



Housing market overview

Produced 06 December 2018

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

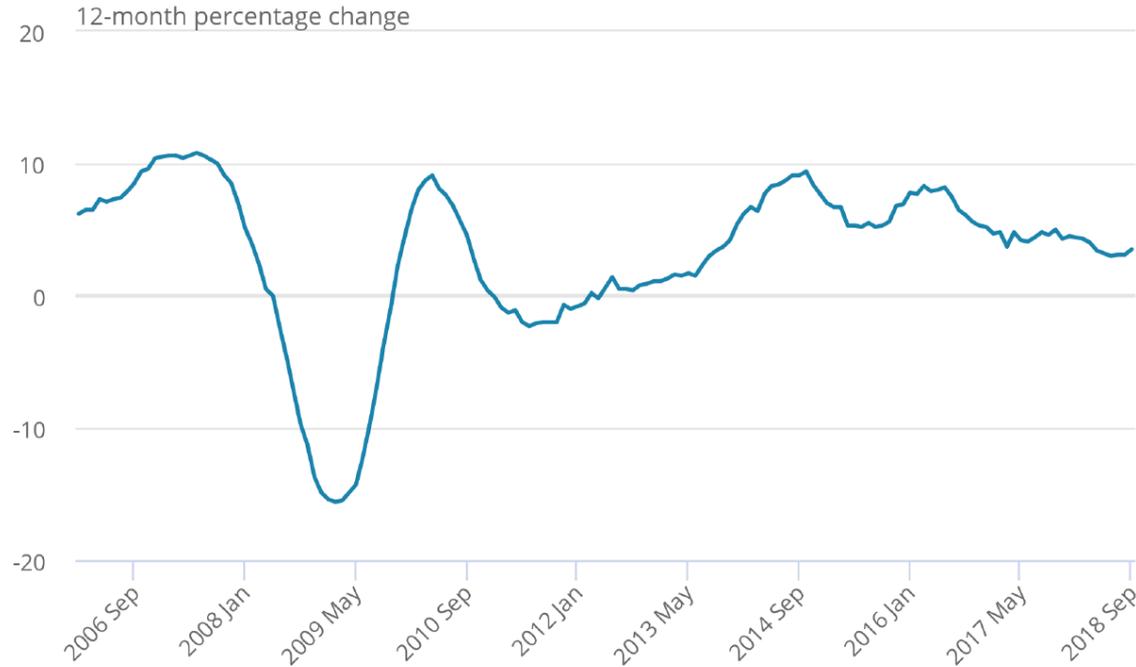
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- > In contrast to last month's report most of our sources are reporting month-on-month decreases in house prices in the region of 0.3% to 1.7%. Just Nationwide and LSL Property Services report increases, of 0.3% and 0.4% respectively. Gov.uk has not reported any change over the last month. All sources except Rightmove continue to record annual increases, ranging from 0.3% to 3.5%.
- > Nationwide reports that while annual house price growth picked up a little in November, it remained relatively subdued at 1.9% (up from 1.6% the previous month). Looking forward, much will depend on how broader economic conditions evolve. In the near term, the squeeze on household budgets and the uncertain economic outlook is likely to continue to dampen demand, even though borrowing costs remain low and the unemployment rate is near 40-year lows.
- > home.co.uk tells us that considerable market buoyancy remains in the late-cycle boom regions in the north, west and Wales. Inflation-beating price growth is still evident in Yorkshire (4.6%), the north west (4.5%) and the West Midlands (4.9%) as their respective regional property booms play out. However, it is Wales that is the current crown prince of house price growth, with an annualised gain of 7.4%. For the time being, marketing times are still falling significantly and so this late-cycle boom may roll on through 2019.
- > Rightmove reports the price of property coming to market has fallen by an average of 1.7% (-£5,222) this month. It is the norm for new seller asking price to fall at this time of the year to attract buyers who are increasingly distracted by the run-up to Christmas. However, this is the largest drop in the month of November since 2012.
- > Halifax comments that in October Mortgage approvals rose to the highest level seen since January 2018. Bank of England industry-wide figures showed that the number of mortgages approved to finance house purchases rose 2% month on month to 67,086. This is only the third time in 18 months this figure has been over 67,000, and is above the five-year monthly average of 66,607. *(Source: Bank of England, seasonally-adjusted figures)*

