



Housing market overview

Produced 08 November 2018

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

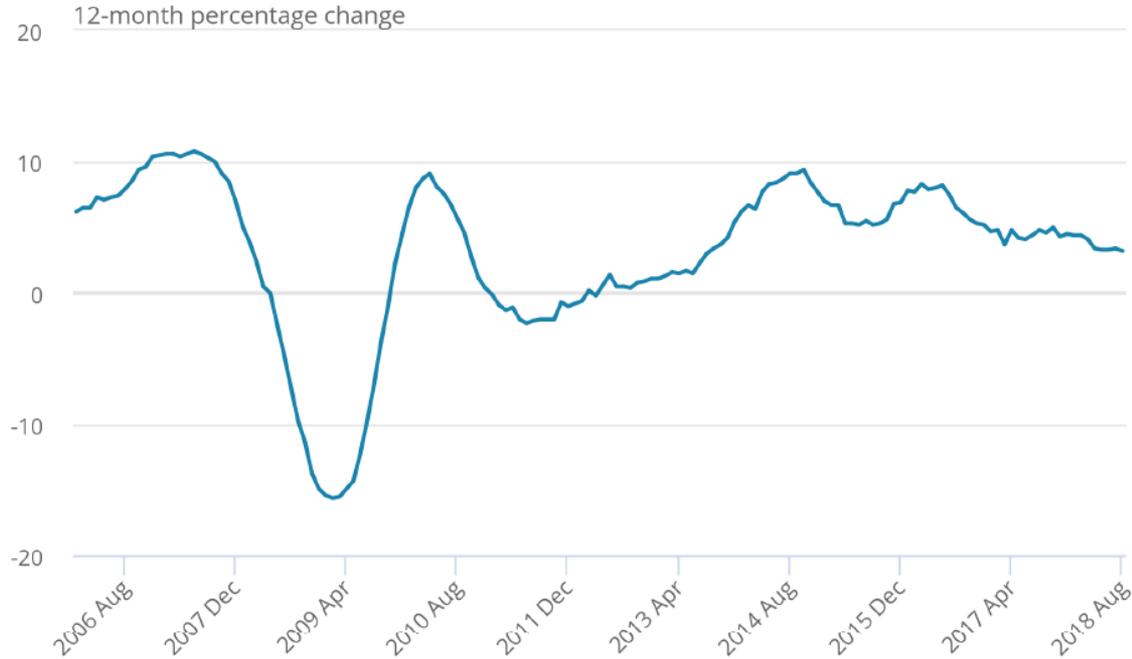
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- > Similar to last month's report, three of our sources are reporting month-on-month increases in house prices in the range 0.2%-1.0%. Just LSL Property Services and Halifax report falls, of -0.1 and -0.7 respectively. Nationwide has not reported any change over the last month. All sources continue to record annual increases, ranging from 0.6% to 3.2%.
- > Nationwide reports that October saw a slowdown in annual house price growth to 1.6% from 2.0% in September. As a result, annual house price growth moved below the narrow range of c2-3% prevailing over the previous 12 months. However, this was broadly in line with their expectations, as the squeeze on household budgets and the uncertain economic outlook is likely to have dampened demand, even though borrowing costs remain low by historic standards and unemployment is at 40-year lows.
- > home.co.uk tells us that slower market conditions have triggered the classic response from sellers. Price cutting is becoming the new norm as the market adapts to reduced demand. This month a fourth region, the East of England, joined the year-on-year negative club as the slowdown spreads north and west. Expectations are that prices will slide in these regions (with others soon to follow) for several years as the 'double-bubble' deflates.
- > Rightmove reports it is traditional for the price of property coming to the market to rise at this time of year, and while the monthly rise of 1.0% (+£3,184) does follow that pattern, it is the lowest seen in their October index since 2010. The national average is dragged down by the 0.1% monthly price fall in the sector with properties of two bedrooms or fewer. This is the usual target market for both affordability-stretched first-time buyers and buy-to-let investors, but the latter are currently less active, giving an autumn opportunity for those looking to get on to the housing ladder.
- > Halifax comments that mortgage approvals fell slightly in September. 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 by 1.3% month on month to 65,269 in September. *(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	August '18	^ 0.2	^ 3.2	£232,797	17.10.2018
LSL Property Services	September '18	v 0.1	^ 0.9	£302,626	19.10.2018
Halifax	October '18	v 0.7	^ 1.5	£227,869	07.11.2018
home.co.uk	October '18	^ 0.2	^ 0.6	£309,366	12.10.2018
Hometrack	September '18	N/A	^ 3.2	£255,000	31.10.2018
Nationwide	October '18	> 0.0	^ 1.6	£214,534	10.2018
Rightmove	October '18	^ 1.0	^ 0.9	£307,245	15.10.2018

