

## December 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

##### ***Better-than-predicted year, as sellers price more competitively***

*"Average new seller asking prices drop by 1.7% (-£6,088) this month to £362,143, as Christmas approaches and sellers continue to adopt more pricing realism to attract a buyer."*

##### Home.co.uk

##### ***Stock levels and prices in seasonal decline***

*"Asking prices across England and Wales dropped by 0.6% during October, making the year-on-year fall in asking prices just -1.6%."*

##### RICS

##### ***Sales market remains subdued albeit most indicators turn slightly less downbeat over the month***

*"National house prices continue to fall, although the pace of decline appears to be levelling off."*

##### Nationwide

##### ***House price recovery continued in November***

*"UK house prices rose by 0.2% in November, after taking account of seasonal effects. This was the third successive monthly increase and resulted in an improvement in the annual rate of house price growth from -3.3% in October, to -2.0%. While this remains weak, it is the strongest outturn for nine months."*

##### Halifax

##### ***UK house prices rise for the second month in a row***

*"Average house prices rose by +0.5% in November, following a rise of +1.2% in October. Property prices dropped by -1.0% on an annual basis (vs -3.1% last month)."*

##### e.surv

##### ***November house prices continue to fall***

*"Cash and mortgage data show average prices decline by an annual -4.6%."*

##### Zoopla

##### ***Price falls extend across country, but declines remain modest***

*"UK house price inflation slows to -1.2%, down from 8.2% a year ago."*

# 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	Sep-23	Oct-23	Nov-23	Annual Change	Annual Average (05 - 23)		
Rightmove	£241,474	£213,570	13.1%	50.0%	£366,281	£368,231	£362,143	-1.3%	3.7%	Asking prices	E & W
Home.co.uk	£258,531	£239,607	7.9%	36.0%	£353,264	£353,869	£351,696	-1.6%	n/a	Asking prices	E & W
Nationwide	£184,131	£147,746	24.6%	40.4%	£257,808	£259,423	£258,557	-2.0%	3.0%	Mortgaged only	UK
Halifax	£199,766	£157,767	26.6%	42.0%	£278,601	£281,974	£283,615	-1.0%	3.1%	Mortgaged only, seasonally adjusted	UK
e.surv	£231,829	£197,145	17.6%	54.6%	£366,348	£362,777	£358,337	-4.6%	3.7%	Actual prices, includes cash sales	E & W
Zoopla	£178,128	£153,449	16.1%	48.5%	£264,900	£264,600	n/a	-1.2%	n/a	Sold prices, mortgage valuations and agreed sales	UK
UK HPI	£190,032	£154,452	23.0%	53.1%	£291,000	n/a	n/a	-0.1%	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

- Sales agreed are now 10% below 2019's more normal market level, improving from 15% below last month.
- The pandemic-driven stock shortage is over, with available properties for sale now just 1% behind 2019.
- The number of sales being agreed for studio, one and two-bed properties is just 7% lower than 2019's level, compared to four-bed detached houses and all five-bed plus properties, where agreed sales are 14% behind 2019.

### Nationwide

- House prices down by 2% compared with last year.
- In mid-August, investors had expected the Bank of England to raise rates to a peak of around 6% and lower them only modestly (to c.4%) over the next five years. By the end of November, this had shifted to a view that rates have now peaked (at 5.25%) and that they will be lowered to around 3.5% in the years ahead.
- The number of mortgage approvals for house purchases has been running at c.30% below pre-pandemic levels.
- A rapid rebound still appears unlikely. Cost-of-living pressures are easing, with the rate of inflation now running below the rate of average wage growth, but consumer confidence remains weak, and surveyors continue to report subdued levels of new buyer enquiries.

### Halifax

- Property prices dropped by -1.0% on an annual basis (vs -3.1% last month).
- South East England continues to see most downward pressure on house prices.
- The resilience seen in house prices during 2023 continues to be underpinned by a shortage of properties available, rather than any significant strengthening of buyer demand.
- The economic conditions remain uncertain, making it hard to assess the extent to which market activity will be maintained. Other pressures – like inflation, the broader cost of living, overall employment rates and affordability – mean we expect to see downward pressure on house prices into next year. Latest Bank of England figures show the number of mortgages approved to finance house purchases increased in October 2023, by 8.5% to 47,383. Year-on-year the October figure was 17.1% below October 2022. (Source: Bank of England, seasonally-adjusted figures)

## Home.co.uk

- *In line with seasonal expectations, the total sales stock count for England and Wales has dropped significantly since the October reading.*
- *The current total of unsold property is 468,220, around 5,000 lower than last month.*
- *The supply rate of new instructions entering the market is remarkably restrained overall: down 3% year-on-year and down 8% vs. October 2018. The largest increase at the regional level was observed in the North East (+7%), while the largest year-on-year fall in supply was in Greater London (-8%).*
- *The Typical Time on Market for unsold property in England and Wales increased by three days during October in line with seasonal expectations. The current median is 93 days; in pre-COVID October 2019, the same measure was 101 days.*
- *The mix-adjusted average asking price for England and Wales is currently down 1.5% since November 2022.*

