

February 2023

The UK's most comprehensive property price report

This report is to help give everyone – industry and consumers – a quick five-minute guide to what's happening in the property market, according to the property indices, along with property expert Kate Faulkner's comments.

Property price and market indices summary

[Rightmove](#)

Bigger than usual New Year bounce after extended year-end lull

"After two months of falls, average new seller asking prices rise again by 0.9% this month, the biggest increase at this time of year since 2020 as New Year sellers test the market. However, average asking prices are still £8,720 lower than their peak in October."

[Home.co.uk](#)

Stock drops as more vendors quit and prices bounce

"Asking prices across England and Wales surprise; recovering 0.6% during December following the shock drop of -2.4% in November, nudging the year-on-year growth up to 1.9%."

[RICS](#)

Sales volumes and prices continue to retreat across the housing market

"The latest feedback on national house prices points to another monthly decline. All regions of England are seeing house prices retreat at present, with the sharpest declines coming across the East Midlands and the South East. By way of contrast, the survey's price indicator remains marginally positive in Scotland and Northern Ireland, even if these readings are significantly flatter than those seen six months ago."

[Nationwide](#)

2023 begins with further slowing in annual house price growth

"The start of 2023 saw a further slowing in annual house price growth to 1.1%, from 2.8% in December."

[Halifax](#)

UK house prices stable in January

"The pace of annual growth has continued to slow, to +1.9% (from +2.1% in December), which is the lowest level recorded over the last three years. The average house price is now around £12,500 (-4.2%) below its peak in August last year, though it still remains some £5,000 higher than in January 2022 (£276,483)."

[e.surv](#)

Prices slowing but still increasing on an annual basis in most areas of England and Wales

"On an annual basis house prices recorded for completed transactions in England and Wales increased in January 2023 by 6.0%. This is 1.1% lower than the 7.1% seen in December, and represents the fifth month in succession in which the annual rate of growth has slowed – a sustained downturn. However, even if the rate of price growth is slowing, prices are still increasing, and the current average price of £378,277 thus sets a new record level for England and Wales as a whole."

[Zoopla](#)

House price growth ground to a standstill in Q4 2022

"House price growth stalled in Q4 2022 in response to the 50% drop in buyer demand in the final months of 2022. This will feed into a rapid slowdown in the annual rate of price growth in coming months. At the end of 2022, UK house price inflation had slowed to 6.5% from 8.3%."

What are the indices saying is happening to house prices today versus the past?

National property price tracking

	High 2007/08	Low 2009	How much did prices fall?	Latest price vs 2007/08 high	Nov-22	Dec-22	Jan-23	Annual Change	Annual Average (05 - 23)		
Rightmove	£241,474	£213,570	13.1%	50.1%	£366,999	£359,137	£362,438	6.3%	3.7%	Asking prices	E & W
Home.co.uk	£258,531	£239,607	7.9%	35.8%	£357,421	£348,880	£351,111	1.9%	n/a	Asking prices	E & W
Nationwide	£184,131	£147,746	24.6%	40.3%	£263,788	£262,068	£258,297	1.1%	3.0%	Mortgaged only	UK
Halifax	£199,766	£157,767	26.6%	41.0%	£285,579	£281,272	£281,684	1.9%	3.1%	Mortgaged only , seasonally adjusted	UK
e.surv	£231,829	£197,145	17.6%	63.2%	£378,778	£380,450	£378,277	6.0%	4.0%	Actual prices, includes cash sales	E & W
Zoopla	£178,128	£153,449	16.1%	46.6%	£258,100	£261,200	n/a	6.5%	n/a	Sold prices, mortgage valuations and agreed sales	UK
UK HPI	£190,032	£154,452	23.0%	55.2%	£294,910	n/a	n/a	10.3%	3.8%	Sold prices, includes cash sales and new builds	UK

For anyone spending their time with property indices, it doesn't take long to notice that property price month on month figures are like yoyos – they basically go up and down all the time. With the Land Registry report, as it's published before all the data is received, in one exercise we did, we found they varied by +/-2% so they could release data saying prices had fallen, but when all the sales were recorded, they had done the opposite.

