



# Housing market overview

Produced 09 May 2018

This document provides the latest information available from various sources, with dates varying from February - April 2018

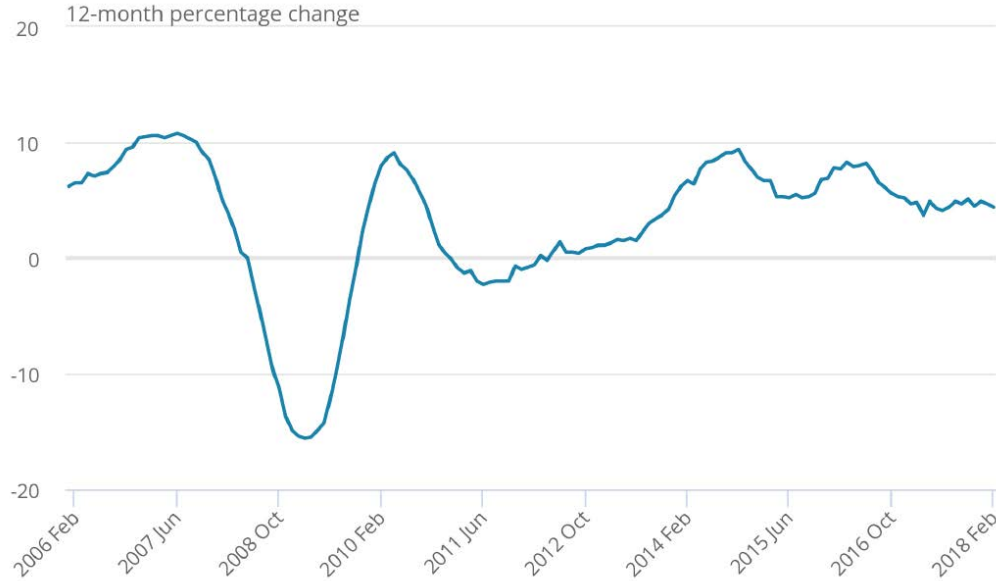
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- > The majority of our consulted sources indicate marginal month-on-month price increases though, notably, Halifax reports a sharp 3.1% decrease in March, following a 1.6% *increase* the previous month. They comment that it is indicative of the volatile nature of the current short-term market, though they (along with all other sources) continue to report an annual price increase for the UK as a whole.
- > Home.co.uk comments that house prices may have nudged up this month across England and Wales but red warning lights are flashing as market conditions in London and the South East deteriorate. Prices continue to slide and marketing times are rising but, most worrying of all, is that the supply of property for sale has risen to near seven-year highs in both regions, and this rising trend shows no signs of abating. In stark contrast, Wales, the East Midlands, West Midlands, the north west and Yorkshire have thriving property markets.
- > Rightmove are reporting that the national average asking price of new-to-the-market property has hit a new record of £305,732. This is £789 (+0.3%) higher than the previous record of £304,943 set nine months ago, in July 2017. Record visits to the Rightmove website in March indicate strong interest in property, though the subdued annual rise of 1.6% shows that many buyers are increasingly price sensitive.
- > Halifax tell us that the Bank of England industry-wide figures show that the number of mortgages approved to finance house purchases fell for the second consecutive month in March to 62,914 – a drop of 1.4%, further indicating a subdued residential market. However, approvals in the three months to March were 1.7% higher than in the preceding three months.

# Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	February '18	▼ 0.1	▲ 4.4	£225,047	18.04.2018
LSL Property Services	March '18	> 0.0	▲ 0.7	£301,490	16.04.2018
Halifax	April '18	▼ 3.1	▲ 2.2	£220,962	08.05.2018
Home.co.uk	April '18	▲ 0.2	▲ 1.3	£306,724	12.04.2018
Hometrack	March '18	N/A	▲ 5.5	£254,900	25.04.2018
Nationwide	April '18	▲ 0.2	▲ 2.6	£213,000	04.2018
Rightmove	April '18	▲ 0.4	▲ 1.6	£305,732	16.04.2018

# UK annual house prices – rate of change

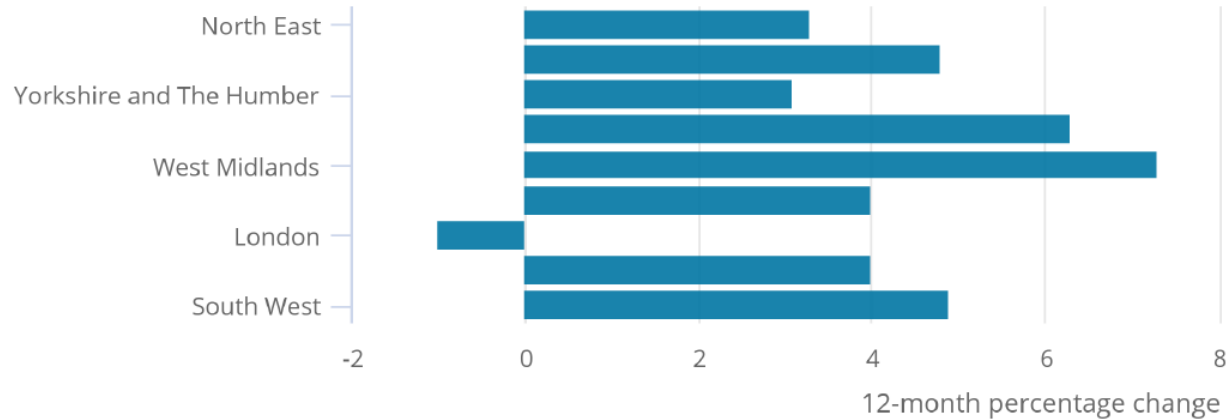


“ We’ve seen annual house price growth ease from 2.7% in March to 2.2% in April. House prices in the three months to April were 0.1% lower than the previous three months. ”

Source: [Halifax price index](#)

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

## Regional all-dwellings annual house prices – 12-month % change



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

“ While London and the South East look set to suffer a deepening malaise, regional markets in the Midlands, Wales, Yorkshire and the North West are powering ahead. The East Midlands leads the price growth league table with a gain of 5.3% over the last 12 months, closely followed by Wales with 5.1%. The West Midlands and the North West are also powering ahead. ”

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 February 2018	Monthly change	Annual change
First time buyer	£189,584	0.0%	4.0%
Former owner occupier	£260,975	-0.2%	4.6%

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

“ We have continued to see strong growth in the number of new first-time buyers with a 15% increase compared to last year and not surprisingly further upward movement in our average house price with the biggest rises in the middle market and those looking for family homes near good schools which remain in short supply. ”

Source: [Rightmove price index](#)

## UK house-price rates of change: types of dwelling

Property Status	Average price December 2017	Monthly change	Annual change
New build	£286,985	2.7%	9.1%
Existing resold property	£221,850	0.4%	4.5%

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

“ Home buyers are seeing average asking prices at their highest ever level with upwards price pressure getting stronger the further away you move from London. However, higher prices stretch buyers' willingness to pay or ability to afford them. This month's increase of 0.4% is the lowest at this time of year since 2008, though the subdued figure could partly be a re-balancing from the seasonally large 1.5% rise the previous month. ”

Source: [Rightmove price index](#)