## Zoopla

- *UK house price inflation slows to -1.2%, down from 8.2% a year ago.*
- *Homes for sale touches a 6-year high boosting choice and reinforcing the buyer's market and downward pressure on prices.*
- *Sellers accepting 5.5% off the asking price to agree sales, an average discount of £18,000 - the largest gap for over 5 years.*
- *Discounts to asking prices for agreed sales are 6.1% in London and the South East (£25,000) and 4.8% (or £11,000) for rest of UK.*
- *For 3 and 4+ bed houses supply has rebounded the most*
- *While there has been a modest rebound over the autumn, demand remains 13% lower than 2019. Demand is also 10% higher than last year when the fallout from the mini budget drove a rapid decline in buyer interest.*
- *New sales are still being agreed, tracking 15% higher than a year ago and 5% higher than 2019 levels.*
- *The larger price falls are concentrated across southern England, especially in markets that registered strong demand and fast price.*

## Property prices by country

Property Prices - Countries	Land Registry latest data Sep 23/ Q3 23	Land Registry year on year change in price Sep 23/Q3 23	Land Registry annual average increase since 2005	Nationwide latest data Q3 23	Nationwide year on year change in price Q3 23
England	£310,000	-0.5%	3.8%	£298,441	-4.5%
Wales	£215,000	-2.7%	3.1%	£202,065	-5.4%
Scotland	£195,000	2.5%	4.1%	£176,814	-4.2%
Northern Ireland (Q3)	£180,000	2.1%	2.7%	£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*
- *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

#### Halifax

*“House prices in Scotland also continue to show resilience, though growth has flattened over the last year (0.0%), with the average property in the country now costing £203,116.”*

#### Zoopla

*“Prices are 1% higher in Scotland. Sales are holding up across many parts of Scotland.”*

#### e.surv

##### **Average prices in September up by £965 in month**

*“The average house price in Scotland in September 2023 has increased by some £2,250, or 1.0%, over the last twelve months, which is 0.4% higher than the 0.6% growth rate in August, one month earlier. This represents the third successive rise in the annual rates of growth, over the last three months, despite the economic headwinds of 2023.*

*“In September 2023, 16 of the 32 local authorities were reporting a positive movement in prices over the previous twelve months, compared with 18 in August.*

*“In September, Na h-Eileanan Siar saw the highest increase in its annual rate of price growth, at 20.4%, which was assisted by the sale of a £680,000 detached home on the Isle of North Uist, the most expensive property to be sold in Na h-Eileanan Siar since January 2022. On the mainland, the local authority with the highest growth was East Dunbartonshire, with average prices up by 10.0% over the year. All property types in East Dunbartonshire, except for detached, have seen their average prices increase over the year, especially terraces where the average price has increased from £210k in September 2022 to £255k twelve months later. The average price of a terraced home in East Dunbartonshire is ranked the third-highest among the 32 Local Authority Areas in Scotland.*

*“Meanwhile, on the mainland, East Ayrshire had the largest fall in prices over the last twelve months, at -8.2%. In East Ayrshire, all property types - except for terraces - saw prices fall over the year. At an average price of £130k, East Ayrshire is ranked 28th out of 32 by way of its terraced property values, which contrasts markedly with East Dunbartonshire, as noted above.”*

## Summary from the indices of the Welsh housing market

### Halifax

*“Wales recorded one of the lowest annual falls (-1.5%), with homes selling for an average of £215,787 in November.”*

## Summary from the indices of the Northern Ireland housing market

### Halifax

*“Northern Ireland is the strongest performing nation or region in the UK, with house prices increasing by +2.3% on an annual basis. Properties in Northern Ireland now cost on average £189,684, which is £4,294 higher than the same time last year.”*

## Regional property prices tracking

Property Prices - Regions	Land Registry Latest data Sep-23	Land Registry Year on year change in price Sep-23	Rightmove Latest data Nov-23	Rightmove Year on year change in price Nov-23	Home.co.uk Latest data Nov-23	Home.co.uk Year on year change in price Nov-23	Halifax Latest data Nov-23	Halifax Year on year change in price Nov-23	Nationwide Latest data Q3 23	Nationwide Year on year change in price Q3 23
North East	£163,000	1.6%	£181,829	1.3%	£188,845	0.8%	£168,666	-2.6%	£156,051	-2.0%
North West	£218,000	0.6%	£255,107	2.5%	£263,237	2.1%	£223,036	-2.1%	£205,553	-3.5%
Yorkshire & The Humber	£210,000	0.0%	£242,367	0.2%	£246,244	1.3%	£202,391	-2.1%	£198,030	-5.4%
East Midlands	£251,000	0.4%	£281,118	-1.4%	£280,463	-3.6%	£232,776	-4.4%	£228,373	-5.5%
West Midlands	£254,000	0.5%	£283,204	-0.6%	£295,842	-1.4%	£243,655	-3.3%	£241,130	-2.4%
South West	£329,000	-1.6%	£376,794	-2.5%	£377,823	-2.4%	£291,902	-5.0%	£301,600	-6.3%
East	£353,000	-1.4%	£413,868	-2.6%	£394,687	-3.0%	£322,230	-5.0%	£273,066	-5.6%
South East	£392,000	-1.4%	£472,139	-2.8%	£441,475	-1.9%	£373,943	-5.7%	£334,215	-5.4%
London	£537,000	-1.1%	£673,257	-1.3%	£539,242	-2.9%	£524,592	-3.8%	£514,325	-3.8%