Summary of published price indices

Source website	Period covered	Monthly change (%)	Annual change (%)	Average house price	Official releases
gov.uk UK house price index	September '18	> 0.0	^ 3.5	£232,554	14.11.2018
LSL Property Services	October '18	^ 0.4	^ 1.0	£304,433	12.11.2018
Halifax	November '18	v 1.4	^ 0.3	£224,578	07.12.2018
home.co.uk	November '18	v 0.3	^ 0.6	£308,524	13.11.2018
Hometrack	October '18	N/A	^ 3.2	£255,200	28.11.2018
Nationwide	November '18	^ 0.3	^ 1.9	£214,044	11.2018
Rightmove	November '18	v 1.7	v 0.2	£302,023	19.11.2018

UK annual house prices – rate of change

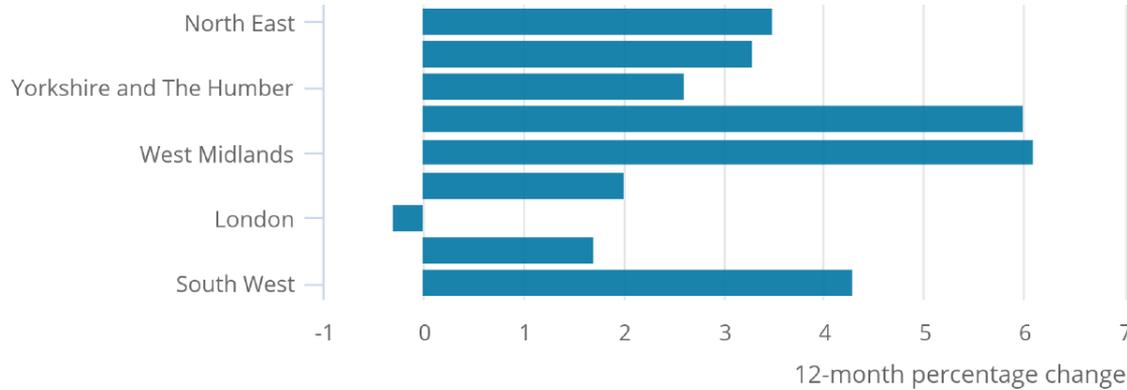


Prices in the three months to November were 0.3% higher than in the same three months a year earlier – slowing from the 1.5% annual growth recorded in October, and recording the lowest rate of growth since December 2012

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)

“ Home prices in England and Wales fell by 0.3% this month, dragged down by hamstrung regions in the south and east of England where supply has overwhelmed demand. ”

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 September 2018	Monthly change	Annual change
First time buyer	£195,404	-0.4%	2.9%
Former owner occupier	£270,806	0.3%	3.9%

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

“ House price growth has slowed as we approach the end of the year, falling from 1.5% in October to 0.3% in November, with the average cost of a home now £224,578. While this is the lowest rate of growth in six years, it remains within our forecast range of 0% to 3% for 2018. ”

Source: [Halifax price index](#)

UK house-price rates of change: types of dwelling

Property Status	Average price July 2018	Monthly change	Annual change
New build	£293,064	2.5%	6.8%
Existing resold property	£227,522	1.3%	2.9%

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

“ House prices in the latest quarter (September-November) were 1.1% lower than in the preceding three months (June - August) ”

Source: [Halifax price index](#)

Number of housing transactions per month

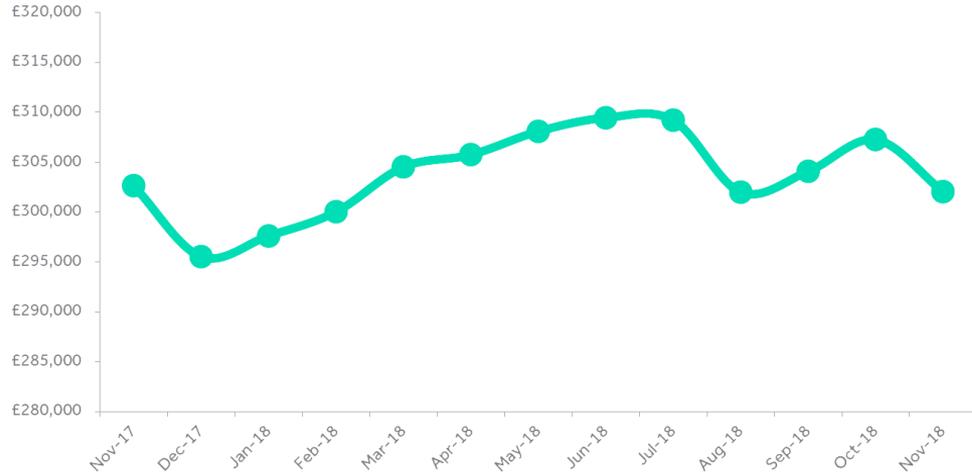
Country	July 2018	July 2017	Difference
England	63,774	76,993	-17.2%
Northern Ireland (Quarter 3 - 2018)	5,722	6,533	-12.4%
Scotland	8,770	8,943	-1.9%
Wales	3,702	4,143	-10.6%

