

October 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 headlines:

Rightmove

Subdued August as market looks for autumn pick-up

"As expected, the annual price change drops further to -0.4%, the biggest drop since March 2019."

Home.co.uk

Prices wilt but marketing times remain below pre-Covid figures

"Asking prices across England and Wales have slipped a further 0.4% since last month, although the year-on-year fall remains just -1.8%."

RICS

Sales activity and prices remain under pressure due to elevated mortgage rates

"Ongoing fall in national house prices gains momentum over the month."

Nationwide

House price growth remained weak in September

"Annual house price growth was unchanged at -5.3% in September. Prices were also flat over the month, after taking account of seasonal effects, following the 0.8% decline seen in August."

Halifax

UK house prices fell again in September, but pace of monthly decline slows

"Average house price fell by -0.4% in September, compared to -1.8% in August."

Zoopla

Are buyers now ready to compromise?

"Annual UK house price inflation moves negative to -0.5%."

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	Jul-23	Aug-23	Sep-23	Annual Change	Annual Average (05 - 23)		
Rightmove	£241,474	£213,570	13.1%	51.7%	£371,907	£364,895	£366,281	-0.4%	3.7%	Asking prices	E & W
Home.co.uk	£258,531	£239,607	7.9%	36.6%	£355,941	£354,845	£353,264	-1.8%	n/a	Asking prices	E & W
Nationwide	£184,131	£147,746	24.6%	40.0%	£260,828	£259,153	£257,808	-5.3%	3.0%	Mortgaged only	UK
Halifax	£199,766	£157,767	26.6%	39.9%	£285,044	£279,569	£278,601	-4.7%	3.0%	Mortgaged only , seasonally adjusted	UK
e.surv	£231,829	£197,145	17.6%	59.2%	£370,610	£369,127	n/a	-1.3%	3.9%	Actual prices, includes cash sales	E & W
Zoopla	£178,128	£153,449	16.1%	48.8%	£265,100	£265,100	n/a	-0.5%	n/a	Sold prices, mortgage valuations and agreed sales	UK
UK HPI	£190,032	£154,452	23.0%	52.5%	£289,824	n/a	n/a	0.6%	3.7%	Sold prices, includes cash sales and new builds	UK

Here are the most interesting and useful stats from this month's indices:

Rightmove

- The number of sales being agreed in August across all property types drops to 18% down versus August 2019
- The first-time buyer sector (two-bedrooms or fewer) is once again the best performing sector, with sales agreed down by 13% versus 2019
- August was quieter than usual for new sellers, with the number of new properties coming up for sale being 6% lower than the ten-year average
- The five-year pre-pandemic average for the proportion of properties that have had at least one price reduction is 31.2%. That number has risen to 36.3%, which is the highest recorded since January 2011.

Nationwide

- Despite signs of demand for flats holding up a little better more recently, the price underperformance has continued in the most recent quarterly data, with flats seeing the largest year-on-year fall (-5.7%), compared to -3.6% for detached, -4.6% for semi-detached and -5.3% for terraced properties.

Halifax

- Property prices still up by +1.0% since initial Base Rate rise in December 2021.

Home.co.uk

- The typical time on market for unsold property in England and Wales increased by four days during August
- The current median is 84 days; in September 2019 the same measure was 96 days
- Stock levels of unsold property have risen overall but remain within the normal range for the seven years prior to the lockdowns.

Zoopla

- Profile of regional house price inflation linked to first-time buyer affordability and the relative cost of renting and buying
- Housing transactions still on track for 1 million completions in 2023
- Market activity continues to track in line with 2019 levels but remains well below levels of activity recorded over the more recent pandemic years
- Mortgage rates are starting to drift lower but remain over 5%. We expect them to fall below 5% later this year.....Any further improvement in affordability from lower mortgage rates is unlikely to impact on the market until 2024 H1.

Property prices by country

Property Prices - Countries	Land Registry latest data Jul 23/ Q2 23	Land Registry year on year change in price Jul 23/Q2 23	Land Registry annual average increase since 2005	Nationwide latest data Q3 23	Nationwide year on year change in price Q3 23
England	£308,633	0.6%	3.8%	£298,441	-4.5%
Wales	£215,632	-0.1%	3.1%	£202,065	-5.4%
Scotland	£191,870	0.1%	4.0%	£176,814	-4.2%
Northern Ireland (Q2)	£173,898	2.7%	2.5%	£180,668	-1.8%

For those that are interested in the England market, please see our regional price analysis below.

For Scotland, Wales, and Northern Ireland we monitor:

- Halifax
- Nationwide
- e.surv
- Zoopla

Please find a summary of the Scottish, Welsh and Northern Ireland markets below:

Summary from the indices of the Scottish housing market

Nationwide

“Scotland saw a slowing in annual house price growth to -4.2%, from -1.5% in Q2.”

Halifax

“Scotland experienced a relatively modest annual decline of -0.8% (average house price of £201,594).”