Currently, the price indices are reporting that either the East of England or the South East are the worst performing markets, followed by London.

However, this sounds much worse than the 'reality' which is that we still aren't seeing any of the 'Armageddon' price falls some predicted and prices are, a few percent to 6% down according to Nationwide and Halifax. They tend to see higher falls as they only monitor properties bought with a mortgage, rather than cash, so miss out on 30%+ of the market.

The reality is that prices have done extremely well since the pandemic and most home owners could have coped with 10% falls, so not only has the market some ability to fall more, but people can cope too. The bigger threat of course is mortgage rate rises, but even these seem to have peaked so far – as long as we don't get any more shocks.

What is being missed by much of the media though is that London has not performed as well as the rest of the market and there is little mention that currently, even though prices are high versus the rest of the country, prices are actually quite good value for money:

*“While London house prices are high in absolute terms, they have failed to keep pace with the rest of the UK over the last six years. The average value of a London home is just 8% higher than seven years ago, in nominal terms, whereas UK house prices are 28% higher.”*

### Commentary on the regional performance by indices is below:

#### Halifax

*“Property prices in the South East fell most sharply when compared to other UK regions over the last year (-5.7%) to £373,943, a drop of -£22,702. London retains the top spot for the highest average house price in the UK, at £524,592, though prices in the capital have now fallen by -3.8% on an annual basis.”*

#### e.surv

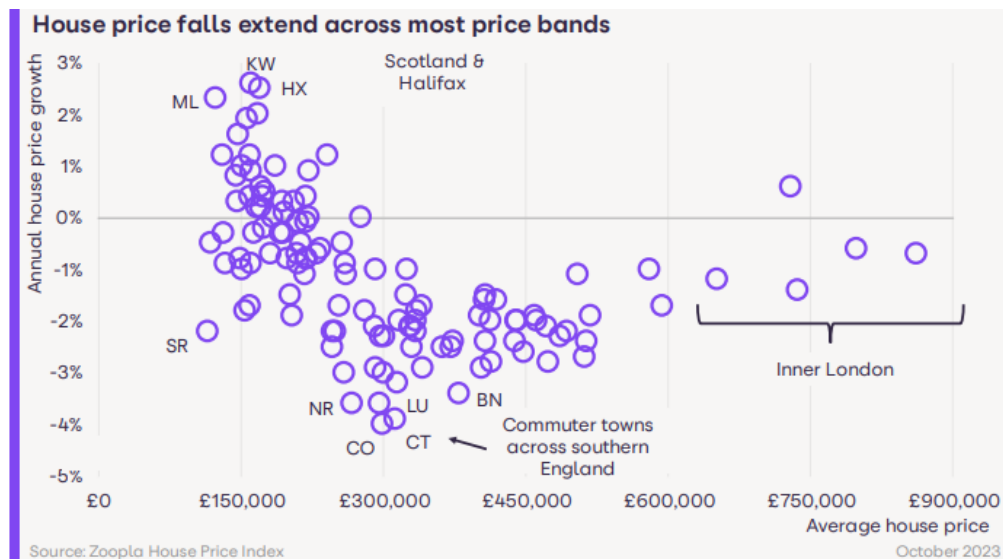
*“For the second month in succession, all Countries and Regions are showing a negative movement in their rates of change. As reported last month, the previous time that all ten areas had a negative rate was in June 2011, some twelve years earlier, when stamp duty had just been increased on homes over £1 million and mortgage finance was in short supply.*

*“Also, for the second month in succession, it is the North East that is reporting the smallest fall in prices over the last twelve months, at -1.8%. In the North East, Tyne and Wear has seen a 2.3% increase in prices over the year, which has partly offset the falls in six of the seven other constituent areas in the region. The North West saw a fall of -2.1% in prices over the last twelve months., and the East of England had the largest fall in rates over the year of -6.1%. The last time that any of the ten areas had a fall of this magnitude in their annual rate of growth was in October 2011, when the North East saw a negative rate of -6.8%.*

*“In Greater London, prices have fallen by an average -2.7% over the previous twelve months, compared to -3.0% one month earlier.”*

## Zoopla

“At a regional level, house prices are falling across all areas of England and Wales led by the Eastern region at -2.6%, followed by the South East (-2.4%) and London (-2.0%). Prices are falling across the country and across all price bands. The annual decline in house prices remains in low single digits reaching up to -4% in the Colchester (CO) postal area. The larger price falls are concentrated across southern England, especially in markets that registered strong demand and fast price growth over the pandemic ‘race for space’. Now demand is falling, and supply is growing, it means average prices are falling off a higher base although prices remain well above the pre-pandemic levels.”