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

“ Monthly UK home sales show slight rise in latest quarter. In the three months to October sales were up by 2.4% compared to the previous three months (May to July). September (101,620) and October (102,530) both saw sales over 101,000 while May saw the highest sales in the previous quarter at 99,510. ”

Source: [Halifax price index](#)

Monthly asking-price trend



Source: [Rightmove price index](#)

“ While house price growth picked up a little in November, it remained relatively subdued at 1.9%, up from 1.6% the previous month. ”

Source: [Nationwide price index](#)

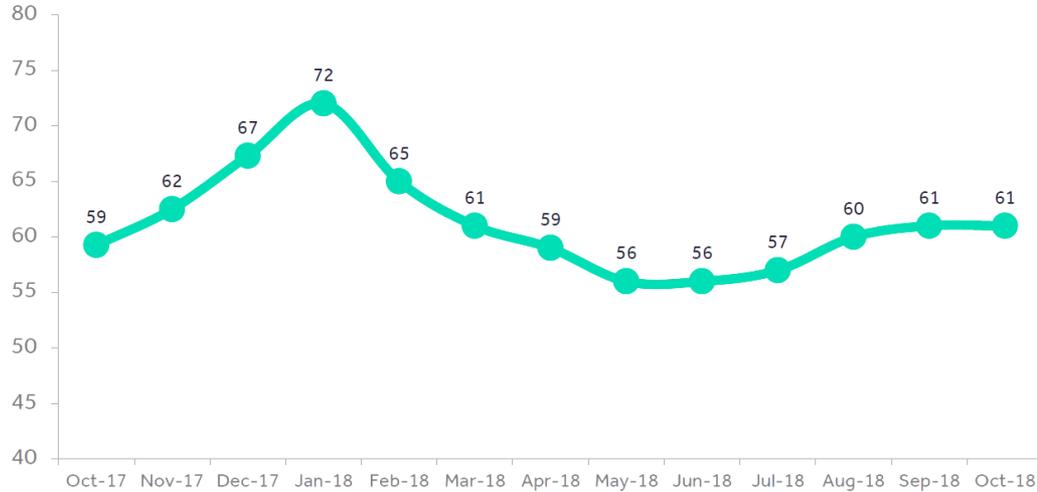
Home asking-price trend for England & Wales



“ Last month, the east of England was the latest region to register negative growth and this month shows it falling deeper into the red and supply still rising rapidly. The south west seems likely to be the next region to follow suit, with annualised growth having fallen to just 0.7% and supply surging strongly. Following that, the next region to succumb to this demise is most likely to be the East Midlands, wherein time-on-market figures are now beginning to increase. ”