But it's important not to let a bad news property stat get in the way of a miserable property headline talking about how property prices are falling, despite the fact that our indices show, without exception that property prices are actually up year on year – albeit at lower rates than they were for most of 2022.

It does seem to be a reality that property prices seem to have peaked over the summer of 2022, although some of the indices this month are showing some month on month prices stabilising (Halifax) or even rising (Rightmove).

What matters more though is whether a seller can still sell at more than they bought their property for – and in the main they can; whether a buyer can still purchase and although affordability is reduced for the 70% buying with a mortgage, they still can and they are. For those with cash, it's potentially a good year as they aren't affected by mortgage rate rises and they won't be competing with as many buyers as they would have been during the pandemic.

Property prices by country

Property Prices - Countries	Land Registry latest data Nov 22/ Q3 22	Land Registry year on year change in price Nov 22/Q3 22	Land Registry annual average increase since 2005	Nationwide latest data Q4 22	Nationwide year on year change in price Q4 22
England	£315,073	10.9%	3.9%	£303,882	4.8%
Wales	£220,366	10.7%	3.3%	£205,666	4.5%
Scotland	£191,492	5.5%	4.0%	£178,269	3.3%
Northern Ireland (Q3)	£176,131	10.7%	2.6%	£176,637	5.5%

Prices across the different countries appear to be performing at a similar rate year on year and over the long term, although Scotland is showing a lower year on year rise, they have been outperforming other countries over the last few years and so a slightly lower rise should be expected.

But, as with the rest of the country, price changes in Scotland and Wales are vastly different at a local level too as the following surveys show:

Summary from the indices of the Wales housing market

[Principality Building Society](#)

Record house prices in Wales but slow down expected

“The average price of a home in Wales reached a record high of just over £249,000 in the fourth quarter of 2022. This is despite quarterly price growth slowing to 1.3% in Q4, which dragged annual price growth back to 9.9%, just below the rate of inflation, while sales were down by around 5% compared with the same period in 2021. However, prices are expected to edge lower in the face of higher interest rates, stagnant earnings, and cost-of-living pressures.

“We are now seeing a more volatile and diverse picture in average prices across Wales as a consequence of base rate rises, cost-of-living pressures, and a decline in economic confidence.

“Prices continued to reach new highs in 10 of the 22 local authorities in Q4, and where this was not the case, reported prices have retreated from the record levels reached in the second or third quarters.

“For the first time in over two years, more local authorities reported quarterly price falls than increases. According to our analysis, only four local authorities reported consistent increases quarter-on-quarter through the whole of 2022 – Blaenau Gwent, Bridgend, Cardiff and Carmarthenshire. At the other extreme, Conwy posted just one quarterly increase – in the second quarter. Anglesey’s sharp fall in Q4 follows a sharp increase of 15.3% in Q3. Take these two quarters together and things for Anglesey are comparable with other local authorities across Wales.”

Summary from the indices of the Scottish housing market

[e.surv](#)

Scotland’s house prices continued their climb in November, rising in 29 Local Authorities over the year

“The average house price in Scotland in November 2022 has increased by some 6.7% over the last twelve months. Although the annual rate of growth has increased marginally in November, up 0.2% on October’s revised 6.5%, the rate of growth has reduced from June’s 10.4%, which now looks as though it will represent the high point of 2022. However, prices continued to climb in November, albeit at a reduced rate compared to June, with Scotland setting another record average house price, of £224,644 in the month, for the ninth time this calendar year.

“In November 2022, 29 of the 32 local authority areas in Scotland saw their average prices rise above the levels of twelve months earlier. The three areas where values fell over the year were, Aberdeen City (-8.1%), Scottish Borders (-2.1%) and Inverclyde (0.0%), although in Inverclyde average prices were just £9 lower than they were twelve months previously. In Aberdeen City, which has fallen seven places over the year to 25th in terms of its ranking of

average prices compared to the other 31 local authorities in Scotland, it is detached homes that have experienced the largest fall, from an average £390k in November 2021 to £350k one year later.