Zoopla

“In Scotland, where prices are 40% below average, annual house price growth is running at +1.6%.”

e.surv

Prices in July edge down from record highs

“The average house price in Scotland in July 2023 has increased by £762 - or 0.3% - over the last twelve months. This represents the weakest annual rate of growth since early 2019, before the Covid epidemic.

“Although there were almost equal numbers of local authorities reporting higher or lower prices In July 2023, with 15 of the 32 local authority areas in Scotland seeing their average prices rise above the levels of twelve months earlier and 17 authorities reporting price falls, this was in fact the first net negative balance since 2016.

“East Renfrewshire was the area on the mainland with the highest annual increase in average house prices in July 2023 – up 7.7% - followed by Midlothian (5.9%) and East Lothian (4.8%). Meanwhile, Stirling had the largest fall in prices over the previous twelve months, at -6.4%.

“Despite the more subdued nature of the housing market recently, several local authorities – East Renfrewshire, Midlothian, North and South Lanarkshire and West Lothian - have reported year-on-year price rises every month over the past year (albeit negligible increases in July in the case of North Lanarkshire and West Lothian).

“At the other end of the spectrum, Aberdeen was the only local authority in July to have consistently experienced annual house price falls every month over the past year. However, a total of 10 authorities have seen annual price falls for the last three months or more in a row.”

Summary from the indices of the Welsh housing market

Nationwide

“Wales saw a sharp slowing in the annual rate of change to -5.4%, from -1.4% last quarter.”

Halifax

“Wales saw property prices fall by -3.6% over the last year (average house price of £214,585).”

Summary from the indices of the Northern Ireland housing market

Nationwide

“Northern Ireland remained the best performing region, with a modest 1.8% fall.”

Halifax

“Northern Ireland currently has the most resilient house prices, down by just -0.2% compared to this time last year (average house price of £184,108), a fall of less than £400.”

Regional property prices tracking

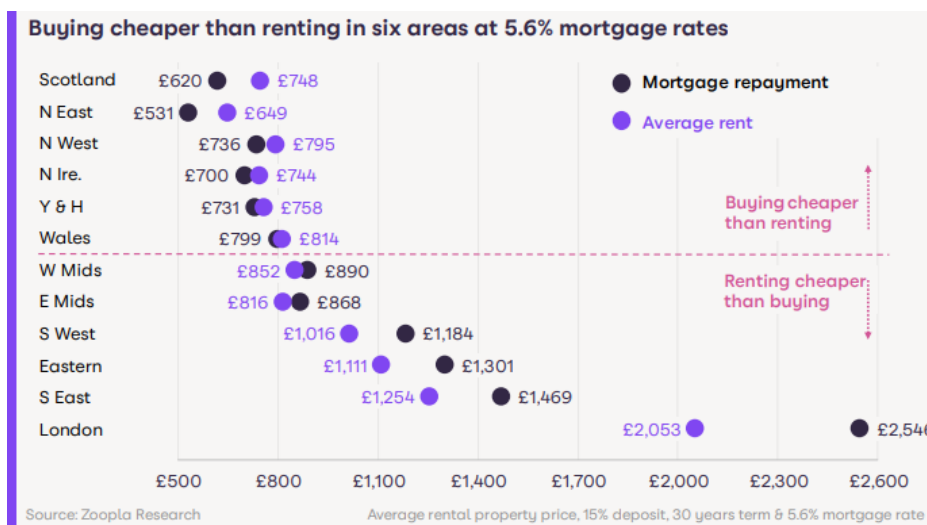
Property Prices - Regions	Land Registry Latest data Jul-23	Land Registry Year on year change in price Jul-23	Rightmove Latest data Sep-23	Rightmove Year on year change in price Sep-23	Home.co.uk Latest data Sep-23	Home.co.uk Year on year change in price Sep-23	Nationwide Latest data Q3 23	Nationwide Year on year change in price Q3 23
North East	£163,480	2.7%	£184,568	0.6%	£190,042	0.3%	£156,051	-2.0%
North West	£215,648	1.0%	£254,009	0.3%	£261,702	1.2%	£205,553	-3.5%
Yorkshire & The Humber	£212,730	2.5%	£246,411	1.8%	£248,992	1.3%	£198,030	-5.4%
East Midlands	£249,484	1.9%	£283,550	-1.6%	£283,443	-2.0%	£228,373	-5.5%
West Midlands	£251,313	0.4%	£287,406	-0.1%	£298,596	-1.5%	£241,130	-2.4%
South West	£323,713	-1.0%	£390,688	-0.6%	£381,966	-2.2%	£301,600	-6.3%
East	£352,723	0.2%	£419,506	-1.5%	£395,713	-3.4%	£273,066	-5.6%
South East	£394,096	0.4%	£482,070	-1.6%	£443,622	-2.4%	£334,215	-5.4%
London	£534,265	-0.8%	£673,167	-1.4%	£539,323	-3.3%	£514,325	-3.8%

Some super-duper commentary on regional performance from several of the indices now – the big market stories today are the enormous regional differences, but Zoopla has produced the most amazing insight this month, showing why each region is so different.

