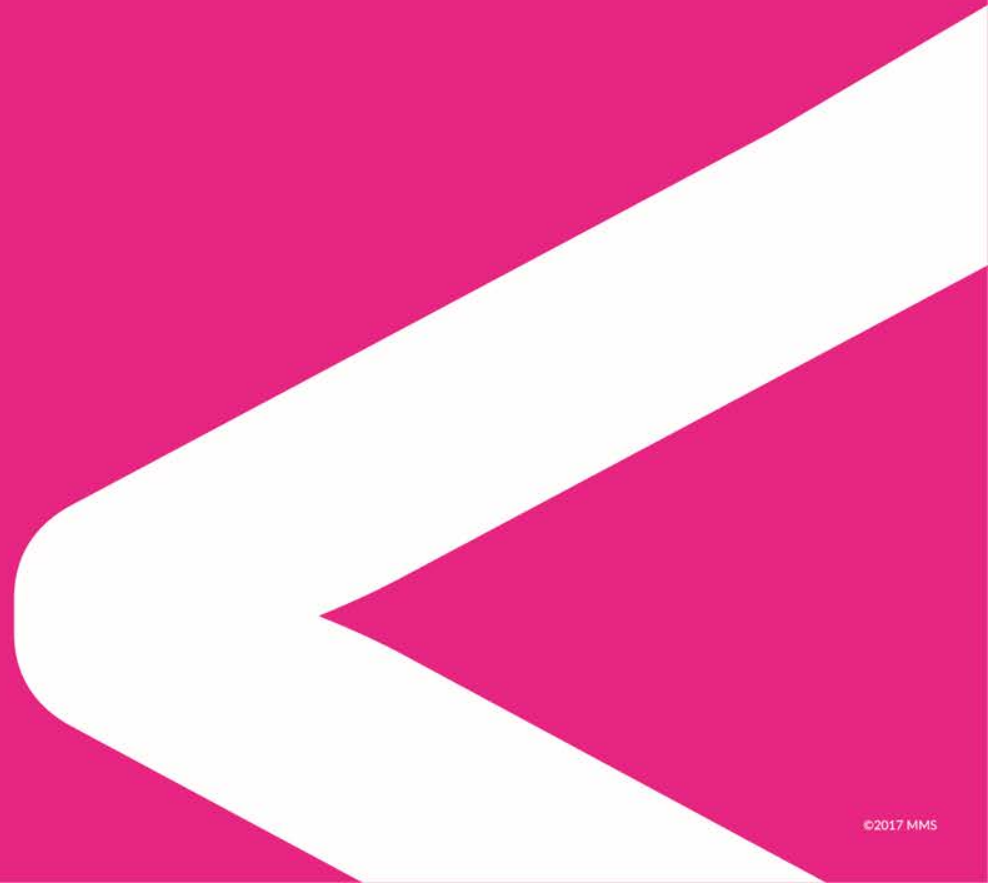




Housing market overview

Produced 09 February 2018

This document provides the latest information available from various sources, with dates varying from November 2017 - January 2018



