

January 2024

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

Signs of family movers returning as market stabilises

"Average new seller asking prices drop by 1.9% (-£6,966) this month to £355,177. Prices usually fall in December due to seasonal factors, but this month's drop is bigger than the previous 20-year average of 1.5% as sellers get more competitive."

Home.co.uk

Stock levels drop further and prices post marginal year-on-year gain

"Despite a seasonal monthly fall of 0.7% since last month, asking prices across England and Wales end the year up 0.1% vs. Dec 2022."

RICS

Near-term sales expectations turn slightly positive for the first time this year

"National house price declines appear to be slowing."

Nationwide

House prices fall 1.8% over the course of 2023

"UK house prices ended 2023 down 1.8% compared with December 2022, leaving them almost 4.5% below the all-time high recorded in late summer 2022. Prices were flat compared with November, after taking account of seasonal effects."

Halifax

UK house prices rise for third consecutive month

"In December, the cost of an average UK home rose for the third month in a row to £287,105, up +1.1% or £3,066, compared to November, reaching the highest level since March 2023."

e.surv

Annual price falls moderate in December

"Our data this month provides some light relief for home-owners. On a monthly basis house prices have risen, in this instance by some £550, or 0.2%, in December 2023, and now stand at a level last seen in February 2022."

Zoopla

House price falls starting to moderate as sales improve

"Annual house price inflation is -1.1%, down from +7.2% 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	Oct-23	Nov-23	Dec-23	Annual Change	Annual Average (05 - 24)		
Rightmove	£241,474	£213,570	13.1%	47.1%	£368,231	£362,143	£355,177	-1.1%	3.4%	Asking prices	E & W
Home.co.uk	£258,531	£239,607	7.9%	35.1%	£353,869	£351,696	£349,226	0.1%	n/a	Asking prices	E & W
Nationwide	£184,131	£147,746	24.6%	39.8%	£259,423	£258,557	£257,443	-1.8%	2.8%	Mortgaged only	UK
Halifax	£199,766	£157,767	26.6%	43.7%	£281,974	£283,615	£287,105	1.7%	3.0%	Mortgaged only , seasonally adjusted	UK
e.surv	£231,829	£197,145	17.6%	56.2%	£362,777	£358,337	£362,187	-3.5%	3.5%	Actual prices, includes cash sales	E & W
Zoopla	£178,128	£153,449	16.1%	48.5%	£264,600	£264,500	n/a	-1.1%	n/a	Sold prices, mortgage valuations and agreed sales	UK
UK HPI	£190,032	£154,452	23.0%	51.4%	£287,782	n/a	n/a	-1.2%	3.5%	Sold prices, includes cash sales and new builds	UK

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

Rightmove

- *New seller average asking prices end the year just 1.1% below a year ago, while sales agreed for the year to date in 2023's more challenging market are only 13% lower than the same period in the more frenetic 2022.*
- *Prices in seven out of 11 regions are higher than a year ago. The North West leads the way, up by 1.5% compared to last year, while the South East is the worst performer at 3.7% below 2022.*
- *Buyer demand in the mid-market, second-stepper sector is up the most against last year's post-mini-Budget period at +9%, while overall buyer demand is up by 6% after some movers paused to wait for calmer conditions.*

Nationwide

- *House prices down 1.8% compared with a year ago.*
- *Northern Ireland and Scotland the only parts of the UK to see prices rise in 2023.*
- *East Anglia the weakest performing region with prices down 5.2% over the year.*
- *During 2023, there were signs that more buyers were looking towards smaller, less expensive properties, with transaction volumes for flats holding up better than other property types.*
- *Convergence in the annual rate of price growth for different property types. During 2023:*
 - *Price of semi-detached properties held up best, recording a 1.8% year-on-year fall*
 - *Flats and terraced houses both saw a 2.1% annual decline*
 - *Detached properties were the weakest performing with prices down 2.7% over the year*

Halifax

- *Average house prices rose by +1.1% in December, the third monthly rise in a row.*
- *Property prices grew +1.7% overall in 2023.*
- *House prices predicted to fall by between -2% and -4% in 2024.*
- *South East England continues to see most downward pressure on house prices.*