“The area with the highest annual increase in average house prices in November 2022 was East Lothian, where values have risen by 14.7% over the year. The rise in prices in East Lothian has been assisted by the sale of The Balfour, a 9,000 sq. ft 4-bedroom apartment, for £2.4 million. Technically, The Balfour is classified as a flat, since it shares a common entrance with other apartments to the main building, so this sale becomes the most expensive ‘flat’ to be sold in East Lothian for at least the last five years.”

Regional property prices tracking

All the indices – bar the Land Registry are seeing year on year property price growth fall, but the important thing is that they are, year on year still higher for those that bought last year, meaning people are less likely to fall into negative equity this year and even if they do, they are likely to have secured some of the great rates that were available at the start of 2022.

One thing we forget is that it's not necessarily the cost of a property that we should worry and obsess about, it's the monthly cost of putting a roof over your head that's often more important.

From a regional perspective, Home.co.uk, Halifax and Nationwide are seeing YoY changes of less than 6% now. It will take some months for the Land Registry to catch up as they measure the data three to six months earlier than other indices.

The only region that is reported to 'slip' into YoY falls is from Home.co.uk suggesting that London property prices are falling, but it's not even 1% lower year on year, so quite insignificant.

Overall, we can see that even regional data isn't that useful to buyers/sellers, this year, the only information that matters is what the local agents and surveyors are reporting on the ground in individual postcodes or indeed roads.

Property Prices - Regions	Land Registry Latest data Nov-22	Land Registry Year on year change in price Nov-22	Rightmove Latest data Jan-23	Rightmove Year on year change in price Jan-23	Home.co.uk Latest data Jan-23	Home.co.uk Year on year change in price Jan-23	Halifax Latest data Jan-23	Halifax Year on year change in price Jan-23	Nationwide Latest data Q4 22	Nationwide Year on year change in price Q4 22
North East	£162,596	11.6%	£179,673	8.7%	£184,440	4.7%	£164,730	3.1%	£156,892	5.9%
North West	£221,224	13.5%	£248,829	8.7%	£253,920	5.8%	£222,715	4.6%	£208,600	6.0%
Yorkshire & The Humber	£212,329	11.4%	£235,340	9.5%	£240,620	5.3%	£201,242	4.9%	£199,615	4.6%
East Midlands	£253,498	12.2%	£286,753	7.5%	£283,394	2.2%	£234,946	3.5%	£233,459	5.3%
West Midlands	£256,937	12.3%	£281,660	7.2%	£294,941	2.0%	£248,625	5.9%	£240,975	6.1%
South West	£337,144	11.8%	£371,485	3.4%	£377,818	3.6%	£298,853	2.7%	£307,588	4.3%
East	£365,144	10.2%	£417,192	5.3%	£396,698	0.4%	£333,426	3.0%	£285,776	6.6%
South East	£402,466	10.0%	£473,598	5.0%	£441,481	0.7%	£387,716	3.0%	£344,027	4.3%
London	£542,311	6.3%	£667,587	6.1%	£548,878	-0.8%	£530,396	0.0%	£528,000	4.1%