# Number of housing transactions per month

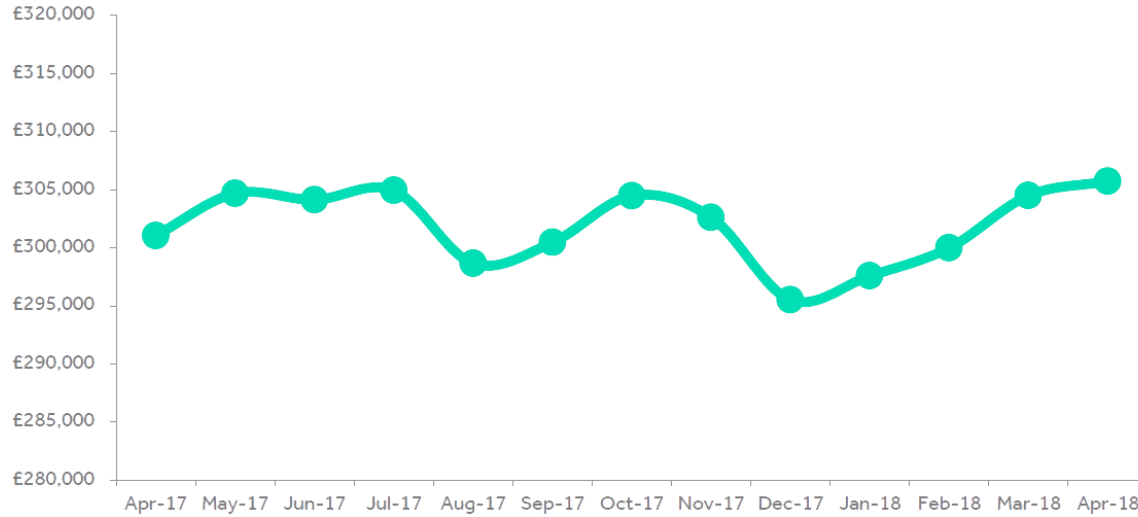
Country	December 2017	December 2016	Difference
England	62,697	79,605	-21.2%
Northern Ireland (Quarter 4 - 2017)	5,501	6,033	-8.8%
Scotland	8,052	8,488	-5.1%
Wales	3,927	4,581	-14.3%

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

“ Home sales fell in March. UK home sales dropped by 7.2% between February and March to 92,270 – the lowest level since May 2016 (88,680). Since the end of last year home sales have averaged 97,000 per month since December. ”

Source: [Halifax price index](#)

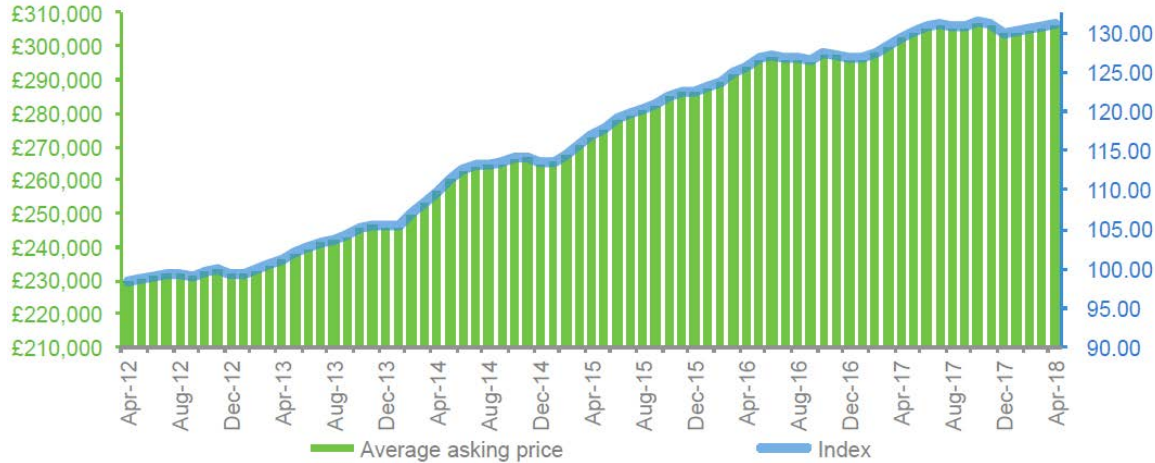
## Monthly asking-price trend



“ The national average asking price of new-to-the-market property has hit a new record of £305,732. This is £789 (+0.3%) higher than the previous record of £304,943 set nine months ago, in July 2017. ”