Home.co.uk

- *The total sales stock count for England and Wales has plunged since the November reading.*
- *The current total of unsold property is 439,006, around 30,000 less than last month and typical for the time of year.*
- *The supply rate of new instructions entering the market are down 1% year-on-year and down 8% vs. November 2018. The largest year-on-year fall in supply was in Greater London again (-8%).*
- *The typical time on market for unsold property in England and Wales is 100 days; in pre-COVID December 2019, the same measure was 106 days.*

Zoopla

- *Annual house price inflation is -1.1%, down from +7.2% a year ago.*
- *Market sentiment improving with new sales agreed +17% year-on-year.*
- *Mortgage regulations a key reason for only modest price falls in 2023, along with strong labour market and rapid earnings growth.*
- *First-time buyers are largest group of would-be movers in next 2 years (40%) followed by upsizers (34%).*
- *Almost half of buyers living in southern England looking to move >10 miles in search of better value for money.*

Property prices by country

Property Prices - Countries	Land Registry latest data Oct 23/ Q3 23	Land Registry year on year change in price Oct 23/Q3 23	Land Registry annual average increase since 2005	Nationwide latest data Q4 23	Nationwide year on year change in price Q4 23
England	£305,902	-1.4%	3.5%	£296,231	-2.9%
Wales	£214,100	-3.0%	2.9%	£201,730	-1.9%
Scotland	£191,233	0.2%	3.8%	£179,208	0.5%
Northern Ireland (Q3)	£180,000	2.1%	2.5%	£184,593	4.5%

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

For Scotland, Wales, and Northern Ireland we monitor:

- *Nationwide*
- *Halifax*
- *e.surv*

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

Summary from the indices of the Scottish housing market

Nationwide

“Scotland also recorded a modest annual increase of 0.5% last year.”

Halifax

“Scotland’s average house price also recorded growth, with the average property in the nation now £205,170, +2.6% higher or £5,277 in cash terms on an annual basis.”

e.surv

Average prices show little change since May

“The average house price in Scotland in October 2023 has increased by some £975, or 0.4%, over the last twelve months, which is 0.4% lower than the 0.8% growth rate seen in September, one month earlier. This is the lowest annual growth rate since March 2019, nearly five years earlier.

“Despite the fall in the annual rate, 17 of the 32 local authorities were reporting a positive movement in prices over the previous twelve months, compared with 16 in September. However, Edinburgh had the largest fall in prices over the year when measured on a weight-adjusted basis (which takes into account both the number of sales and the nominal fall in average price), which singlehandedly counteracted some 30% of the positive movement in values in the 17 areas with price gains.

“In October, Clackmannanshire saw the highest increase in its annual rate of price growth, at 9.9%, but with only 44 sales in the month, contrasted with Edinburgh’s 612, the movements in average price will be unduly impacted by individual transactions, especially when expressed in percentage terms. Moray is in second place, with a more arithmetically significant 97 sales, with an average price gain of 8.3%. In Moray, all property types have seen prices rise over the year, with the largest increase being in semi-detached properties, up from an average £180k in October 2022 to £200k one year later.

“At the other end of the scale, the area on the mainland with the largest percentage fall in prices over the last twelve months, for the second month running, was East Ayrshire, at -6.0%. In East Ayrshire, all property types - except for terraces - saw prices fall over the year, with the largest fall being detached homes, down by an average £20k over the last twelve months. At an average £264k, in October 2023, East Ayrshire is ranked 29th out of the 32 local authority areas in Scotland, by way of its detached property values.”

Summary from the indices of the Welsh housing market

Nationwide

“Wales saw a 1.9% decline – Q4 2023 vs Q4 2022.”

Summary from the indices of the Northern Ireland housing market

Nationwide

“Northern Ireland was the best performer in 2023, with prices up 4.5% over the year.”

Halifax

“Northern Ireland continues to be the strongest performing nation or region in the UK, with house prices increasing by +4.1% on an annual basis. Properties in Northern Ireland now cost on average £192,153, which is £7,595 higher than the same time in December 2022.”