Halifax

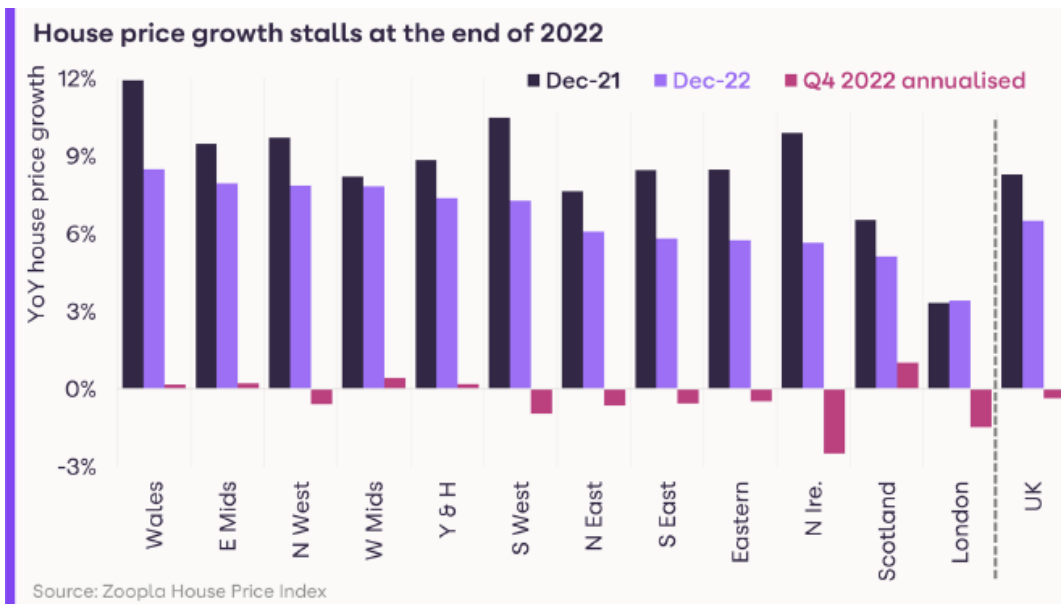
"The slowdown in annual house price inflation is reflected in most nations and regions across the UK. Wales, which recorded some of the strongest annual house price inflation over the last few years, saw its rate of growth fall to +2.0% (from +6.0% in December). The South West of England has also seen annual house price growth slow considerably, now at +2.7% (vs +6.0% in December). In Northern Ireland and Scotland the pace of annual growth eased more slowly. Those buying a home in Northern Ireland will now pay an average of £183,935 (growth rate of +6.9% vs +7.1% in December), while in Scotland average properties now cost £197,784 (growth rate of +2.4% vs +3.3% in December). London, which for some time has lagged many other areas of the UK in terms of house price growth, saw the cost of buying an average home fall from £541,472 to £530,396 in January, with annual house price inflation flat (0.0%) compared to +2.9% in December."

Zoopla

Momentum in price inflation falls away quickly

"Most areas recorded small price falls in Q4 2022 as buyers negotiated harder on price. Moreover, the discounts to asking prices to achieve a sale widened quickly at the end of 2022. But this gap between asking and achieved prices is now holding at 3% to 4% and there is no sign of this worsening at this stage."

"This is important because if this gap widens, sellers will feel under increasing pressure to reduce asking prices putting further downward pressure on headline prices. Additional modest price reductions are likely over Q1 2023 as sellers continue to adjust asking prices in line with what buyers are prepared to pay."



City/town property indices price tracking

For city/town tracking, we use Land Registry (government data) and Zoopla/Hometrack. The Land Registry data is useful because we can analyse how property prices have changed over time and this helps us to put today's price information into context.

The Zoopla/Hometrack data is useful as they take into account the change in mix of property transactions during the pandemic to houses away from flats. This has meant the likes of the Land Registry and other indices have over exaggerated price increases year on year.

Commentary on towns and cities

Overall, property prices in 24 cities have risen above inflation since 2005, including Bradford, Peterborough and Brighton and Home, three cities are seeing price growth below inflation and two cities remain on par. Even with the price growth seen during the pandemic, what this shows is that, in real terms, especially for those that own outright the property they have isn't actually delivering from an investment perspective.

Topping the price growth charts according to Land Registry and Hometrack:-

Land Registry's top 5 performers:	YoY	Hometrack's top 5 performers:	YoY
Milton Keynes	16.2%	Nottingham	9.1%
Cambridge	16.2%	Gloucester	8.7%
Tunbridge Wells	15.8%	Manchester	8.1%
Peterborough	15.6%	Birmingham	8.1%
Leeds	14.9%	Leicester	8.1%

Lowest performers are:

Land Registry's lowest 5 performers:	YoY	Hometrack's lowest 5 performers:	YoY
Aberdeen	-4.7%	Aberdeen	-0.4%
Edinburgh	5.9%	Oxford	3.3%
London	6.3%	London	3.4%
Reading	6.4%	Edinburgh	3.5%
Glasgow	7.1%	Glasgow	3.8%