Source: [Rightmove price index](#)

# Home asking-price trend for England & Wales

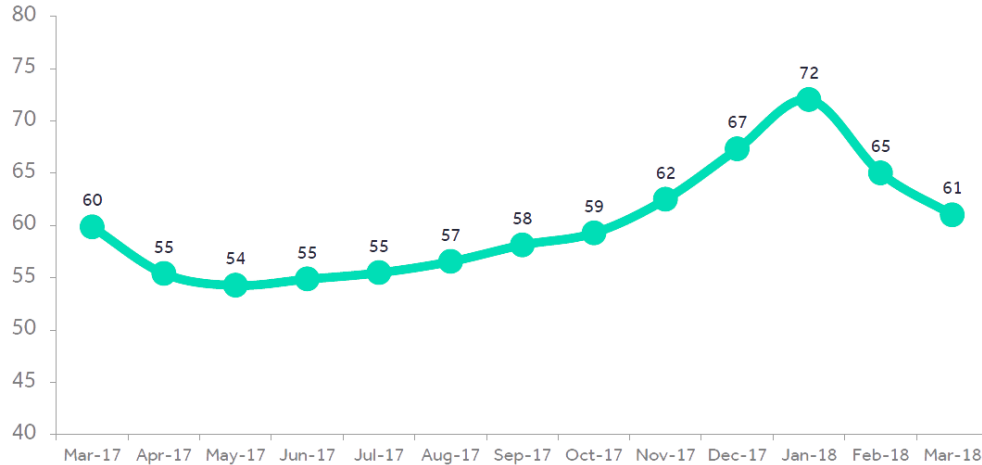


Home prices may have nudged up this month across England and Wales but red warning lights are flashing as market conditions in London and the South East deteriorate. Prices continue to slide and marketing times are rising but, most worrying of all, is that the supply of property for sale has risen to near seven-year highs in both regions, and this rising trend shows no signs of abating. In stark contrast, Wales, the East Midlands, West Midlands, the north west and Yorkshire have thriving property markets.



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

## Average-time-on-market indicator – National



Source: [Rightmove price index](#)

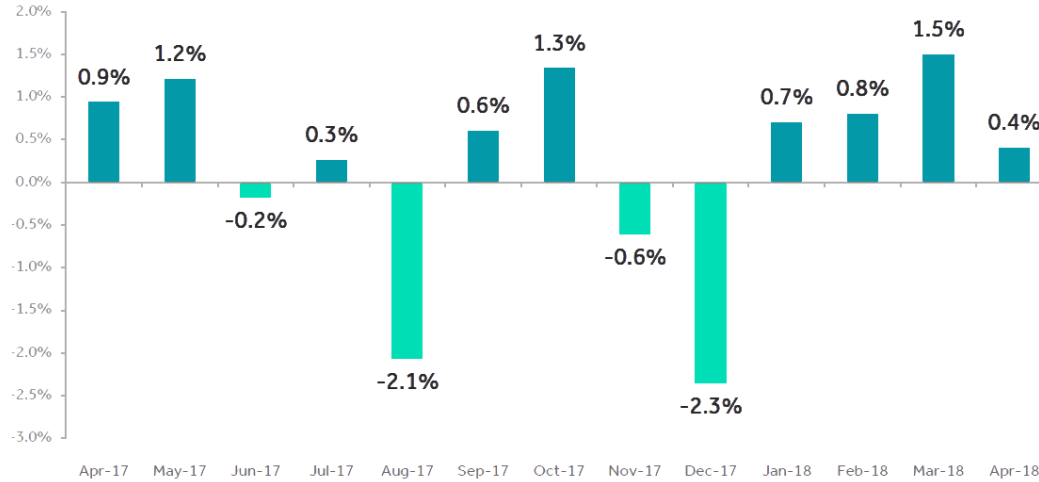


Typical Time on Market rising fast in London (+15%), the South East (+18%) and East (+17%) year-on-year.