Regional property prices tracking

Property Prices - Regions	Land Registry Latest data Oct-23	Land Registry Year on year change in price Oct-23	Rightmove Latest data Dec-23	Rightmove Year on year change in price Dec-23	Home.co.uk Latest data Dec-23	Home.co.uk Year on year change in price Dec-23	Halifax Latest data Dec-23	Halifax Year on year change in price Dec-23	Nationwide Latest data Q4 23	Nationwide Year on year change in price Q4 23
North East	£161,237	0.2%	£178,574	0.4%	£188,640	4.7%	£168,274	-0.9%	£155,577	-0.8%
North West	£215,719	-0.4%	£248,770	1.5%	£262,822	4.6%	£226,765	0.3%	£206,584	-1.0%
Yorkshire & The Humber	£208,188	-1.2%	£237,547	0.7%	£244,013	2.5%	£204,904	0.1%	£198,692	-0.5%
East Midlands	£245,632	-1.7%	£275,866	-2.0%	£278,129	-1.6%	£234,578	-2.6%	£225,970	-3.2%
West Midlands	£253,130	-0.3%	£281,696	0.9%	£294,702	0.4%	£247,122	-1.4%	£234,115	-2.8%
South West	£330,260	-0.6%	£369,690	-0.9%	£373,579	-0.4%	£293,067	-3.9%	£298,597	-2.9%
East	£348,615	-2.3%	£405,158	-3.2%	£389,635	-1.4%	£325,634	-3.5%	£270,903	-5.2%
South East	£389,223	-2.0%	£455,580	-3.7%	£437,968	-0.1%	£376,804	-4.5%	£328,661	-4.5%
London	£515,504	-3.6%	£667,019	0.1%	£536,487	-2.0%	£528,798	-2.3%	£515,132	-2.4%

Although the Land Registry figures are still a few months behind the end of the year, Rightmove, Home, Halifax and Nationwide are close to tracking the end of the year results. None of them, from a price perspective, are showing the significant falls as expected just over a year ago.

Considering everything external factors have thrown at the property market – financial meltdown post the Liz Truss government, cost of living crisis, huge rises in mortgage rates (although many of these were predicted well in advance) and utility bills, it is quite incredible that property prices have hardly fallen at all.

However, the ‘hidden’ problem in 2023 which will be similar in 2024 is the lack of sales – estimated around 1mn as opposed to the average 1.2mn.

Hopefully most of the moving industry will have put monies away during the heady days during covid when sales were running at 1.3mn and 1.6mn. For those that haven’t, it will be another tough year financially.

Interestingly, in 2023 the North/South divide has meant that the North has done a lot better than the South – mainly due to affordability issues being less pronounced.

Best performing regions

From a regional perspective, more affordable areas such as the North and Yorkshire are seeing only slight falls – or indeed some rises according to Rightmove, Home.co.uk and Halifax.

Struggling regions

The areas recording the largest falls across the indices include London (-3.6% according to the Land Registry), South East (-3.7% Rightmove) and the East (-5.2% according to Nationwide).

Commentary on the regional performance by indices is below:

Rightmove

“Whilst at a national level average asking prices have seen a marginal fall of 1.1% compared to last year, there is a mixed picture across Great Britain, which has thousands of hyper-local markets, highlighting the need for sellers to price in line with their local market trends. Average new seller asking prices are higher in seven out of 11 areas across Great Britain compared to a year ago, with the North West leading the way at 1.5% higher than last year, and the South East being the worst performer at 3.7% below 2022.”

Nationwide

“Across northern England (which comprises North, North West, Yorkshire & The Humber, East Midlands and West Midlands), prices were down 1.8% year on year. Yorkshire & The Humber was the best performing northern region with an annual rate of change of -0.5%.

“Meanwhile, southern England (South West, Outer South East, Outer Metropolitan, London and East Anglia) saw a 3.4% year-on-year fall. London was once again the best performing southern region with a 2.4% annual decline.”