Commentary on the regional performance by indices is below:

Zoopla

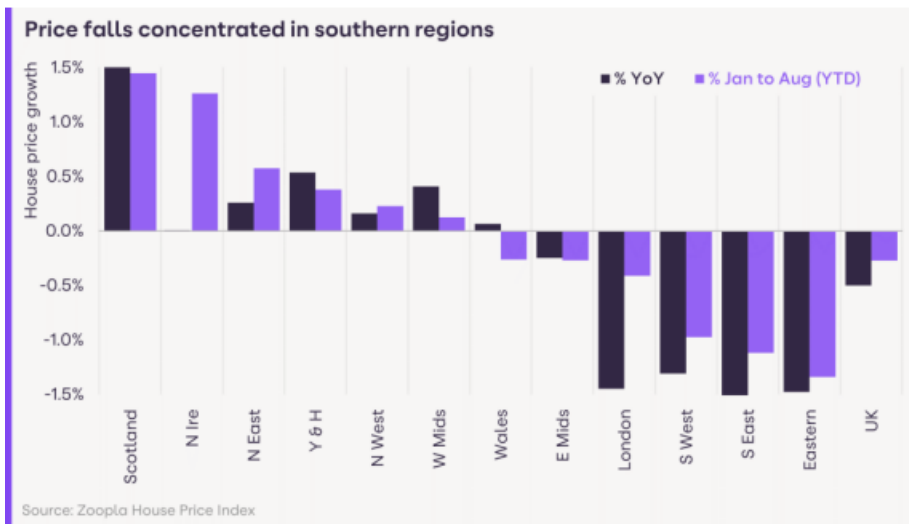
“We believe that the variation in house price growth across the UK is partly explained by the ability of first-time buyers (FTBs) to buy at higher mortgage rates. FTBs account for 1 in 3 sales a year, most of whom originate from the private rental market. This means the dynamics of renting and buying will impact on demand and prices.”



“What you can see is that when you look at this chart and compare it to the one the experience for would-be FTB buyers varies across the UK. A renter buying the home they rent would find it cheaper to buy than rent in the six regions and countries with the lowest house prices.

“In Scotland and the North East average mortgage repayments are up to 18% lower than rental costs. This supports access to the housing market and the demand for homes.

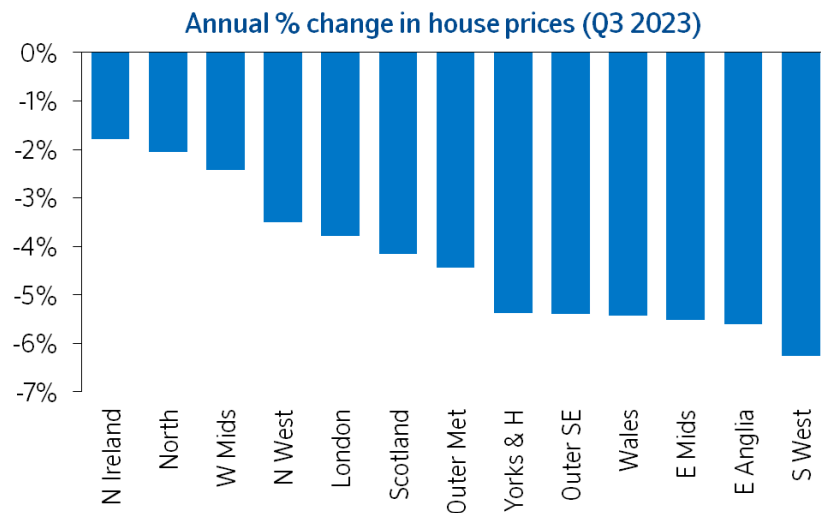
“In contrast, it is more expensive to buy a home than to rent across all areas of southern England and Midlands. In London, the average monthly payment is 24% higher than the monthly rent. Higher mortgage rates are pricing more FTBs out of the sales market across southern England, reducing demand and compounding the downward pressure on house prices.”



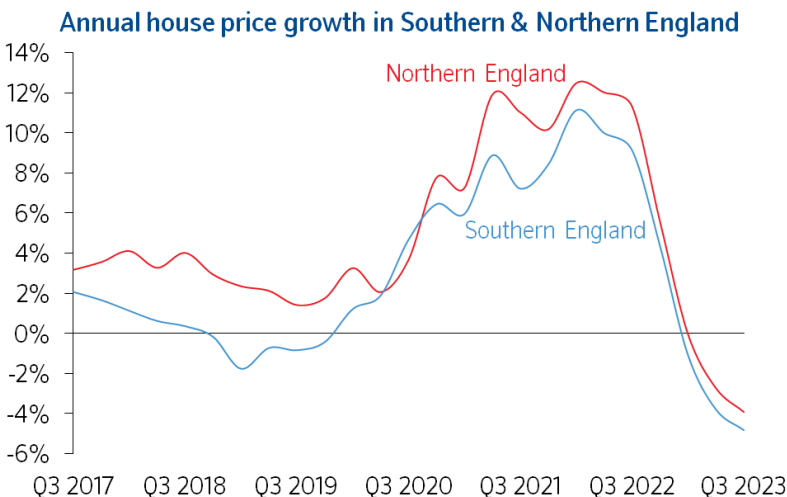
Nationwide

All regions saw annual price falls in Q3

“Our regional house price indices are produced quarterly with data for Q3 (three months to September) showing annual price declines in all regions.