UK annual house prices – rate of change

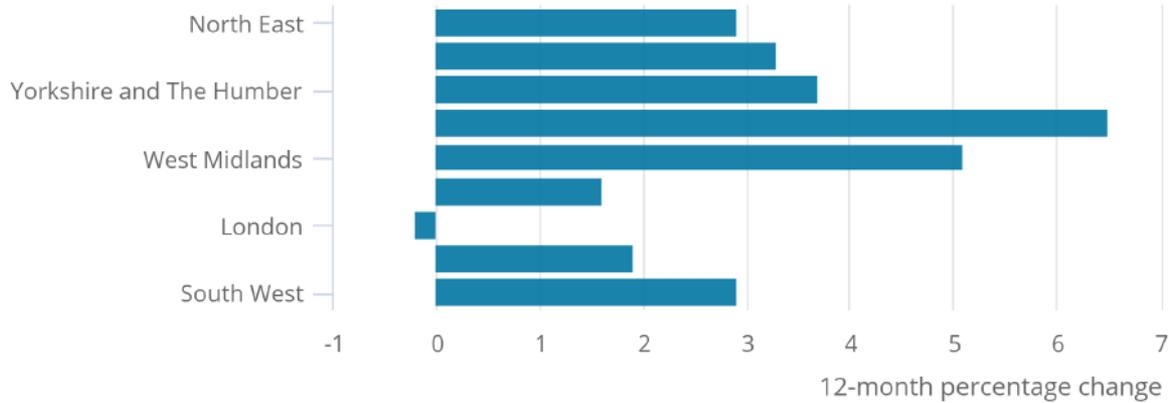


“ Average asking price of property coming to market rises by relatively muted 1.0% (+£3,184) this month, the lowest monthly rate of increase at this time of year since 2010 ”

Source: [Rightmove 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)

“ 16% of properties currently for sale have had their prices reduced in the last 30 days (England and Wales): a percentage last seen in the dark days of January 2009.

Despite this, home prices in England and Wales actually nudged up by 0.2% this month, buoyed by euphoric rises in the booming West Midlands and Yorkshire regions.

”
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 August 2018	Monthly change	Annual change
First time buyer	£196,572	0.4%	3.1%
Former owner occupier	£270,059	0.1%	3.3%

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

“ The annual rate of house price growth has fallen from 2.5% in September to 1.5% in October, which is the lowest rate of annual growth since March 2013. However, this remains within our forecast annual growth range of 0-3% for 2018. ”

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

UK house-price rates of change: types of dwelling

Property Status	Average price June 2018	Monthly change	Annual change
New build	£291,882	2.1%	8.5%
Existing resold property	£224,782	0.7%	3.0%

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



House prices continue to be supported by the fact that the supply of new homes and existing properties available for sale remains low. Further house price support comes from an already high and improving employment rate and historically low mortgage rates which are creating higher rates of relative affordability.