Halifax

“North West (+0.3%), and Yorkshire and Humber (+0.1%) saw modest house price increases over the last year. The South East fell the most during 2023, when compared to other UK regions, with homes selling for an average £376,804 (-4.5%), a drop of £17,755. Unsurprisingly, London retains the top spot for the highest average house price across all the regions, at £528,798, albeit prices in the capital have declined by -2.3% on an annual basis.”

e.surv

“A rather mixed bag of change in price movements among the 10 regions, with six showing an upward movement in their rates compared to the previous month, and four areas where price declines have accelerated. The largest change in rates took place in the North East, up by +1.5% on the previous month, making it the only region to have a positive annual rate of growth, at +0.8%.

“The second-largest movement in rates occurred in the East of England, where prices fell by an additional -1.0%, resulting in a decline of -6.0% on an annual basis, which is the largest decrease in prices seen in any region over a twelve month period since October 2011.

“The four areas with more negativity in their rates of growth since the previous month were the East of England, the South East, and the East and West Midlands. The six regions with a positive change in growth rates were Wales, the three northernmost regions of England, the North East, the North West and Yorks and Humber, plus the South West and Greater London.”

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

As we have seen for some years now, there is less and less of a 'pattern' when it comes to areas that perform well and badly. Good performing areas exist up and down the country from Edinbury to Peterborough while poor performing areas stretch from Aberdeen to Southampton.

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

Land Registry's top 5 performers:	YoY	Hometrack's top 5 performers:	YoY
Manchester	5.1%	Belfast	3.2%
Newcastle upon Tyne	4.7%	Glasgow	1.3%
Edinburgh	3.1%	Edinburgh	0.9%
Peterborough	3.0%	Bradford	0.9%
Oxford	3.0%	Newcastle upon Tyne	0.5%

Lowest performers are:

Land Registry's lowest 5 performers:	YoY	Hometrack's lowest 5 performers:	YoY
Croydon	-7.1%	Norwich	-3.6%
Tunbridge Wells	-5.5%	Brighton and Hove	-3.1%
Bournemouth, Christchurch & Poole	-4.5%	Southampton	-2.8%
Aberdeen	-3.6%	Aberdeen	-2.6%
London	-3.6%	Cambridge	-2.6%

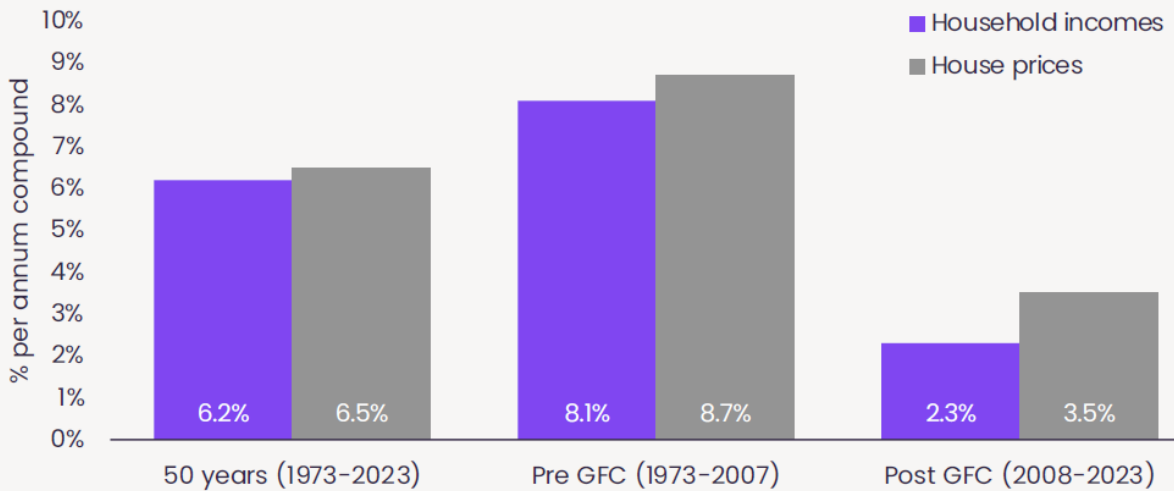
Overall, out of 30 cities, since 2005, property prices have risen above the average annual 3.8% inflation rate in eight cities/towns, including Milton Keynes, Manchester and Bristol, with price growth staying below inflation for the remaining towns and cities.