“The South West was the weakest performing region, with prices down 6.3% year on year. Across northern England (which comprises North, North West, Yorkshire & The Humber, East Midlands and West Midlands), prices were down 3.9% compared with Q3 2022. The North was the strongest performing northern region, with the annual rate of change improving from -3.3% to -2.0%, while the East Midlands was the weakest, with a 5.5% decline.”



“Meanwhile southern England (South West, Outer South East, Outer Metropolitan, London and East Anglia) saw a 4.8% year-on-year fall. London was the best performing southern region, although still saw a 3.8% annual decline.”

Halifax

“All UK nations and the nine English regions registered a decline in house prices on an annual basis. Prices are under the greatest downward pressure in the South East of England, falling by -5.7% over the last year (average house price of £376,450).”

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 changes year on year.

Commentary on towns and cities

Overall, out of 30 cities, since 2005, property prices have risen above the average 3.8% inflation in 11 cities/towns, including Edinburgh and Leicester. All the remaining towns and cities, price growth has remained below inflation. 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 necessarily 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
Oxford	6.5%	Edinburgh	1.7%
Leicester	5.7%	Glasgow	0.7%
Portsmouth	5.5%	Bradford	0.7%
Newcastle upon Tyne	5.4%	Newcastle upon Tyne	0.6%
Sheffield	4.7%	Birmingham	0.6%

Lowest performers are:

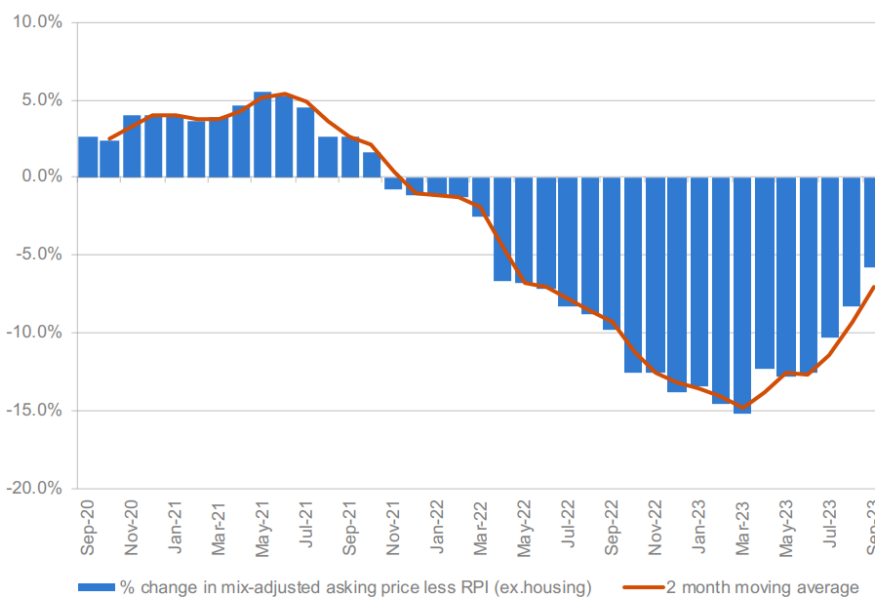
Land Registry's lowest 5 performers:	YoY	Hometrack's lowest 5 performers:	YoY
Aberdeen	-6.2%	Brighton and Hove	-2.9%
Brighton and Hove	-2.4%	Bournemouth, Christchurch & Poole	-2.2%
Bournemouth, Christchurch & Poole	-1.8%	Norwich	-2.1%
Norwich	-0.9%	Cambridge	-2.0%
Croydon	-0.8%	Aberdeen	-1.6%