Source: home.co.uk price index

Average-time-on-market indicator – National

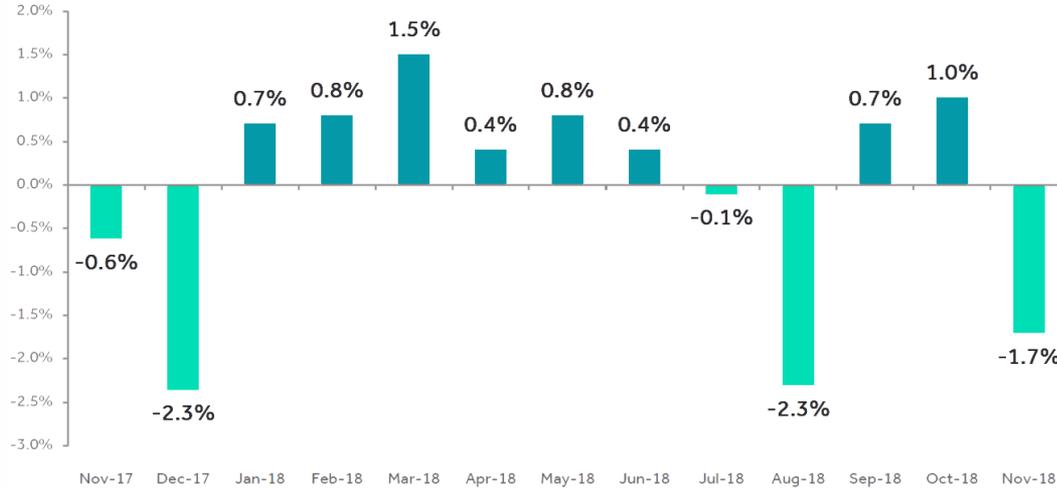


Source: [Rightmove price index](#)

“ Typical time-on-market continues to rise in London (+12%), the south east (+14%) and the east of England (+16%) year-on-year, leading to further vendor frustration and price cutting. ”

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

Asking-price fluctuation percentage



“ The price of property coming to market falls by an average of 1.7% (-£5,222) this month. It is the norm for new seller asking price to fall at this time of the year to attract buyers who are increasingly distracted by the run-up to Christmas. However, this is the largest drop in the month of November since 2012. ”

Source: [Rightmove price index](#)

UK sales volumes by funding status

Funding status	Average price September 2018	Monthly change	Annual change
Cash	£221,681	-0.1%	3.3%
Mortgage	£242,591	0.0%	3.5%

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

“ In October mortgage approvals rose to the highest level seen since January 2018. Bank of England industry-wide figures show that the number of mortgages approved to finance house purchases – a leading indicator of completed house sales rose 2% month on month to 67,086. This is only the third time in 18 months this figure has been over 67,000, and is above the 5 year monthly average of 66,607. ”

Source: [Halifax price index](#)

UK house-price-to-earnings ratio



Source: [Nationwide price index](#)

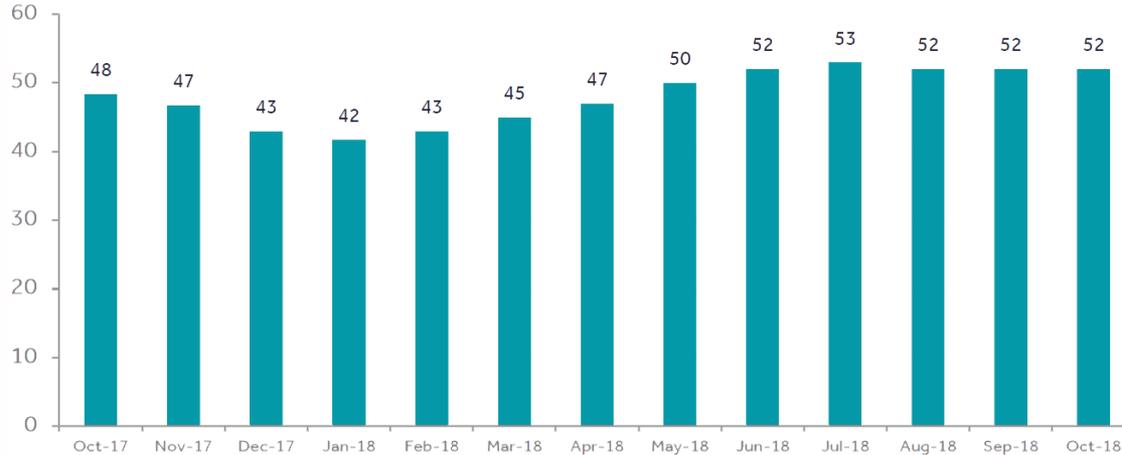


Looking forward, much will depend on how broader economic conditions evolve. In the near term, the squeeze on household budgets and the uncertain economic outlook is likely to continue to dampen demand, even though borrowing costs remain low and the unemployment rate is near 40-year lows.



Source: [Nationwide price index](#)

Average properties for sale per estate agent



Source: [Rightmove price index](#)

“ Sales-to-stock ratio is falling, while the stock of housing for sale by surveyors stays low. The October 2018 RICS UK Residential Market Survey showed a sales-to-stock ratio of 32.8% with each surveyor having on average 42.9 homes for sale. This is the lowest sales-to-stock rate since September 2013, when the rate was 30.3% when each surveyor had, on average, 63.5 homes for sale. ”

Source: [Halifax price index](#)

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