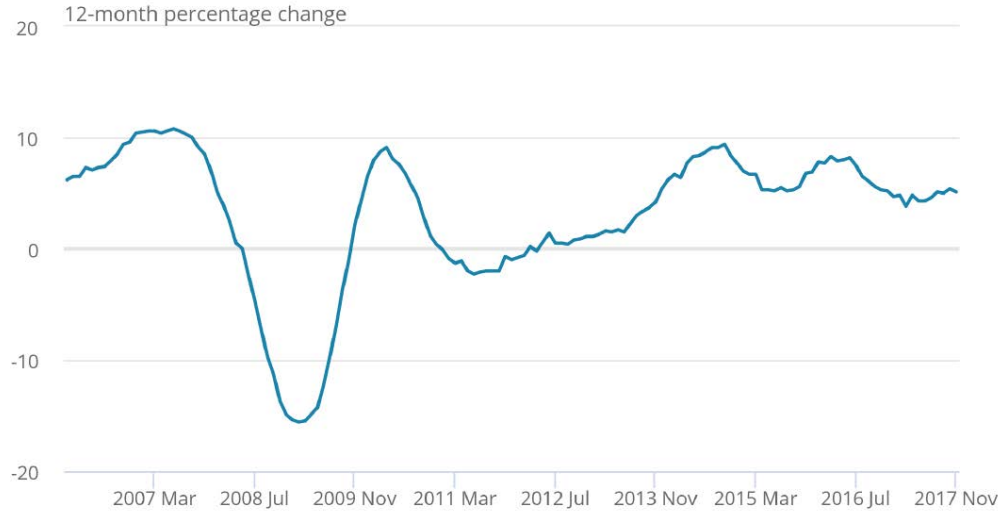
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- > For the third consecutive month, our sources are suggesting a stagnation in month -on-month price movements, with all of them indicating either zero or only fractional percentage point movements, some upwards and some down.
- > Turning to annual price movements, according to Nationwide, the annual rate of house price growth picked up to 3.2% at the start of 2018. They went on to suggest that the acceleration in annual house price growth is a little surprising, given signs of softening in the household sector in recent months. Retail sales were relatively soft over the Christmas period, as were key measures of consumer confidence, as the squeeze on household incomes continued to take its toll.
- > Rightmove are claiming that the market remains price sensitive, with sales-agreed numbers in the last quarter of 2017 down 5.5% on the same period a year ago. They go on to suggest that sellers of properties suitable for first-time buyers are set to have the greatest chance of sales success following last Autumn's stamp duty saving boost.
- > However, despite the aforementioned reporting of falling sales, Rightmove counterbalance this by claiming that early indicators of activity in 2018 are good, for example visits to the eponymous portal were up 9% in January compared with the same month last year. They claim that setting tempting asking prices and then quickly reducing them if there is little initial interest will be key to turning this promising level of buyer activity into actual sales, especially in the less active sectors and locations of the UK.
- > Halifax reports that mortgage approvals for house purchases ended the year with a sharp fall. The number of mortgage approvals fell by 5.7% month-on-month in December to 61,039, the lowest level since January 2015. Over the year to December 2017 total mortgage approvals were 2% lower than in the same period in 2016.

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	November '17	^ 0.1	^ 5.1	£226,071	16.01.2018
LSL Property Services	December '17	> 0.0	^ 0.2	£300,846	15.01.2018
Halifax	January '18	v 0.6	^ 2.2	£223,285	07.02.2018
Home.co.uk	January '18	^ 0.1	^ 2.7	£304,785	12.01.2018
Hometrack	December '17	N/A	^ 5.4	£255,100	29.01.2018
Nationwide	January '18	^ 0.6	^ 3.2	£211,756	01.2018
Rightmove	January '18	^ 0.7	^ 1.1	£297,587	15.01.2018

UK annual house prices – rate of change

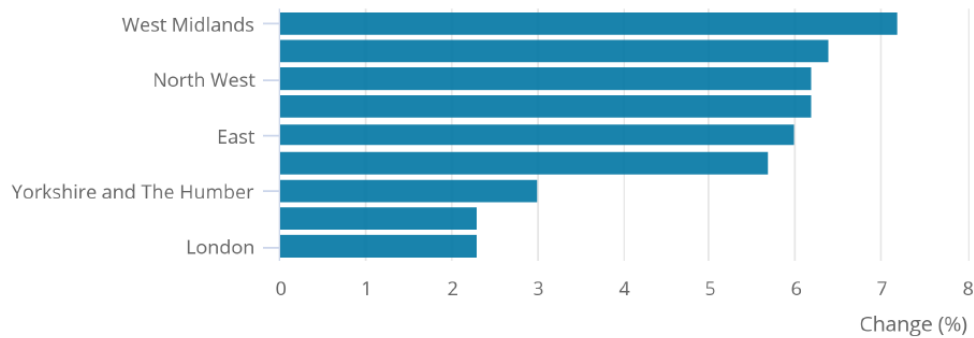


“ Average house prices in the UK have increased by 5.1% in the year to November 2017 (down from 5.4% in October 2017). The annual growth rate has slowed since mid-2016 but has remained broadly around 5% during 2017.