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, property prices have not necessarily been delivering as well as they are believed to from an investment perspective.

For property prices to keep up with inflation, they need to have risen by 68% since 2005 ie over 3.0% per annum. Despite a lot of talk about prices rising during the pandemic, take away the big increases and falls and in actual fact that only leaves one region and a small number of our cities, just eight out of the 30 we track.

Additional data from Zoopla also shows how much property price growth has slowed – especially versus wages:

Growth in house prices and disposable incomes over time



Source: Zoopla research & ONS

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 Oct 23/Q3 23	Land Registry Year on year change in price Oct 23/Q3 23	Annual average increase since 2005	Hometrack latest data Nov-23	Hometrack Year on year change in price Nov-23
Belfast (Q3)	£213,626	£87,890	£165,949	1.3%	2.4%	£170,300	3.2%
Glasgow	£130,473	£96,139	£175,885	0.8%	3.2%	£146,200	1.3%
Edinburgh	£225,750	£183,029	£343,699	3.1%	4.0%	£270,100	0.9%
Aberdeen	£171,220	£146,598	£138,529	-3.6%	2.5%	£140,300	-2.6%
Cardiff	£170,496	£139,651	£267,605	1.4%	3.1%	£252,600	-0.4%
Newcastle upon Tyne	£164,935	£133,086	£202,727	4.7%	2.1%	£153,000	0.5%
Bradford	£139,640	£111,109	£172,119	-1.7%	3.0%	£157,300	0.9%
Liverpool	£130,249	£103,705	£173,230	-3.3%	2.7%	£157,200	0.4%
Leeds	£161,439	£130,128	£245,191	1.4%	3.2%	£208,900	0.4%
Sheffield	£144,875	£120,193	£219,609	0.8%	3.5%	£172,000	0.1%
Manchester	£140,431	£111,679	£243,222	5.1%	5.2%	£222,800	0.1%
Lincoln	£128,707	£106,017	£183,548	-2.7%	2.9%	n/a	n/a
Nottingham	£119,010	£93,696	£187,772	-2.2%	2.8%	£202,100	-0.5%
Norwich	£166,498	£123,698	£245,728	-0.6%	3.5%	£264,300	-3.6%
Peterborough	£156,264	£123,752	£249,013	3.0%	3.4%	£217,300	-1.6%
Birmingham	£148,578	£122,773	£230,212	-0.7%	3.0%	£208,000	-0.6%
Leicester	£135,317	£110,071	£224,099	-3.3%	3.5%	£225,400	-2.0%
Milton Keynes	£194,666	£147,827	£323,807	1.2%	3.9%	£312,300	-2.3%
Gloucester	£169,008	£129,203	£252,253	0.3%	3.1%	£229,300	-2.4%
Oxford	£289,855	£223,319	£502,006	3.0%	4.2%	£444,800	-0.8%
Cambridge	£283,241	£224,469	£542,142	2.6%	4.9%	£470,400	-2.6%
Bournemouth, Christchurch & Poole	£206,227	£163,937	£334,499	-4.5%	3.4%	£335,000	-2.1%
Southampton	£168,795	£134,665	£242,706	-2.5%	2.7%	£257,600	-2.8%
Portsmouth	£169,633	£130,868	£256,450	-0.7%	3.1%	£278,800	-2.4%
Brighton and Hove	£257,108	£202,054	£427,500	-3.1%	4.0%	£402,900	-3.1%
Reading	£216,724	£176,087	£317,937	-2.6%	3.2%	£406,900	-1.6%
Croydon	£248,005	£199,415	£401,511	-7.1%	3.6%	n/a	n/a
Tunbridge Wells	£279,413	£217,421	£448,204	-5.5%	3.5%	n/a	n/a
Bristol	£195,196	£153,648	£364,268	0.8%	4.6%	£338,900	-1.9%
London	£298,596	£245,351	£515,504	-3.6%	4.3%	£536,800	-1.5%

Demand and supply

This is the critical measure for 2024 and so far, it looks like prices will hold in the main, but transactions are going to remain lower than ideal – sub 1.2 million.