Property Prices Towns/Cities <i>England, Wales, Scotland & NI</i>	Highest average house price pre-credit crunch 2007/08	Lowest average house price during recession 2009	Land Registry latest data Jul 23/Q2 23	How much higher/ lower are latest prices vs height in 2007/8	Land Registry Year on year change in price Jul 23/Q2 23	Annual average increase since 2005	Hometrack latest data Aug-23	Hometrack Year on year change in price Aug-23
Belfast (Q2)	£213,626	£87,890	£157,629	-26.2%	0.8%	2.3%	£168,300	-0.3%
Glasgow	£130,473	£96,139	£178,108	36.5%	1.6%	3.5%	£144,900	0.7%
Edinburgh	£225,750	£183,029	£333,380	47.7%	1.4%	4.1%	£267,100	1.7%
Aberdeen	£171,220	£146,598	£138,110	-19.3%	-6.2%	2.7%	£145,300	-1.6%
Cardiff	£170,496	£139,651	£263,035	54.3%	2.4%	3.2%	£254,100	-0.2%
Newcastle upon Tyne	£164,935	£133,086	£195,548	18.6%	5.4%	2.0%	£152,400	0.6%
Bradford	£139,640	£111,109	£173,049	23.9%	0.1%	3.2%	£154,600	0.7%
Liverpool	£130,249	£103,705	£177,224	36.1%	0.8%	3.0%	£156,500	0.3%
Leeds	£161,439	£130,128	£240,135	48.7%	2.5%	3.3%	£208,700	0.4%
Sheffield	£144,875	£120,193	£216,623	49.5%	4.7%	3.6%	£171,500	0.0%
Manchester	£140,431	£111,679	£230,967	64.5%	3.2%	5.2%	£222,600	0.3%
Lincoln	£128,707	£106,017	£181,681	41.2%	2.0%	3.0%	n/a	n/a
Nottingham	£119,010	£93,696	£195,187	64.0%	4.7%	3.2%	£202,900	0.5%
Norwich	£166,498	£123,698	£239,792	44.0%	-0.9%	3.5%	£266,700	-2.1%
Peterborough	£156,264	£123,752	£243,489	55.8%	2.9%	3.5%	£218,000	-0.1%
Birmingham	£148,578	£122,773	£229,784	54.7%	1.4%	3.1%	£207,900	0.6%
Leicester	£135,317	£110,071	£233,376	72.5%	5.7%	3.9%	£227,800	-0.3%
Milton Keynes	£194,666	£147,827	£318,700	63.7%	3.6%	4.0%	£308,900	-1.5%
Gloucester	£169,008	£129,203	£253,703	50.1%	4.3%	3.3%	£232,200	-1.3%
Oxford	£289,855	£223,319	£498,231	71.9%	6.5%	4.4%	£447,200	-0.7%
Cambridge	£283,241	£224,469	£520,199	83.7%	2.8%	4.9%	£472,500	-2.0%
Bournemouth, Christchurch	£206,227	£163,937	£336,041	62.9%	-1.8%	3.6%	£336,200	-2.2%
Southampton	£168,795	£134,665	£247,649	46.7%	2.2%	2.9%	£257,100	-1.3%
Portsmouth	£169,633	£130,868	£265,147	56.3%	5.5%	3.5%	£282,100	-1.5%
Brighton and Hove	£257,108	£202,054	£433,142	68.5%	-2.4%	4.3%	£407,000	-2.9%
Reading	£216,724	£176,087	£329,561	52.1%	1.0%	3.6%	£408,500	-1.2%
Croydon	£248,005	£199,415	£415,491	67.5%	-0.8%	4.0%	n/a	n/a
Tunbridge Wells	£279,413	£217,421	£460,155	64.7%	0.7%	3.9%	n/a	n/a
Bristol	£195,196	£153,648	£346,953	77.7%	0.2%	4.6%	£342,500	-1.1%
London	£298,596	£245,351	£534,265	78.9%	-0.8%	4.7%	£541,800	-1.4%

It's so important for everyone who owns property with cash – especially if investing – that property isn't actually doing great. Where it gives a return on investment is when you leverage the money you have and prices go up. However, the recent hikes in mortgage rates has made this strategy much more difficult to deliver.

This chart shows that despite the growth over the last few years, as inflation is so high, property actually hasn't held up that well – for everyone and that's especially true of flats versus homes.

Real Asking Price Growth, England and Wales



Source: Home.co.uk Asking Price Index, September 2023 and ONS [RPI ex. housing].
Inflation for August and September are our estimates (6.4% and 4% respectively).

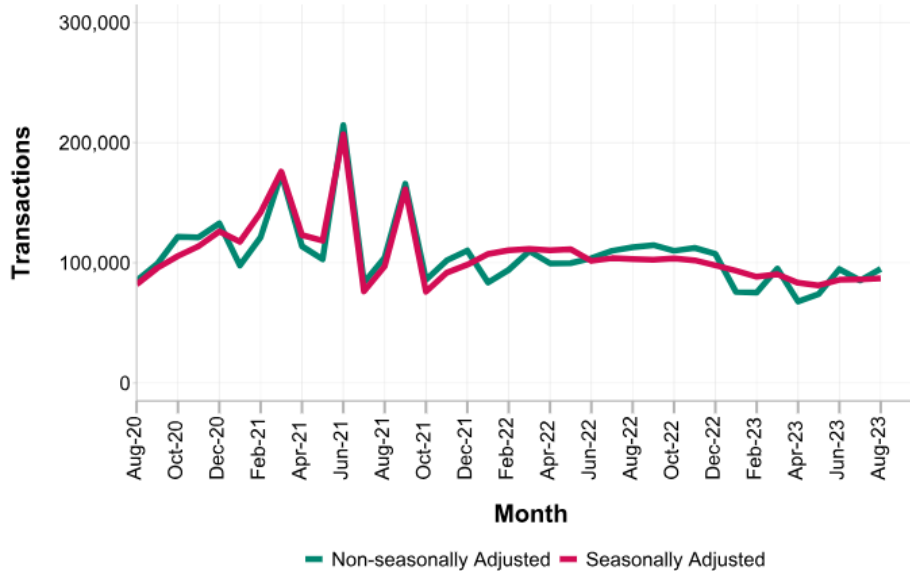
Demand and supply

Despite much of the media focusing on property prices, from a buyer's/seller's perspective, for the industry and indeed for the economy, what's more important is the data we receive on transactions.