”
Source: [gov.uk price index](http://gov.uk/price-index)

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

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



“ Strong growth continues with the vibrant East and West Midlands markets continuing to lead the regional growth tables with annualised gains of 6.5% and 5.7% respectively. ”

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

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 November 2017	Monthly change	Annual change
First time buyer	£191,376	0.6%	5.5%
Former owner occupier	£261,403	-0.3%	4.9%

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

“ To have the best chance of a successful sale this year, sellers should note that buyers are still price-sensitive with sales agreed numbers in the last quarter of 2017 down 5.5% on the same period a year ago. Sellers of properties suitable for first-time buyers set to have greatest chance of sales success following last Autumn’s stamp duty saving boost. ”

Source: [Rightmove price index](#)

UK house-price rates of change: types of dwelling

Property status	Average price September 2017	Monthly change	Annual change
New build	£290,991	0.0%	12.8%
Existing resold property	£221,239	-0.2%	4.5%

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

“ The rate of increase in the price of property coming to market is consistent with last year, up by 0.7% (+£2,067) this month versus +0.6% in the same period 12 months ago. In spite of the high level of home-hunter visits as we start 2018, sellers should note that buyers are still being very choosy, as shown by the number of sales agreed in the last quarter of 2017 being lower than a year ago in all regions. ”

Source: [Rightmove price index](#)

Number of housing transactions per month

Country	September 2017	September 2016	Difference
England	64,812	76,114	-14.8%
Northern Ireland (Quarter 3 - 2017)	5,453	5,968	-8.6%
Scotland	9,323	9,563	-2.5%
Wales	3,786	4,054	-6.6%

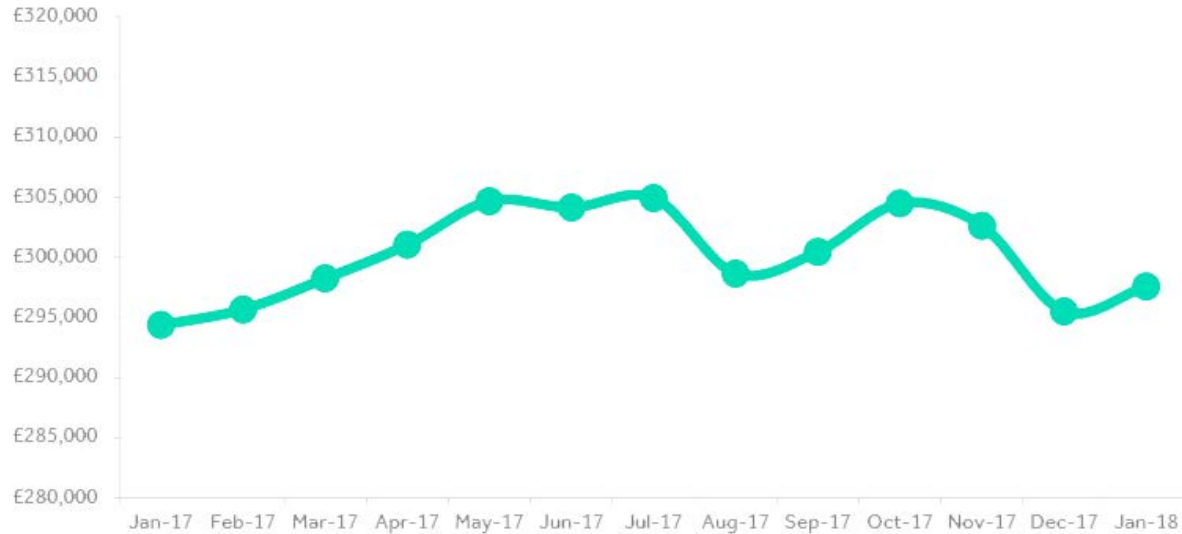


The number of seasonally adjusted transactions on residential properties with a value of £40,000 or greater has increased by 7.1% in the year to November 2017. Between October 2017 and November 2017, transactions increased by 0.6%.