### Value for money supporting sales and prices in London

“While higher mortgage rates have hit buying power, there is no evidence of an acceleration in price falls in the highest value markets such as London. Annual price falls in London are lower than across the wider South East and adjacent commuter areas.

“Better value for money and a steady return to office working is supporting sale volumes and pricing levels in London. New sales have rebounded more in London than any other part of the UK over the last 2 months. This has led to a slight firming in prices and values in the EC postal area are positive at +0.6% over the last year.”

## 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 Leicester, Bristol and Edinburgh, remained the same as inflation in two cities/towns – Sheffield and Norwich, with price growth staying below inflation for the remaining towns and cities. 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
Sheffield	4.9%	Glasgow	1.1%
Manchester	4.8%	Bradford	0.9%
Glasgow	4.3%	Edinburgh	0.8%
Liverpool	4.0%	Newcastle upon Tyne	0.6%
Peterborough	3.6%	Liverpool	0.2%

### Lowest performers are:

Land Registry's lowest 5 performers:	YoY	Hometrack's lowest 5 performers:	YoY
Brighton and Hove	-3.5%	Brighton and Hove	-3.5%
Aberdeen	-3.1%	Norwich	-3.2%
Lincoln	-3.0%	Milton Keynes	-3.0%
Bournemouth, Christchurch & Poole	-2.4%	Bournemouth, Christchurch & Poole	-2.6%
Bristol	-2.4%	Aberdeen	-2.4%

### [e.surv](#)

*"In October 2023, only 10 of the 111 Unitary Authority areas in England and Wales were recording house price gains over the previous twelve months. This contrasts with the 14 authorities in September 2023 with price rises over the previous year.*

*"The area with the highest annual increase in prices in October 2023, for the third month running, is Rutland, but at 4.5% this month, compared to 5.0% growth last month – the average price being augmented by the sale of a five-bedroom detached property in Oakham, for £945,000, in what is otherwise a quiet market.*

*"By way of contrast, the Unitary Authority area with the largest fall in prices over the last twelve months is Blaenau Gwent in Wales, at -15.5%. All property types in Blaenau Gwent have seen price falls over the year, with the largest fall being in semi-detached homes, down from an average £172k in October 2022, to £136k twelve months later. However, Blaenau Gwent has one of the lowest transaction counts of all the Local Authorities in Wales, so movements in average prices will be unduly impacted by individual transactions, especially when expressed in percentage terms."*



<b>Property Prices Towns/Cities</b> <i>England, Wales, Scotland &amp; NI</i>	<b>Highest average house price pre-credit crunch 2007/08</b>	<b>Lowest average house price during recession 2009</b>	<b>Land Registry latest data Sep 23/Q3 23</b>	<b>Land Registry Year on year change in price Sep 23/Q3 23</b>	<b>Annual average increase since 2005</b>	<b>Hometrack latest data Oct-23</b>	<b>Hometrack Year on year change in price Oct-23</b>
Belfast (Q3)	£213,626	£87,890	£165,949	1.3%	2.5%	£169,900	2.3%
Glasgow	£130,473	£96,139	£184,000	4.3%	3.7%	£146,100	1.1%
Edinburgh	£225,750	£183,029	£344,000	3.4%	4.2%	£269,900	0.8%
Aberdeen	£171,220	£146,598	£141,000	-3.1%	2.8%	£140,200	-2.4%
Cardiff	£170,496	£139,651	£268,000	2.5%	3.3%	£252,700	-0.7%
Newcastle upon Tyne	£164,935	£133,086	£201,000	3.5%	2.1%	£153,100	0.6%
Bradford	£139,640	£111,109	£178,000	0.7%	3.3%	£157,100	0.9%
Liverpool	£130,249	£103,705	£187,000	4.0%	3.3%	£157,000	0.2%
Leeds	£161,439	£130,128	£246,000	2.7%	3.4%	£209,100	0.1%
Sheffield	£144,875	£120,193	£224,000	4.9%	3.8%	£171,900	-0.3%
Manchester	£140,431	£111,679	£244,000	4.8%	5.5%	£222,900	-0.2%
Lincoln	£128,707	£106,017	£179,000	-3.0%	3.0%	n/a	n/a
Nottingham	£119,010	£93,696	£193,000	1.7%	3.2%	£202,500	-0.5%
Norwich	£166,498	£123,698	£251,000	2.0%	3.8%	£265,100	-3.2%
Peterborough	£156,264	£123,752	£249,000	3.6%	3.6%	£218,000	-1.1%
Birmingham	£148,578	£122,773	£235,000	1.3%	3.3%	£208,100	-0.4%
Leicester	£135,317	£110,071	£232,000	2.2%	3.9%	£225,600	-2.0%
Milton Keynes	£194,666	£147,827	£326,000	1.6%	4.1%	£311,800	-3.0%
Gloucester	£169,008	£129,203	£253,000	1.3%	3.2%	£229,800	-2.0%
Oxford	£289,855	£223,319	£498,000	2.3%	4.4%	£445,700	-0.8%
Cambridge	£283,241	£224,469	£516,000	-0.6%	4.9%	£471,300	-2.3%
Bournemouth, Christchurch & Poole	£206,227	£163,937	£340,000	-2.4%	3.6%	£335,200	-2.6%
Southampton	£168,795	£134,665	£244,000	-1.5%	2.9%	£257,900	-2.3%
Portsmouth	£169,633	£130,868	£260,000	0.8%	3.4%	£279,100	-2.0%
Brighton and Hove	£257,108	£202,054	£427,000	-3.5%	4.3%	£404,000	-3.5%
Reading	£216,724	£176,087	£324,000	-1.2%	3.5%	£407,100	-1.8%
Croydon	£248,005	£199,415	£431,000	-0.3%	4.2%	n/a	n/a
Tunbridge Wells	£279,413	£217,421	£467,000	-0.8%	4.0%	n/a	n/a
Bristol	£195,196	£153,648	£351,000	-2.4%	4.7%	£339,600	-1.5%
London	£298,596	£245,351	£537,000	-1.1%	4.8%	£537,400	-2.0%