HMRC

"August is the third consecutive month to show a month-on-month increase in seasonally adjusted residential transactions. Seasonally adjusted transactions rose by 1% in August relative to July."

Non-seasonally adjusted and seasonally adjusted UK residential property transactions by month between August 2020 and August 2023.

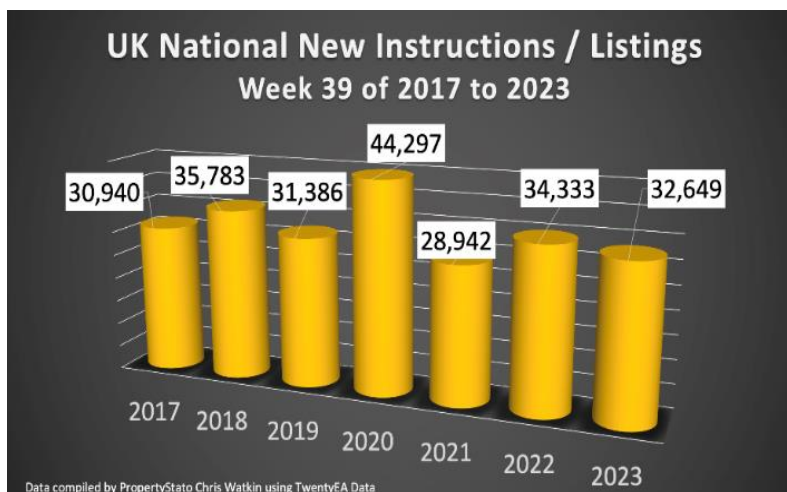


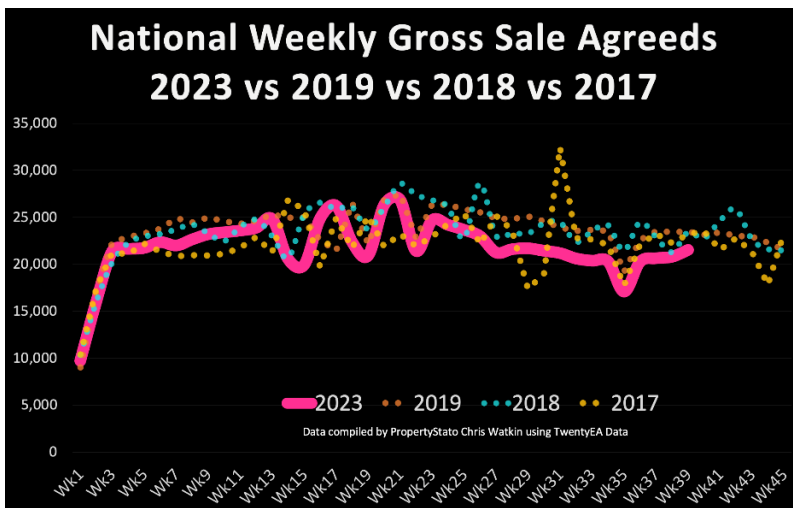
[Propertymark](#) are reporting *"The supply of new homes placed for sale per member branch showed another positive uplift in August 2023 – now at an average of 13 per member branch. The average number of sales agreed per member branch remained static however, when compared to the month previous. The average number of properties available per member branch showed a positive climb to an average of 45 in August 2023 compared to 38 in July 2023. This represents the highest figure since pre COVID."*

Data from Chris Watkin and TwentyEA

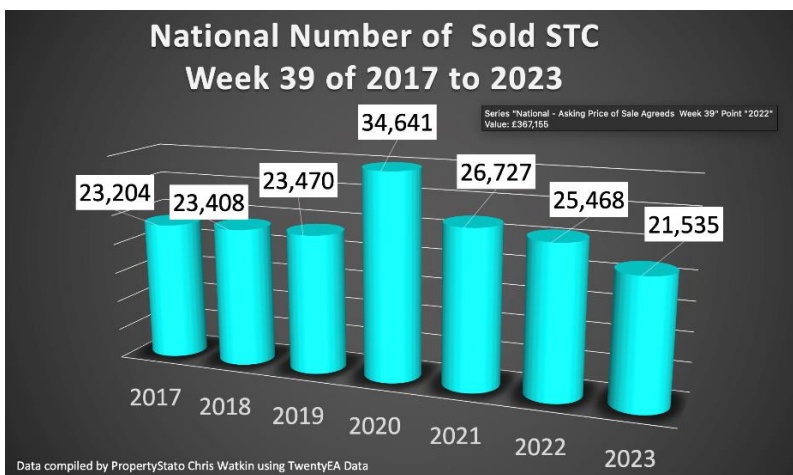
This data is becoming absolutely essential for any analyst and everyone working in the market that has to forecast their revenue and transactions moving forward.