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

Number of housing transactions per month

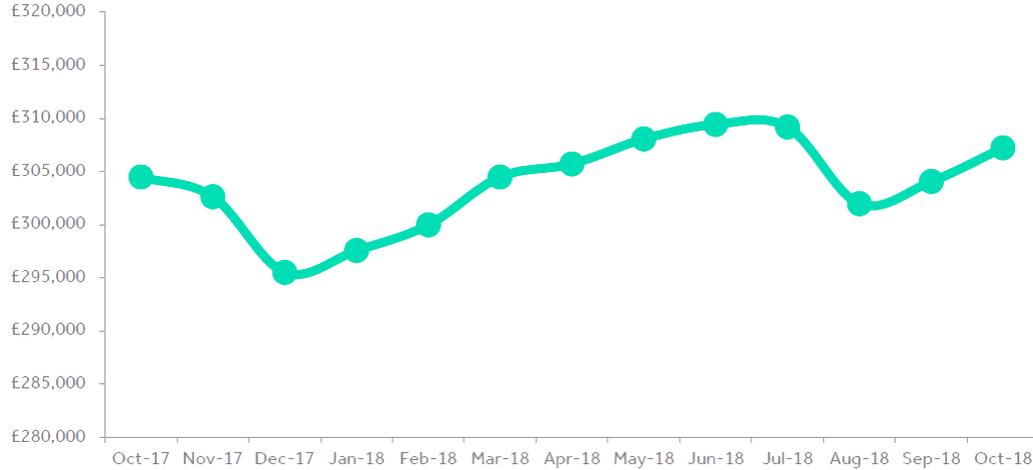
Country	June 2018	June 2017	Difference
England	63,673	84,327	-24.5%
Northern Ireland (Quarter 2 - 2018)	5,308	6,099	-13.0%
Scotland	10,419	10,888	-4.3%
Wales	3,753	4,691	-20.0%

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

“ Monthly UK home sales remain flat. In the three months to September sales were unchanged from the previous three months. The volume of residential transactions has been broadly flat over the past year and is likely to remain so in the coming months. ”

Source: [Halifax price index](#)

Monthly asking-price trend

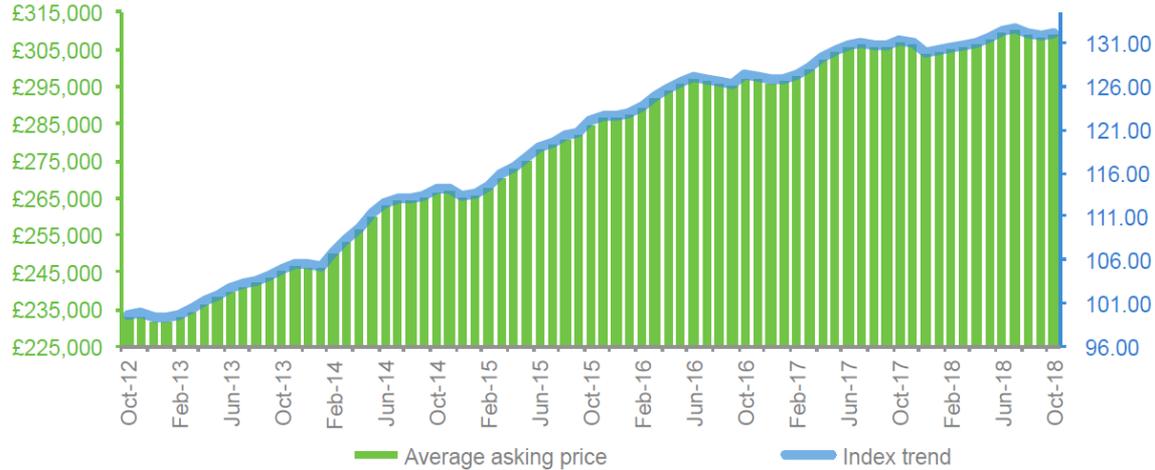


Source: [Rightmove price index](#)

“ October saw a slowdown in annual house price growth to 1.6% from 2.0% in September. As a result, annual house price growth moved below the narrow range of c2-3% prevailing over the previous 12 months. ”

Source: [Nationwide price index](#)