## 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.

Typically, when demand falls and supply rises, this can have quite a dramatic impact on property prices. In the last two recessions, prices fell by around 20%, but, although we haven't seen a full-blown recession this year, prices do seem to be divorcing from dramatic drops in demand.

This is partly because supply has been so tight, but also because people have received better pay rises over the last few years than in the past, the tighter mortgage rules introduced in 2014 have helped to ensure people can not only afford to buy in a low mortgage rate market, but also in a more 'normal rate' market of around 5%.

As such, although we will never get rid of 'boom and bust' with property prices, they certainly seem to be rising less in the good times and falling less in the bad times.

There is no doubt though that with 1mn sales this year and the same forecast for 2024, transactions have hit the industry harder than affordability issues have hit buyers and sellers.

What this means though is the industry needs to be super careful at which properties they agree to sell – and from which sellers.

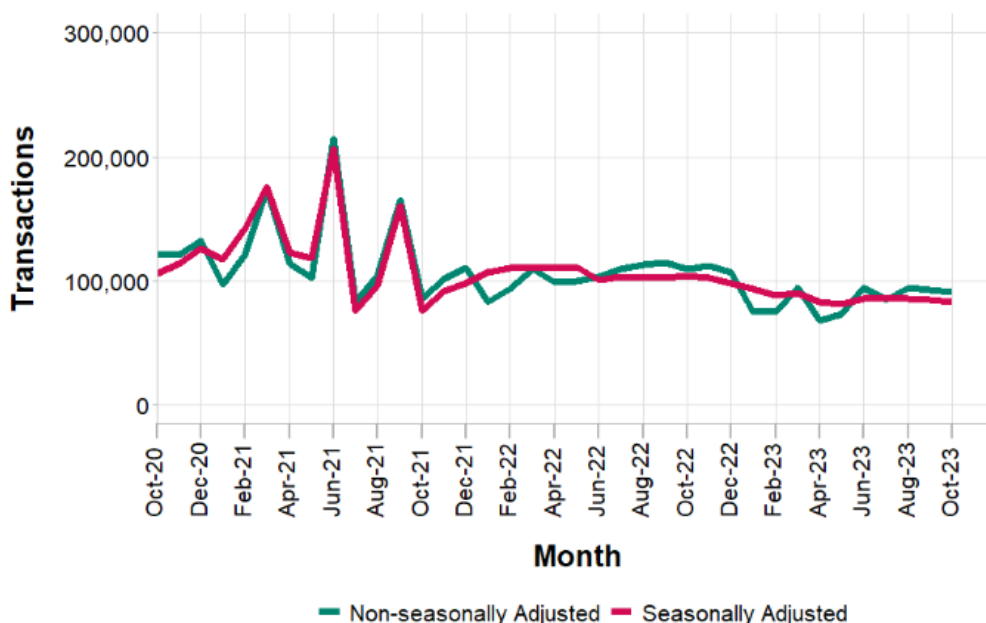
Those that aren't being realistic on price and those that don't help and support the agent to collate the new material information required are going to cost money rather than make agents money.

And although some may be worried about the impact of refusing properties, it may actually help boost business over time as telling someone 'no' can be quite powerful, and in our market, will help you stand out from the crowd.