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

Monthly asking-price trend

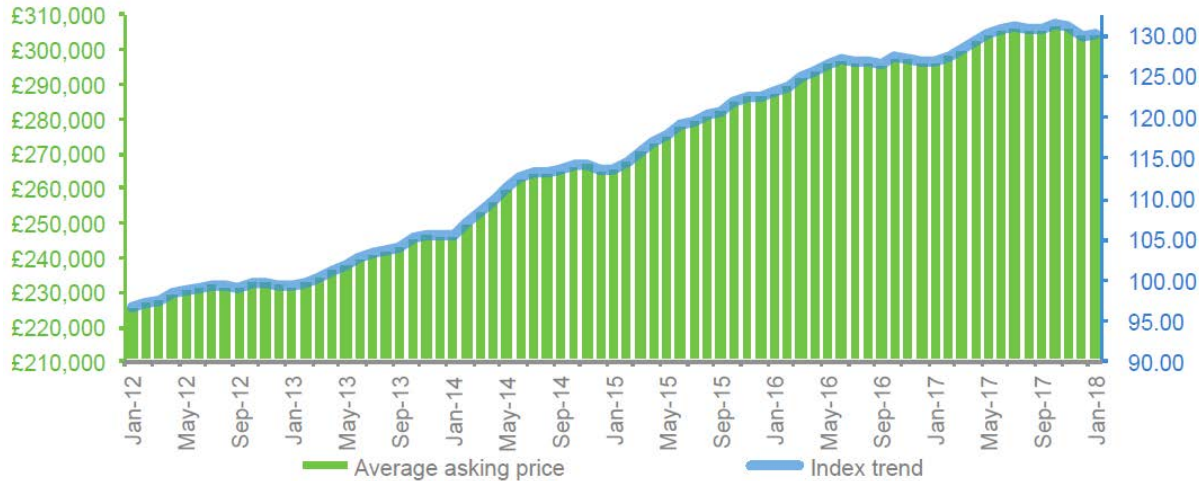


While potential buyers are still busy looking, they are looking for good value and the right property . Price rises have had a good run and the return of the days of optimistic pricing is consequently some years away and contingent upon earnings increasing and interest rates remaining low. Sellers should get good local advice to ensure that their property price and presentation are suitable for their local market conditions.



Source: [Rightmove price index](#)

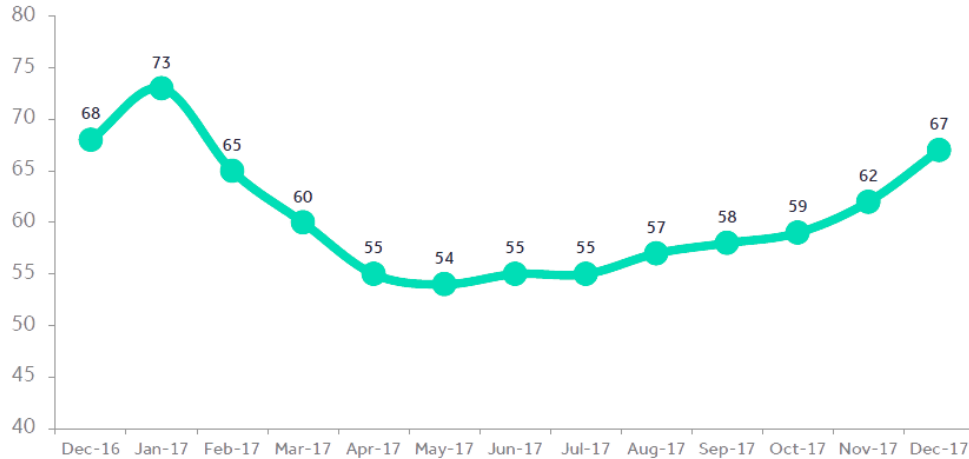
Home asking-price trend for England & Wales



As we begin 2018, the overall property market dynamic is characterised by a balance between growth in the North and Midlands and the slowly deflating London market. Moreover, we expect the slowdowns to persist in the South East and East of England but their lower growth will be fairly neutral with regard to the national figures. Owing to this 'push-pull' dynamic, North & Midlands vs. London, the apparent stagflation in the national growth figures that characterised much of 2017 looks set to persist into 2018.