Property Prices Towns/Cities <i>England, Wales, Scotland & NI</i>	Highest average house price pre-credit crunch 2007/08	Market low +/- versus market height	Land Registry latest data Nov 22/Q3 22	How much higher/ lower are latest prices vs height in 2007/8	Land Registry Year on year change in price Nov 22/Q3 22	Annual average increase since 2005	Hometrack latest data Dec-22	Hometrack Year on year change in price Dec-22	% Cash Sales Jan 12 - May-21
Belfast (Q3)	£213,626	-58.86%	£163,942	-23.3%	9.0%	2.5%	£166,900	5.0%	n/a
Glasgow	£130,473	-26.32%	£175,038	34.2%	7.1%	3.4%	£142,200	3.8%	30.8%
Edinburgh	£225,750	-18.92%	£334,113	48.0%	5.9%	4.1%	£267,200	3.5%	30.4%
Aberdeen	£171,220	-14.38%	£140,392	-18.0%	-4.7%	2.7%	£140,300	-0.4%	25.7%
Cardiff	£170,496	-18.09%	£268,756	57.6%	12.0%	3.3%	£255,300	7.3%	26.8%
Newcastle upon Tyne	£164,935	-19.31%	£192,611	16.8%	8.7%	1.9%	£149,200	5.9%	28.7%
Bradford	£139,640	-20.43%	£177,246	26.9%	9.1%	3.3%	£153,900	7.6%	32.1%
Liverpool	£130,249	-20.38%	£184,447	41.6%	13.2%	3.2%	£156,000	7.6%	35.1%
Leeds	£161,439	-19.39%	£246,876	52.9%	14.9%	3.4%	£207,400	7.3%	26.1%
Sheffield	£144,875	-17.04%	£221,840	53.1%	13.0%	3.7%	£171,500	7.2%	29.1%
Manchester	£140,431	-20.47%	£237,280	69.0%	12.9%	5.3%	£220,000	8.1%	28.9%
Lincoln	£128,707	-17.63%	£188,934	46.8%	7.1%	3.3%	n/a	n/a	31.3%
Nottingham	£119,010	-21.27%	£192,170	61.5%	12.9%	3.1%	£201,800	9.1%	29.5%
Norwich	£166,498	-25.71%	£249,416	49.8%	9.6%	3.8%	£267,800	7.0%	34.4%
Peterborough	£156,264	-20.81%	£249,652	59.8%	15.6%	3.6%	£219,300	7.8%	23.0%
Birmingham	£148,578	-17.37%	£237,123	59.6%	12.7%	3.3%	£206,300	8.1%	26.5%
Leicester	£135,317	-18.66%	£235,274	73.9%	12.0%	3.9%	£227,000	8.1%	26.4%
Milton Keynes	£194,666	-24.06%	£336,152	72.7%	16.2%	4.3%	£311,000	6.3%	21.7%
Gloucester	£169,008	-23.55%	£256,435	51.7%	12.3%	3.3%	£233,600	8.7%	26.3%
Oxford	£289,855	-22.95%	£487,986	68.4%	8.9%	4.2%	£455,000	3.3%	33.9%
Cambridge	£283,241	-20.75%	£544,042	92.1%	16.2%	5.2%	£468,000	4.6%	34.9%
Bournemouth, Christchurch & Poole	£206,227	-20.51%	£361,039	75.1%	14.3%	4.0%	£345,200	6.2%	38.1%
Southampton	£168,795	-20.22%	£251,526	49.0%	8.7%	3.0%	£263,200	6.5%	25.7%
Portsmouth	£169,633	-22.85%	£256,259	51.1%	11.2%	3.3%	£286,900	7.3%	27.3%
Brighton and Hove	£257,108	-21.41%	£451,741	75.7%	13.5%	4.6%	£428,100	6.9%	32.5%
Reading	£216,724	-18.75%	£328,552	51.6%	6.4%	3.5%	£411,300	4.8%	21.4%
Tunbridge Wells	£279,413	-22.19%	£489,846	75.3%	15.8%	4.2%	n/a	n/a	32.6%
Bristol	£195,196	-21.29%	£365,658	87.3%	14.4%	4.9%	£336,800	6.6%	23.7%
London	£298,596	-17.83%	£542,311	81.6%	6.3%	4.8%	£525,900	3.4%	n/a

Source: [Knight Frank \(% cash sales Jan 12 – May 21\)](#)

Demand and supply

What's critical over the coming months is to stop comparing the various property measures to what happened in 2020, 2021 and 2022 because these were unusual years. What we should be doing is comparing everything to how the market was performing in 2019 and overall, so far this year, according to Zoopla, we aren't doing too bad.