### HMRC

*"Provisional figures for October 2023 show a fall in residential transactions, continuing the decrease observed in September. Seasonally adjusted transactions fell by 3% in October 2023 relative to September 2023 and non-seasonally adjusted figures are down 17% relative to October 2022 and down by 2% compared to September 2023."*

**Figure 1: Non-seasonally adjusted and seasonally adjusted UK residential property transactions by month between October 2020 and October 2023.**



Propertymark are reporting:

*“The number of new homes placed for sale per member branch has decreased again this month with nine properties available on average per branch in October 2023, compared with 11 in September and 13 in August. We would expect this trend to continue as we enter the festive season, and the market begins to cool. The number of sales agreed per member branch has decreased to seven in October 2023 from eight in September, but sits firmly in the range (6-8) that has been prevalent over the last 10 months. Given the emergence of seasonal trends, it is not surprising that the average stock of properties available for sale per member branch decreased from 45 in August to 39 in September and laterally 37 in October 2023.”*

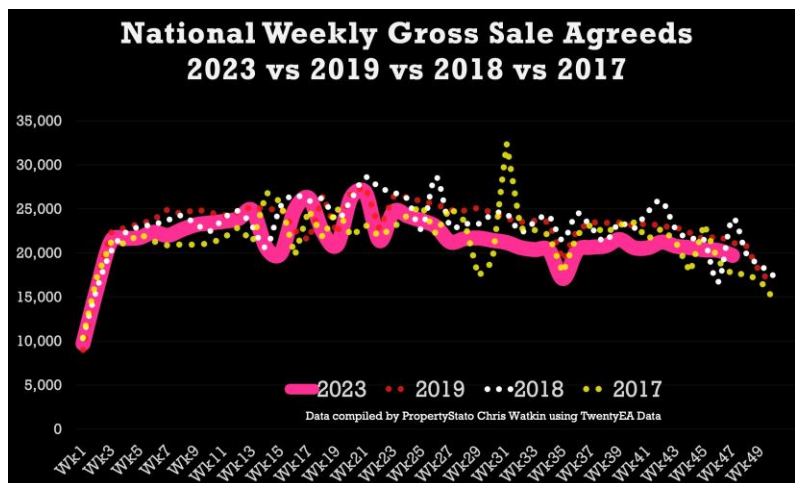
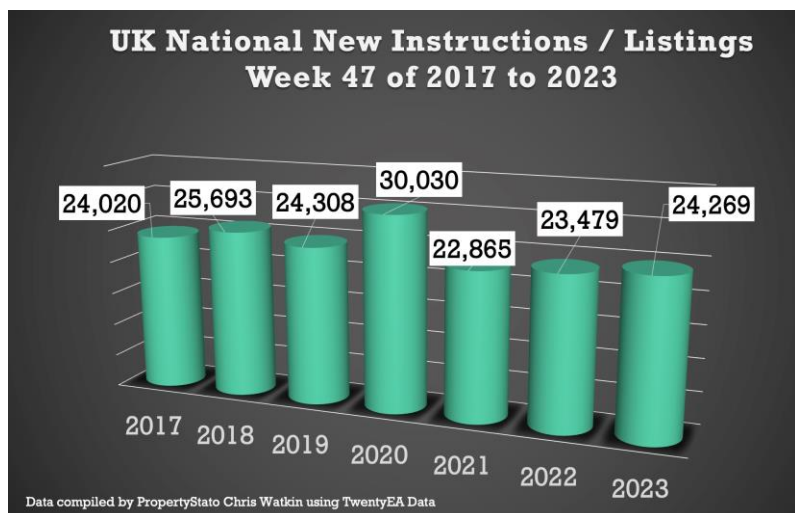
### Data from Chris Watkin and TwentyEA

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.

This data is probably the biggest game changer for agents – and anyone else in the buying and selling market. To have such in depth information given in a timely manner is fantastic.

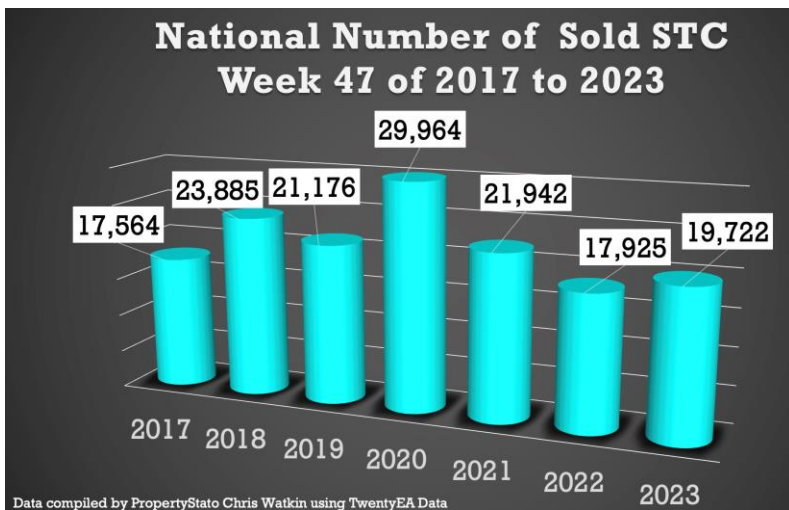
As you can see from the latest charts, listings are back up to where they were to pre-pandemic levels, and we know from the analysis to date that new listings are helping to drive down prices, taking the ‘froth’ off the market from 2022.