For the industry to survive a 17% loss of business in 2024 versus the norm, everyone is going to have to do everything they can to ensure property transactions go through as successfully as possible.

This means reducing fall throughs so that money and time isn't wasted on failed transactions.

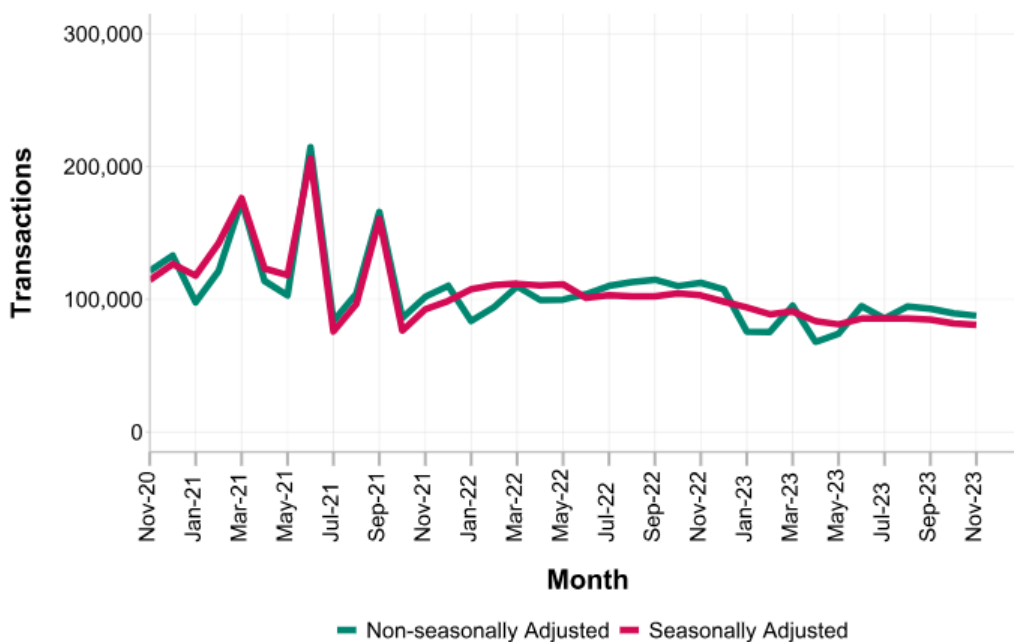
This year, according to Zoopla, it's expected that first time buyers and up sizers will be the main markets to buy. With the new rules from Trading Standards on upfront material information, it's also essential that any sellers are willing to put in the work required upfront to make sure a property is sold with the right information.

This one thing in itself, will help to speed up sales and reduce fall throughs, so everyone from lender through to agent, legal company and surveyor needs to make sure all properties are marketed with this information upfront.

HMRC

“Provisional figures for November 2023 constitute the third month-on-month decrease in seasonally adjusted transactions in recent months. Non-seasonally adjusted transactions fell by 2% in November 2023 relative to October 2023 and 22% relative to November 2022.”