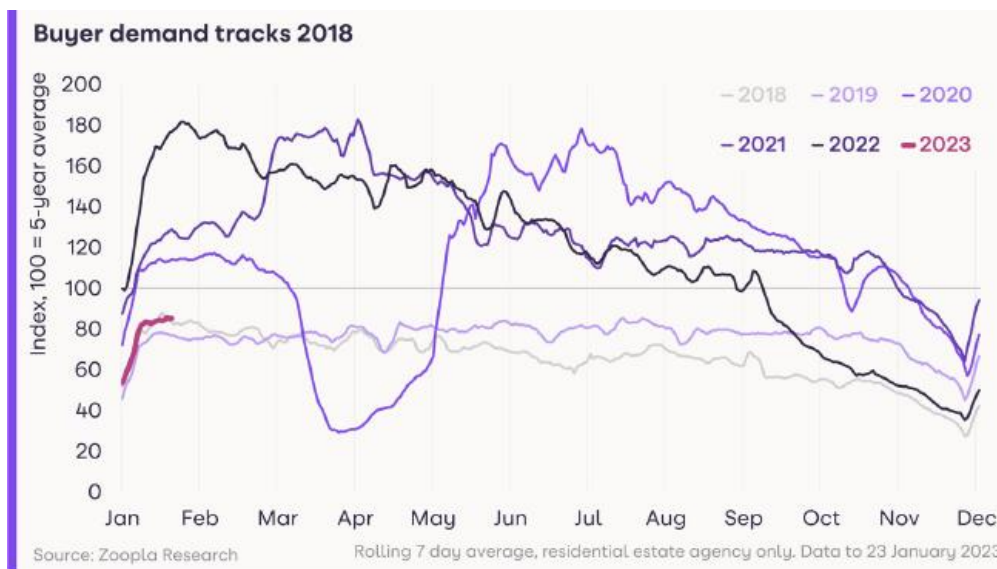
Zoopla

Demand rebounds in line with pre-pandemic years

"Demand for homes has rebounded in the first few weeks of 2023 but remains well below the levels of January 2020-2022. Current buyer interest is in line with the pre-pandemic years and 10% ahead of 2019.

"This is not surprising. The last 3 years have been exceptional with the pandemic reshaping how households think about housing, driving more moves. Higher mortgage rates and living costs as well as weak consumer confidence have brought activity levels back to normal.

"On a regional basis, demand and sales agreed are holding up in the North East, Scotland and Wales where home values are below the national average. Market conditions remain weaker in the South East, South West and the East Midlands, where prices are higher or have grown rapidly over the last 2 years, exacerbating affordability pressures."



More supply boosts choice and reduces pressure on prices

"The other notable change in recent months has been a continued growth in the number of homes for sale. A scarcity of supply has been a key feature of the market in 2022, adding to the upward pressure on home values. This is now reversing, although the number of homes for sale remains 6% below the 5-year average. There is now an average of 23 homes for sale per estate agent, up from a low of just 14 homes in early 2022.

"More supply boosts choice for would-be buyers and will also act to reduce the upward pressure on home prices. A key risk for sales volumes in the year ahead is unrealistic seller expectations. Anyone serious about selling in 2023 needs to make sure their home is competitively priced and in line with what buyers are prepared to spend in the local market. The majority of homeowners have made sizeable gains in their home value over the pandemic, meaning there is more room for realism on pricing."