This in turn is helping to boost sales and I for one think this is probably the best time to buy. Partly because November/December are times when people do drop out of the market, so demand is limited, but also because we’ll likely get a bit of bounce in sales by March/April time next year with the extra stock attracting previously unsure buyers – along with hopefully some more competitive mortgage deals.



Great to see more deals being done too. Although not quite back to pre-pandemic levels, I am getting reports of a flurry of activity from people who were sitting on the fence purchase wise, but have now decided to take the plunge prior to Xmas.

Clearly year on year analysis is pretty useless based on the fact that this time last year we were all suffering from the fall out of the disastrous Liz Truss government.



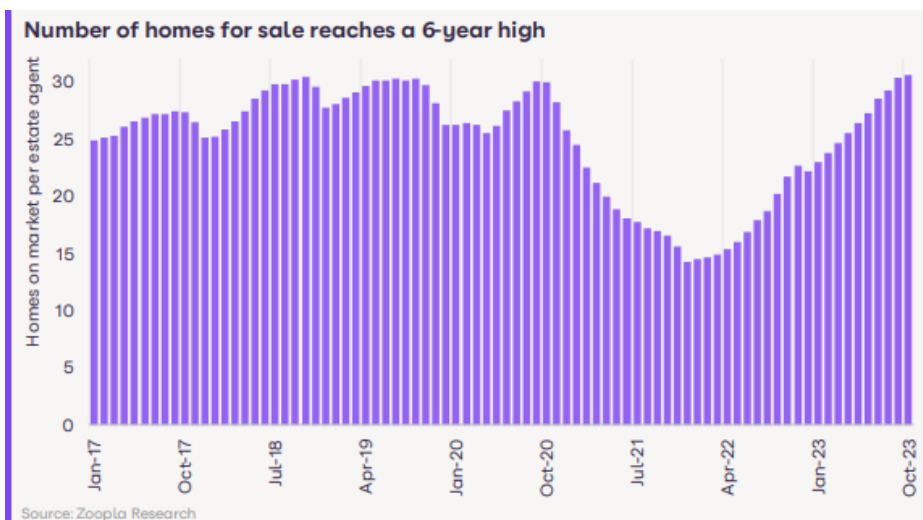
## Zoopla

### Record high supply of homes for sale

*“A chronic scarcity of homes for sale over the pandemic, particularly for 3+ bed family houses, was a key driver of high house price inflation. This position has fully reversed with the highest number of homes for sale per estate agent for six years.*

*“The rebound in supply has been recorded in the market for 3 and 4+ bed family homes, a trend across all parts of the UK. Only in Scotland, the North-East and North-West are levels of supply still below their pre pandemic levels.*

*“The average estate agency branch has 31 homes for sale, compared to a low of just 14 in the middle of the pandemic boom. This is boosting choice amongst would-be buyers and providing them with much greater negotiating power with sellers as they agree pricing.”*



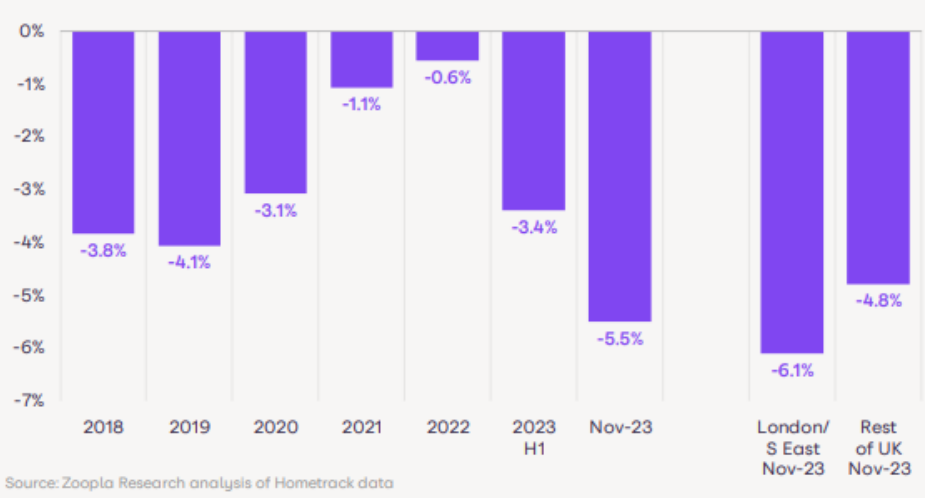
### Largest discounts to asking price for over 5 years