As you can see from the charts, listings are pretty 'average' with listings for week 39 averaging over seven years at 34,000 and actually a bit lower for this year, but not far off at 32,649. So listings wise, we are 'good' but the market isn't being flooded.





Critical though is what’s happening to sold properties and the same analysis doesn’t look so good: the average over seven years is 25,420 sales in week 39, but drops to 21,535 this year – a fall of 15%. And, although mortgages are looking better, this is likely to last until the end of the year, even versus poor sales last year. We might see a bit of a boost for October (as last year we had the Truss catastrophe) but I’d be bracing myself for a poor November and December.

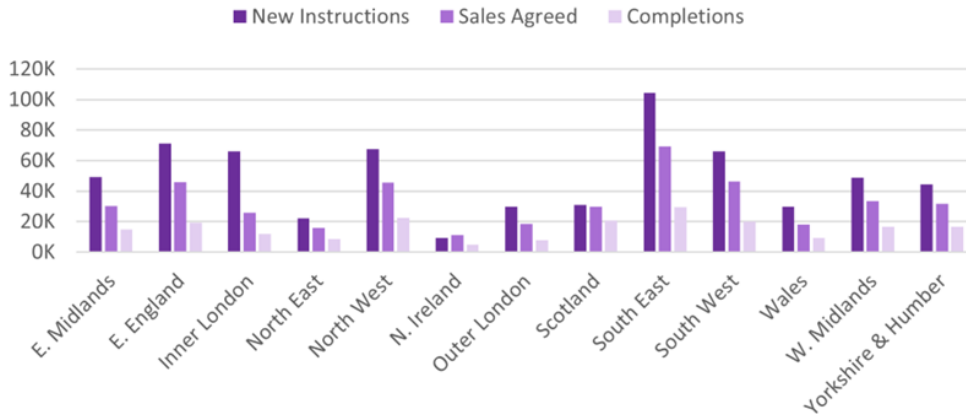


Twentyci

“At the time of publishing, there were 640,016 residential properties for sale. This is 5,162 more properties than reported in our August Pulse.

“There were 4,657 fewer properties Sold Subject to Contract than in August (422,370 compared to 427,027). However, exchanges increased with 11,233 more properties exchanged in June, July and August (203,588) compared to May, June and July (192,355). The key stages of the home buying process have been broken down by stages and regions below:

New Instructions, Sales Agreed & Completions* by Region (*Last 3 months)



“In September we traditionally see a post-vacation uplift. This is evidenced by the 1% increase in new listings compared to August. This month, the South East took the lion’s share, with 104,319 properties currently for sale. This was followed by the East of England with 71,198 for sale. The North West secured the third spot with 67,669 followed by the South West at 65,950 and Inner London closely behind at 65,896.”

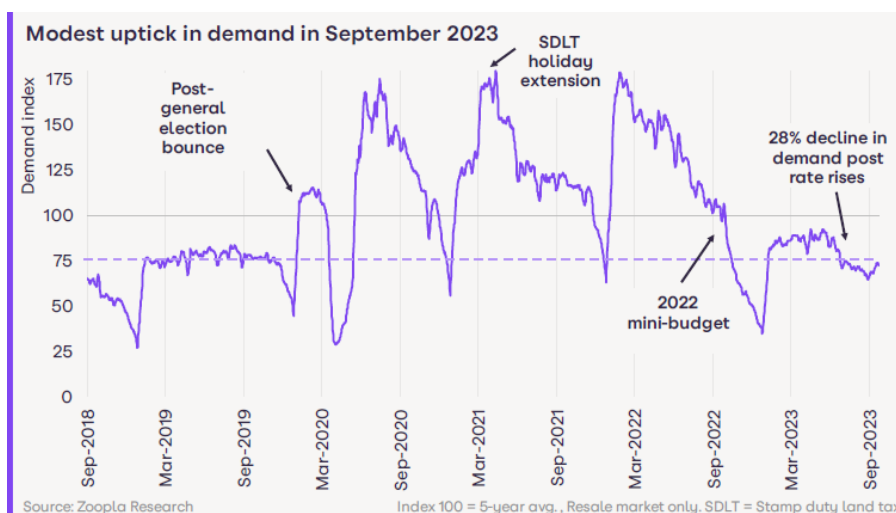
Zoopla

Demand ticks higher off a low base

“The decline in buyer demand over the summer has started to reverse. Enquiries to estate agents are up 12% since the August bank-holiday weekend. This improvement is off a low base - demand remains 33% lower than a year ago and in line with 2019. This uptick in enquiries is partly seasonal but also reflects improved consumer confidence, which is at a 2-year high, amid expectations of lower mortgage rates.

“Demand has improved in all areas, noticeably in southern England where enquiries for homes have been weakest in 2023. Demand is up 19% in the South East over the last 3 weeks and 16% higher in London.

“The number of new sales agreed has also increased and is closely tracking 2019 levels, supported by homebuyers having a much greater choice as levels of inventory return to pre-pandemic levels.”