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

Average-time-on-market indicator – National

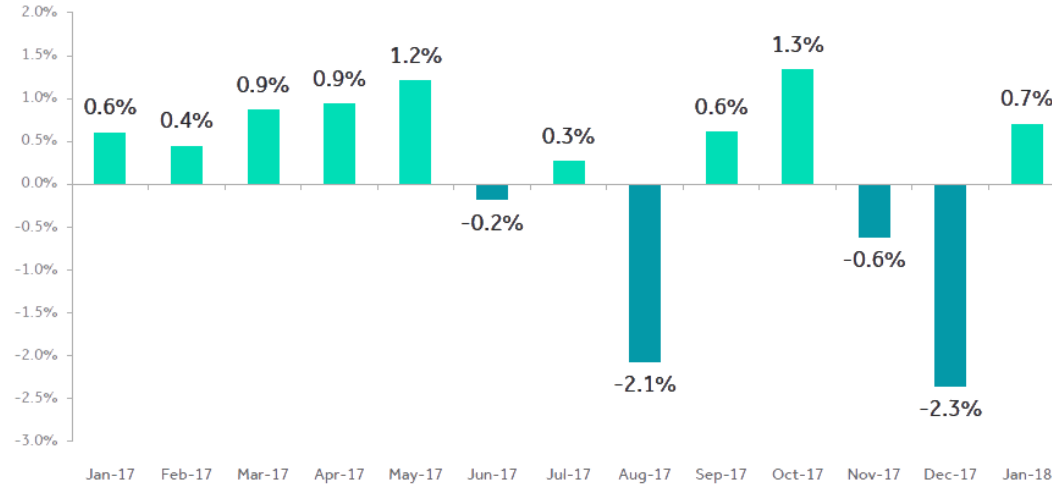


Source: [Rightmove price index](#)

“ Typical Time on Market for England and Wales has increased to 107 days, four days less than in January 2017. Again, typical Time on Market rises in London (+7.3%), the South East (+5.9%) and East (+6.0%) but year-on-year improvements are apparent in all other regions. ”

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

Asking-price fluctuation percentage



The total number of sales agreed was 5.5% down in the last quarter of 2017 compared with the same period in 2016. Setting tempting asking prices and then quickly reducing them if there is little initial interest will be key to turning this promising level of buyer activity into actual sales, especially in the less active sectors and locations of the UK.



Source: [Rightmove price index](#)

UK sales volumes by funding status

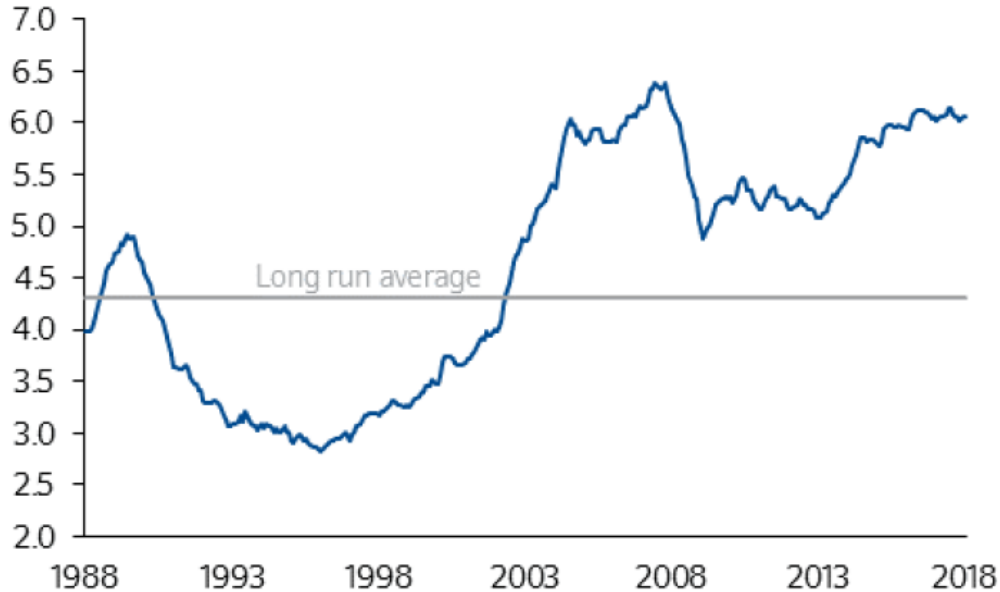
Funding status	Average price November 2017	Monthly change	Annual change
Cash	£215,581	0.1%	5.0%
Mortgage	£235,738	0.2%	5.2%