Twentyci

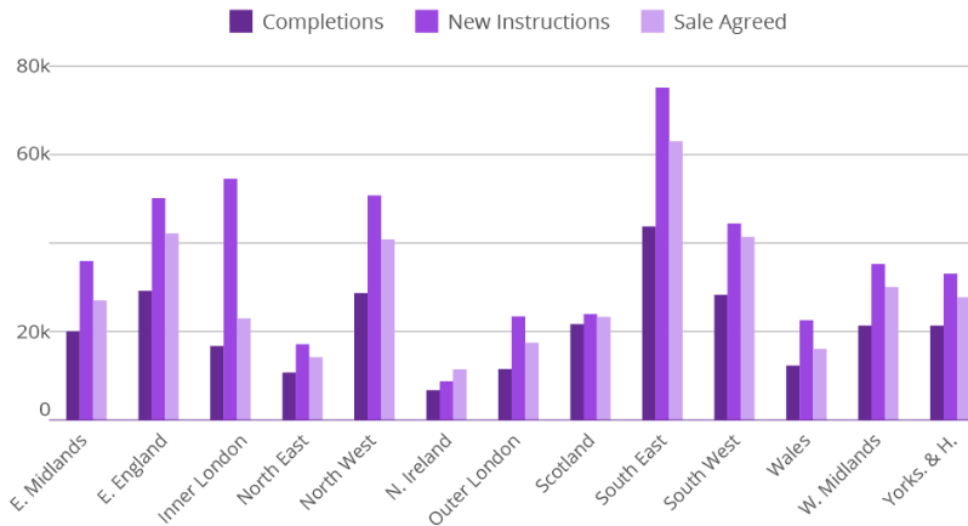
The current state of the owner-occupied housing market: January 2023

"472,341 properties are currently on the market across the UK. 376,518 properties are sold subject to contract (SSTC) and 269,404 property sales were completed in the last three months.

"Below, the key stages of the home buying process have been broken down by stages and region.

Completions*, New Instructions & Sale Agreed

(by Region, *Last 3 Months)



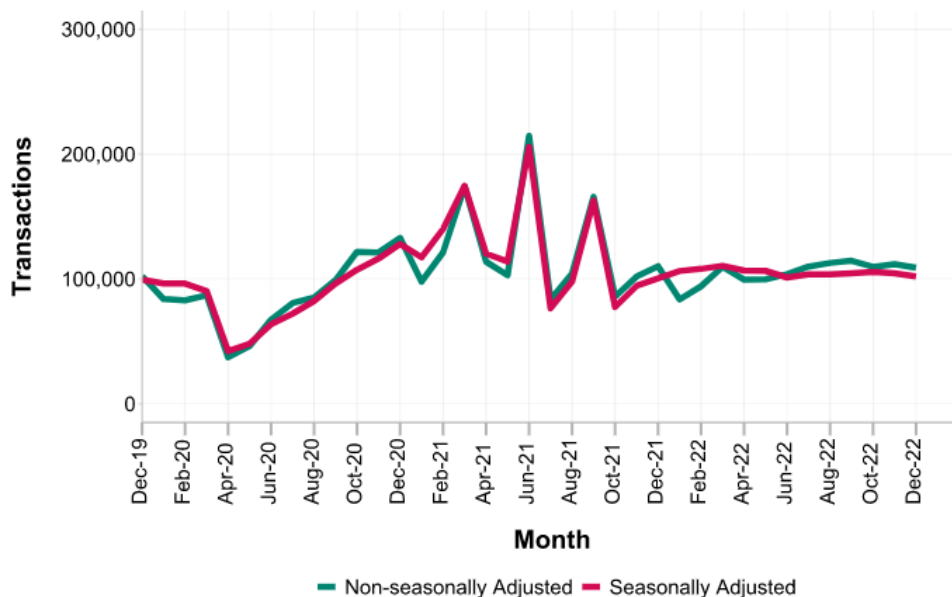
“The South East was the dominant region across the board in regards to new instructions, sales agreed and exchanges being completed. This was followed by the East of England having the second most exchanges and sale completions. Inner London took second place in regard to new instructions.”

Transactions – actuals

HMRC

“UK residential transactions have generally been stable in recent months but are slightly weaker this month. They are slightly higher than pre-coronavirus levels, for example the provisional non-seasonally adjusted estimate in December 2022 is 108,960 compared to 102,270 in December 2019.”