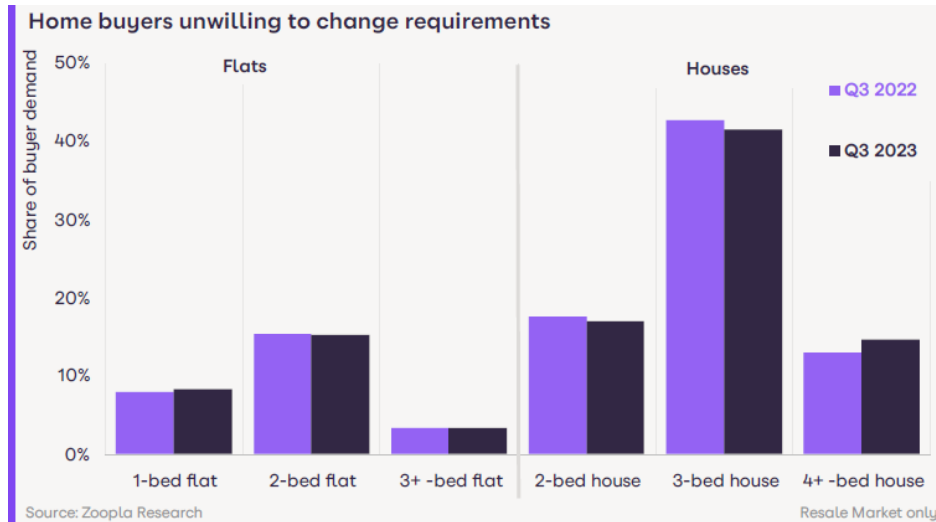


Buyers unwilling to compromise

“Mortgage rates remain over 5%, reducing household buying power by over 20% compared to early 2022. Despite this, data on buyer enquiries shows home hunters are unwilling to make compromises on the size of home they are looking for. Share of buyer demand by property type and size is virtually the same as a year ago. There is a similar pattern for demand split by price band.

“There are some small regional variations with more demand for flats in London, for example, but the overall trend is buyers holding out for what they want. It seems many buyers are waiting for either a fall in house prices or mortgage rates. This is why sales volumes are set to be 20% lower this year and 28% lower for those buying with a mortgage.

“An unwillingness to compromise is a rational approach as buying a home is a big and expensive life event. Younger buyers are taking longer mortgages, to boost buying power, so they want to buy a home they are going to be happy in for a decade or longer.



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.

It's important to know that although many areas aren't having a great time sales wise just now, at postcode level the picture can either be worse or much better as the data below highlights. It also shows that serious buyers and sellers need to understand their local markets, from the agents to know whether it's a good time to buy or sell.

This makes it easier for good agents that are honest about market conditions to value and manage expectations. For example, in BS3 (Bristol) 71% of the properties on the market are under offer, in contrast, B4 in Birmingham is one of the worst performers according to this index, with only 10% of properties on the market 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, Brighton and Sheffield having some of the busiest markets, and Birmingham, London, Liverpool and Alford 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	%	Oct 23
BS3	71	Bristol
BN42	70	Brighton
BS7	69	Bristol
S6	68	Sheffield
BS5	67	Bristol
WV12	67	Willenhall
RG22	66	Basingstoke
S5	66	Sheffield
NE7	66	Newcastle Upon Tyne
S8	65	Sheffield

Top 10 cold markets - buyer demand

Postcode	%	Oct 23
B4	7	Birmingham
W1	9	London
EC2	10	London
LN13	12	Alford
L2	12	Liverpool
WC2	13	London
SW1	14	London
NW4	14	London
SW7	15	London
W2	15	London

Source: [TheAdvisory](#)

Where is the market going?

The big 'hope' is that base rates have topped out – if this is the case, then we may be looking at a more rosy 2024, but I don't think the fall in mortgages or inflation will have an effect this side of Xmas.

Zoopla

"We expect our index to record small month-on-month declines over the Autumn and end the year 2-3% lower than 2022. This would leave average prices 17% higher than Q1 2020, just before the pandemic.

"The modest reduction in house prices is not sufficient to boost affordability and support a recovery in sales volumes, even if mortgage rates were to dip below 5%. We should expect further modest downward pressure on prices over Q4 2023 and into Q1 2024.

"The housing market continues to adjust to higher borrowing costs. The more than doubling in mortgage rates since last 2021 together with increases in the cost of living represents a big adjustment for home buyers and the wider market.

"The impact on pricing has been modest compared to the scale of the hit to buying power. Forbearance by lenders, tougher mortgage regulations over recent years and a strong labour market appear to have moderated the stress in the market compared to previous cycles that would have driven larger price reductions.

"Some buyers are returning to the market this autumn, having delayed home moving decisions as base rates moved higher. Many others continue to wait on the outlook for mortgage rates while also holding out on their property requirements for their next purchase.

"The quicker average mortgage rates (for 5-year 75% LTV fixed-rates) move towards 4.5% or lower, the sooner we will see buyers return to the market. This currently seems more likely in 2024 than later this year."