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

“ Mortgage approvals for house purchases ended the year with a sharp fall. The number of mortgage approvals – a leading indicator of completed house sales – fell by 5.7% month on month in December to 61,039, the lowest level since January 2015. Over the year to December 2017 total mortgage approvals were 2% lower than in the same period in 2016. ”

Source: [Halifax price index](#)

UK house-price-to-earnings ratio

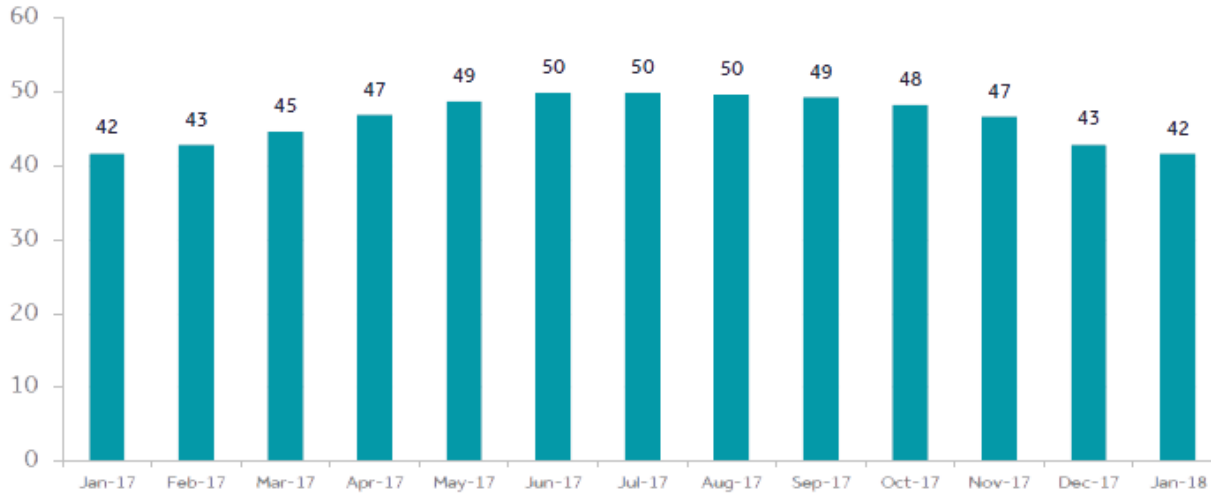


Source: [Nationwide price index](#)

“ The annual rate of house price growth picked up to 3.2% at the start of 2018, compared with 2.6% at the end of 2017. House prices increased by 0.6% over the month, after taking account of seasonal factors, the same increase as December. The acceleration in annual house price growth is a little surprising, given signs of softening in the household sector in recent months. Retail sales were relatively soft over the Christmas period, as were key measures of consumer confidence, as the squeeze on household incomes continued to take its toll.

”
Source: [Nationwide price index](#)

Average properties for sale per estate agent



With no increase in fresh supply, and an overall average of 40% of properties on agents' books already sold subject to contract, would-be buyers in some sectors and locations of the UK are seeing less choice to tempt them, fuelling some localised price rises. While potential buyers are still busy looking, they are looking for good value and the right property.



Source: [Rightmove price index](#)

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