% rise in November. ”

Source: [Nationwide price index](#)

UK sales volumes by funding status

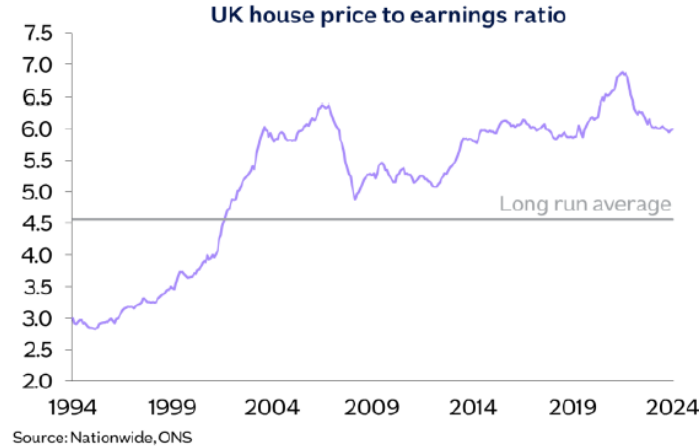
Funding status	Average price October 2024	Monthly change	Annual change
Cash	£276,432	0.3%	2.9%
Mortgage	£303,922	0.2%	3.5%

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

“Mortgage market activity and house prices proved surprisingly resilient in 2024 given the ongoing affordability challenges facing potential buyers. At the start of the year, house prices remained high relative to average earnings, which meant that the deposit hurdle remained high for prospective first-time buyers. This is a challenge that had been made worse by record rates of rental growth in recent years, which has hampered the ability of many in the private rented sector to save.”

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

UK house-price-to-earnings ratio



Looking to 2025, providing the economy continues to recover steadily, as we expect, the underlying pace of housing market activity is likely to continue to strengthen gradually as affordability constraints ease through a combination of modestly lower interest rates and earnings outpacing house price growth. The latter is likely to return to the 2-4% range in 2025 once stamp duty related volatility subsides.

Source: [Nationwide price index](#)

Average properties for sale per estate agent



“ The number of sales being agreed is up by 22% compared with this time last year, while the number of new buyers contacting estate agents about homes for sale is up by 13%. This momentum is a good sign for another Boxing Day activity bounce. ”

Source: [Rightmove price index](#)

UK consumer confidence

Measure	↑↔↓	December 2024	November 2024	October 2024	December 2023
Overall Index Score	↑ 1	-17	-18	-21	-22
Personal Financial Situation over last 12 months	↑ 2	-7	-9	-10	-14
Personal Financial Situation over next 12 months	↑ 2	1	-1	-2	-2
General Economic Situation over last 12 months	↔	-39	-39	-42	-44
General Economic Situation over next 12 months	↔	-26	-26	-28	-25
Major Purchase Index	↔	-16	-16	-21	-23
Savings Index <small>(commented on but not used in Overall Index Score)</small>	↓ 3	21	24	27	27



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

“ Headline consumer confidence increased by one point to -17, this is still far from strong but there is room for optimism with views on personal finances up two points versus November and now in positive territory. With the major purchase measure unchanged at -16 in December, consumers are still thinking twice about big-ticket purchases and whether they will bring Christmas cheer. ”

Source: [GfK consumer confidence index](#)

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