Home asking-price trend for England & Wales



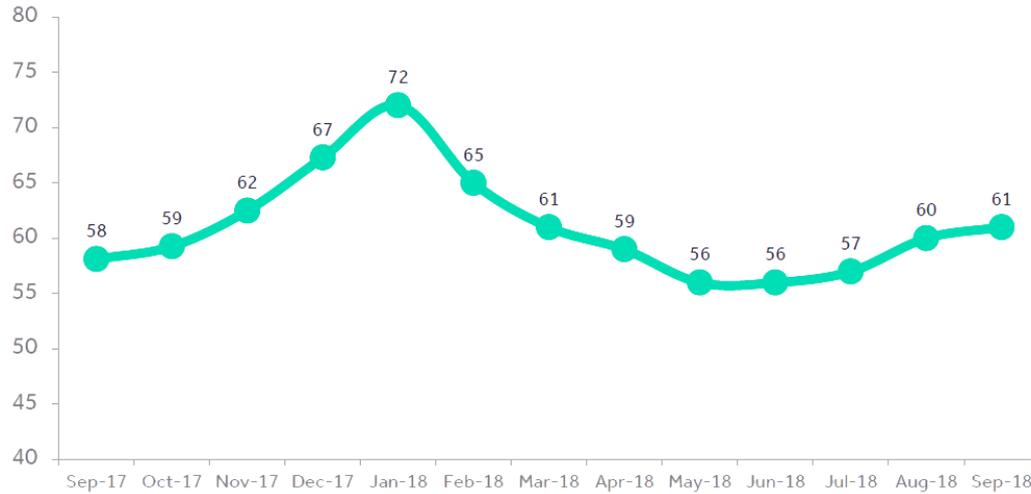
“

Despite another dismal month for London and surrounds, overall the mix-adjusted average home price for England and Wales actually nudged up slightly, propelled by huge leaps in Yorkshire and the West Midlands as their regional property booms reach their climax: high on optimism but low on sustainability.

”

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

Average-time-on-market indicator – National



Source: [Rightmove price index](#)

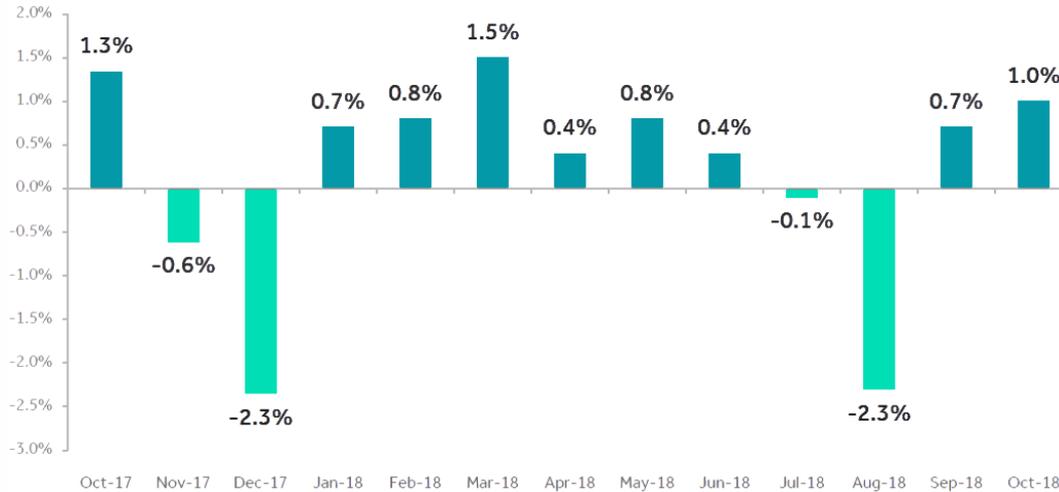


Typical Time on Market for England and Wales has risen to 92 days, three days longer than in October 2017.



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

Asking-price fluctuation percentage



It is traditional for the price of property coming to market to rise at this time of year, and while the monthly rise of 1.0% (+£3,184) does follow that pattern, it is the lowest seen in our October index since 2010. The national average is dragged down by the 0.1% monthly price fall in the sector with properties of two bedrooms or fewer. This is the usual target market for both affordability-stretched first-time buyers and buy-to-let investors, but the latter are currently less active, giving autumn opportunity for those looking to get on to the housing ladder.