Figure 1: Non-seasonally adjusted and seasonally adjusted UK residential property transactions by month between December 2019 and December 2022.



Source: [HMRC](#)

What are the current hottest and coldest postcodes?

The Advisory track current market conditions so buyers and sellers can gain an independent view of how easy it would be to buy and sell their home in their area. This makes it easier for good agents that are honest about market conditions to value and manage expectations. For example, in BS6 (Bristol) 72% of the properties on the market are under offer, in contrast, L1 in Liverpool is one of the worst performers according to this index, with only 10% of properties on the market are under offer, showing that 'average property prices' can mislead buyers and sellers.

From PropCast's perspective, the hot markets at postcode level don't necessarily track the overall increases and decreases seen even at town and city levels, with Bristol, Sheffield and Thatcham having some of the busiest markets, and London and Liverpool (L1) having some of the slower ones.

To find out what's happening in your postcode visit the [House Selling Weather Forecast here](#).

Top 10 hot markets - buyer demand

Postcode	%	Feb 23
BS6	72	Bristol
BS15	71	Bristol
BS7	70	Bristol
S8	69	Sheffield
S6	69	Sheffield
S2	68	Sheffield
BS2	68	Bristol
RG18	68	Thatcham
S5	67	Sheffield
BS13	67	Bristol

Top 10 cold markets - buyer demand

Postcode	%	Feb 23
L1	10	Liverpool
W1	10	London
EC2	13	London
SW7	14	London
NW8	15	London
SW3	15	London
W2	16	London
NW4	16	London
SW8	16	London
SW10	16	London

Source: [TheAdvisory](#)

Where is the market going?

To understand where the property market is going it's essential not to just look at the economic data, but a vital part of the ups and downs of prices in particular is what people think will happen in the market.

A pessimistic view and prices are likely to fall faster and further, if many are still fairly positive, then it's likely, together with the positive economic news we are seeing, the market will fair better than most are expecting.

And what better way can we secure some good consumer feedback than a poll from Martin Lewis and his millions of followers!

During his housing and mortgage special programme on ITV, the poll he did showed a really positive outlook on the market, with 38% expecting prices to be on a par, while a further 32% expected them to be even higher.

It may be that this is a little more positive than the reality as we haven't started to see many falls – just yet – so it would be interesting to see what people think in six month's time.

What's super interesting is to see what people say about their local market, and there's some pretty good feedback here at a local level: <https://twitter.com/MartinSLewis/status/1623033924308897816> and has some great commentary.



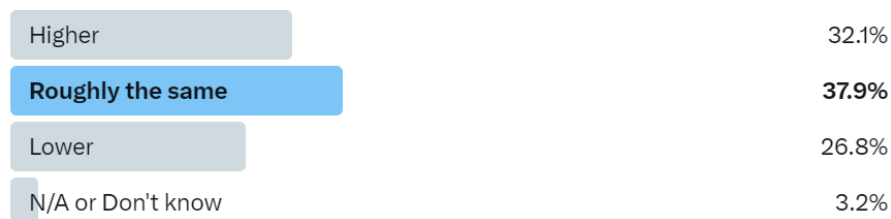
Martin Lewis ✓
@MartinSLewis

...

Today's Poll in conjunction with [@itvMLshow](#) (8pm):

Do you think house prices where you live in the UK, will be higher or lower than they are now in a year's time?

Please explain why too using [#MartinLewis](#)



44,121 votes · Final results

But, the best commentary this month comes from Richard Donnell and the team at Zoopla:-

Zoopla

"It's early days to get a clear read on the market outlook for 2023. The economic outlook has improved slightly in recent weeks but the squeeze on household disposable incomes is very real with a direct impact on sales activity.

"That said, the pressure on incomes combined with the costs of running homes is likely to drive a certain amount of movement in the market in 2023. Sizeable amounts of embedded equity in many millions of homes may also encourage more movement and downtrading to release equity and cut the energy bills, supporting home moves in 2023.

"In the short term we expect further, low single-digit price falls in H1 2023 but the housing market is in better shape to deal with the headwinds than in previous economic cycles."