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

# Asking-price fluctuation percentage



Rightmove analysis shows that the actual selling price being achieved nationally is 96.7% of the final asking price. Based on the current new seller asking price of £305,732, this would mean an average difference of over £10,000 (3.3%), indicative of some sellers demanding unrealistically high asking prices.

Source: [Rightmove price index](#)

## UK sales volumes by funding status

Funding status	Average price February 2018	Monthly change	Annual change
Cash	£214,473	-0.1%	4.2%
Mortgage	£234,493	-0.2%	4.4%

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

“ Housing market activity softens in March. Bank of England industry-wide figures show that the number of mortgages approved to finance house purchases – a leading indicator of completed house sales – fell for the second consecutive month in March to 62,914 – a drop of 1.4%. Approvals in the three months to March were 1.7% higher than in the preceding three months, further indicating a subdued residential market. ”

Source: [Halifax price index](#)

# UK house-price-to-earnings ratio



Source: [Nationwide price index](#)

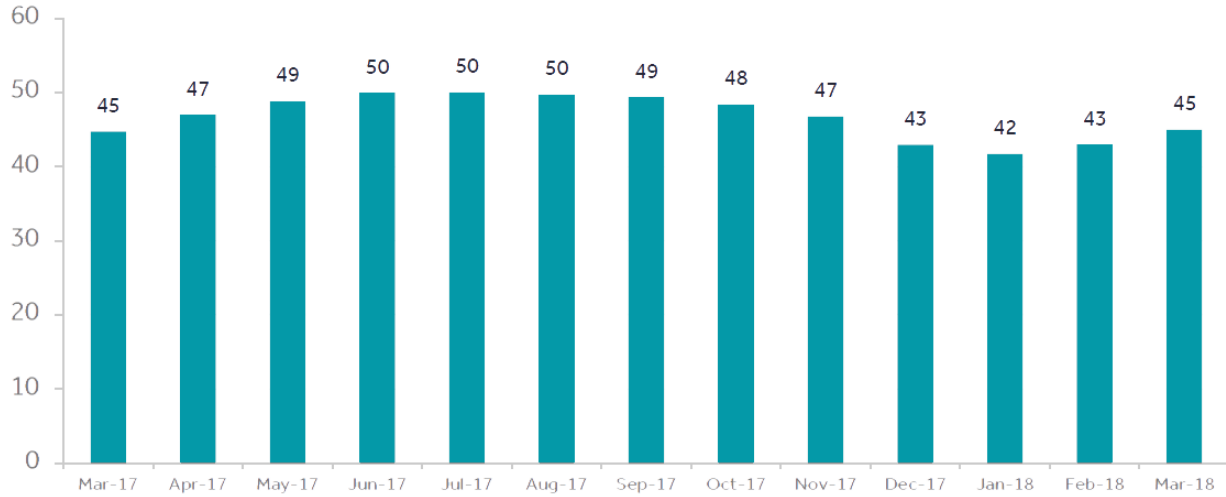


Housing demand has softened in the early months of 2018, with both mortgage approvals and completed home sales edging down. Housing supply – as measured by the stock of homes for sale and new instructions – is also still very low. However, the UK labour market is performing strongly with unemployment continuing to fall and wage growth finally picking up.



Source: [Halifax price index](#)

## Average properties for sale per estate agent



Source: [Rightmove price index](#)

“ Supply remains tight. Stock of homes available for sale edged up in March; however, they remain close to record low levels. While new instructions declined for the 25th month in succession, contributing to the very low levels of supply. Active housing demand is also subdued with new buyer enquiries falling for the 12th consecutive month in March. ”

Source: [Halifax price index](#)



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