Source: [Rightmove price index](#)

UK sales volumes by funding status

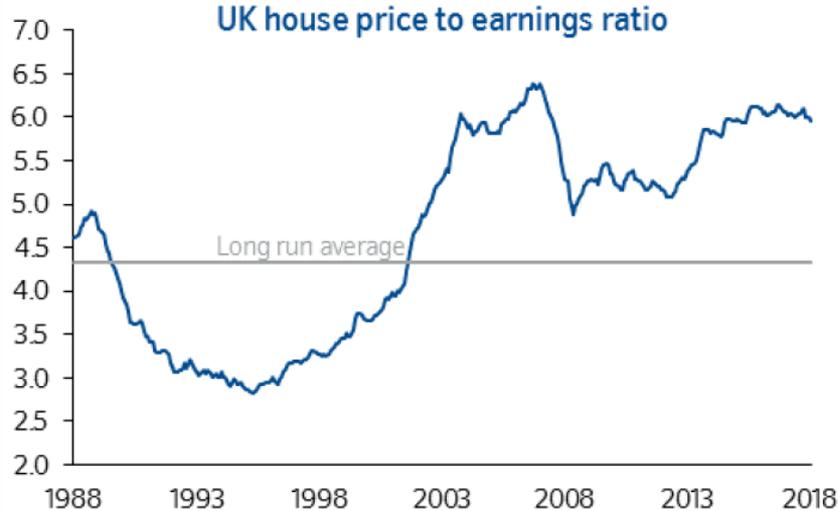
Funding status	Average price August 2018	Monthly change	Annual change
Cash	£221,866	0.2%	3.0%
Mortgage	£243,021	0.3%	3.3%

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

“ Mortgage approvals fell slightly in September. 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 by 1.3% month on month to 65,269 in September. ”

Source: [Halifax price index](#)

UK house-price-to-earnings ratio

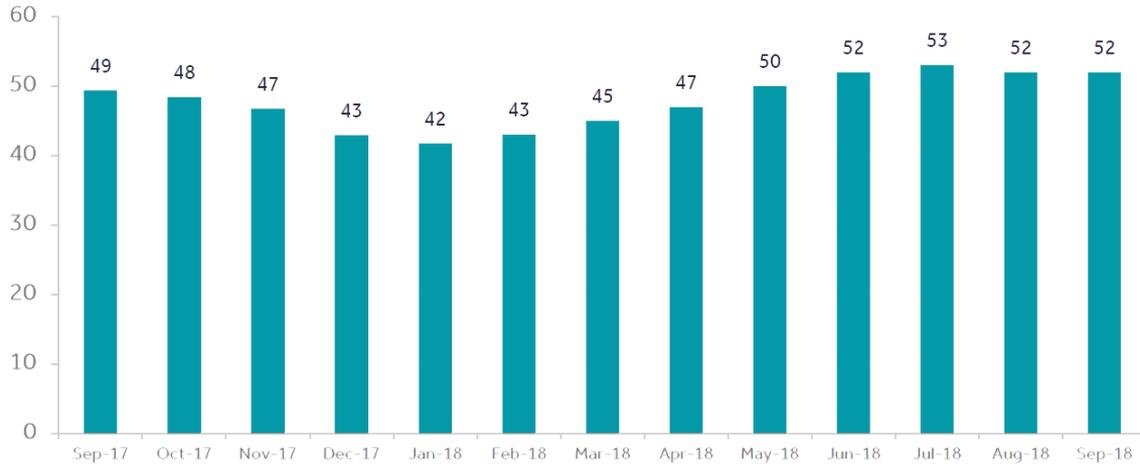


Source: [Nationwide price index](#)

Looking further ahead, much will depend on how broader economic conditions evolve. If the uncertainty lifts in the months ahead, there is scope for activity to pick-up throughout next year. The squeeze on household incomes is already moderating and policymakers have signalled that interest rates are only expected to raise at a modest pace and to a limited extent in the years ahead.

Source: [Nationwide price index](#)

Average properties for sale per estate agent



Source: [Rightmove price index](#)

“ Indicators of housing demand and supply remain weak. Respondents to the RICS monthly UK Residential Market Survey continue to cite the mixture of affordability constraints, a lack of stock, economic uncertainty and interest rate rises as holding back activity to a certain degree. The lack of new instructions coming to market continues to impede activity and new instructions were down for the second consecutive month. ”

Source: [Halifax price index](#)

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