*“The strength of the buyer’s market is evidenced by the fact that the discount to asking price for achieved sales is now at a 5-year high. This also signals evidence of greater realism amongst sellers with a growing acceptance that what a home might have been worth a year ago is now largely academic given current market conditions.*

*“During the pandemic years buyers had to pay the asking price to secure a property. Over the course of 2023 the gap has widened and sellers have been accepting ever larger discounts to the asking price to agree a sale. In the first six months of 2023 discounts to the asking price averaged 3.4%.*

*“This has now grown to 5.5% for sales over the first half of November - a median discount of £18,000 off the asking price. This is larger than the previous high recorded in 2018, the last time housing demand weakened, and prices came under downward pressure.”*

### Discounts from asking to achieved price largest for 5 years



## 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 B47 (Birmingham) and BS6 and 3 (Bristol), 73%, 71% and 68% of the properties on the market are under offer, in contrast, EC2 (London), LN13 (Alford) and L2 (Liverpool) being the worst performers according to this index, with only 11% 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 Birmingham, Bristol and Basingstoke having some of the busiest markets, and London, Alford and Liverpool 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	%	Dec 23
B47	73	Birmingham
BS6	71	Bristol
BS3	68	Bristol
RG22	67	Basingstoke
BH17	66	Poole
BS5	66	Bristol
S5	66	Sheffield
M21	66	Manchester
S6	66	Sheffield
BS7	65	Bristol

#### Top 10 cold markets - buyer demand

Postcode	%	Dec 23
EC2	11	London
LN13	11	Alford
L2	11	Liverpool
WC2	13	London
SW5	14	London
L1	14	Liverpool
NW4	14	London
SW1	15	London
SW7	15	London
SW8	15	London

Source: [TheAdvisory](#)

## Where is the market going?

It's been a much better year this year than many people predicted. Zoopla wins the prize with their forecasts of 5% price falls and transactions at just over 1mn – although we are likely to come in at 1mn, which is 17% down on the average 1.2mn sales.

However, this shouldn't be a surprise to anyone as the huge sales of nearly 1.6mn in 2021 and 1.3mn in 2022, plus the issues this year with mortgage rates and the cost of living crisis, it had to hit at some point. And this shouldn't be causing any issues for the industry as money should have been put by in the 'good years' to get through the inevitable slow years. The good businesses in the industry I speak to have all had a bit put aside.

2024 will be as tricky to predict as this one though. There is hope that prices will bounce along the bottom, or fall slightly, but it will be very specific to that property and how keen the seller is to sell and how well the agents do at managing expectations and avoiding the temptation to take on properties at too higher price – especially with the data from Rightmove at the Negotiator Conference showing how damaging over pricing is for both agent and seller.

Transaction wise, numbers are likely to be the same as this year and will continue at that rate until we see bank base rates and mortgage rates fall back, hopefully to around 4 to 5%.

### What does this mean for the industry and buyers and sellers?

Cash will continue to be king for buyers along with sellers that appreciate they need to price keenly to secure offers. For the industry, it will mean taking time to secure as many buyers as they can and then chasing the instructions that they already have demand for.

To attract buyers will mean adjusting content to help show them that property is good value and still affordable.

#### Halifax

*"The resilience seen in house prices during 2023 continues to be underpinned by a shortage of properties available, rather than any significant strengthening of buyer demand. That said, recent figures for mortgage approvals suggest a slight uptick in activity levels, which is likely as a result of an improving picture on affordability for homebuyers. With mortgage rates starting to ease slightly, this may be leading to increased buyer confidence, seeing people more inclined to push ahead with their home purchases.*

*"However, the economic conditions remain uncertain, making it hard to assess the extent to which market activity will be maintained. Other pressures – like inflation, the broader cost of living, overall employment rates and affordability – mean we expect to see downward pressure on house prices into next year."*

#### Zoopla

*"The current repricing of housing has further to run in 2024. It's a positive that the number of new sales agreed is holding up, evidence that there are willing buyers and willing sellers ready to agree sales albeit at bigger discounts to asking price.*

*"While 5-year fixed mortgage rates have been falling below 5%, they need to fall further to bring more buyers back into the market. Rising earnings and incomes are slowly improving buying power but house prices haven't fallen enough to offset the impact of higher rates.*

*"We expect the number of homes for sale to start declining as some sellers take their property off the market with a view to relaunching in the new year. Homeowners that are serious about selling in H1 2024 need to set their asking price realistically to attract demand and agree a sale, especially in light of increased supply.*

*"Financial markets expect the Bank of England to start cutting rates around the summer of 2024. If mortgage rates start to fall further, this will support an improvement in demand and sales volumes later in 2024 but prices will remain under modest downward pressure."*