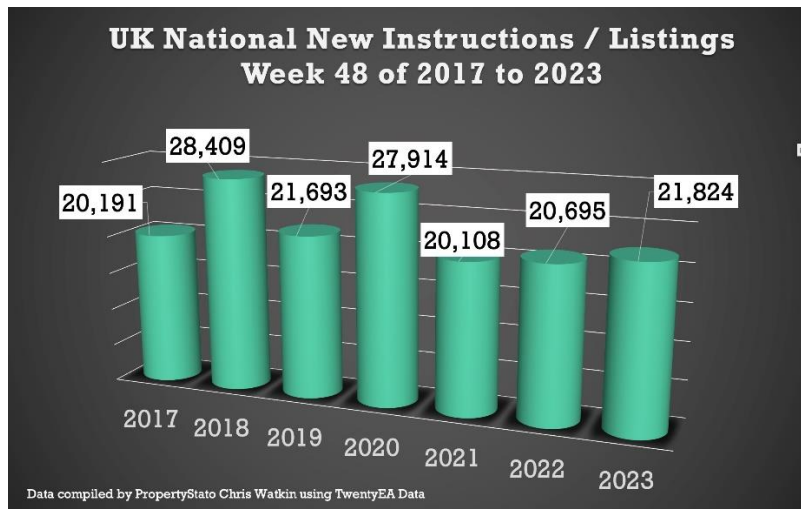
Figure 1: Non-seasonally adjusted and seasonally adjusted UK residential property transactions by month between November 2020 and November 2023.



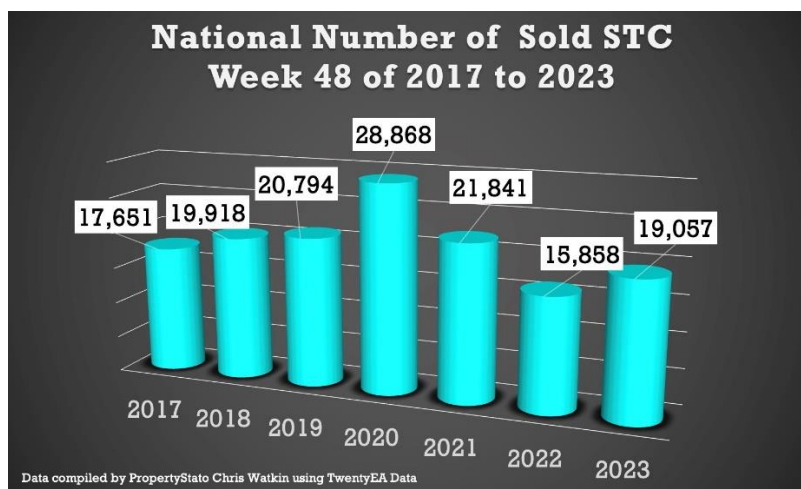
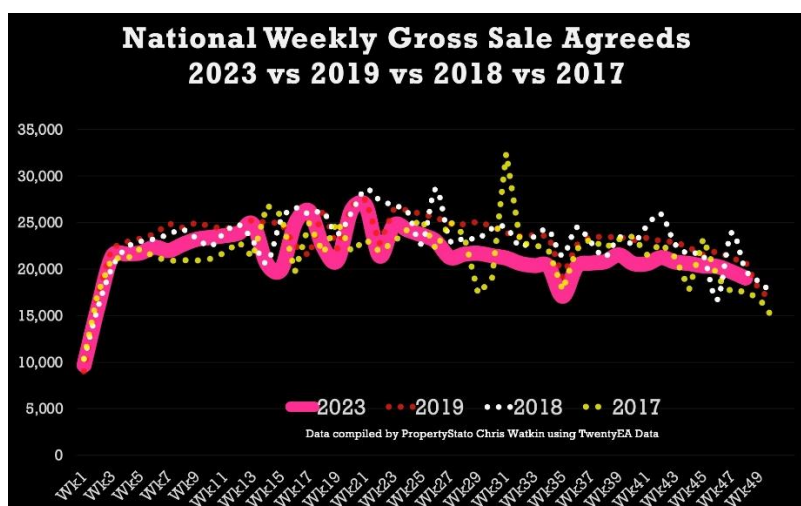
Propertymark are reporting:

“There were on average just 6 new homes placed for sale per member branch in November, a 26% drop on October’s figure. Supply has decreased month on month since August 2023 and although seasonal trends are evident, the market is clearly in a cooling phase. The number of sales agreed per member branch decreased again in November 2023. Whilst seasonal patterns explain this trend, the year-to-date performance in 2023 is lower than in either 2021 or 2022.”

This data shows us how the market is performing to date versus other years. Compared to the average from 2017 to 2019, where 23,400 instructions were listed versus the lower 22,000 in the latter week of November, around 6% down versus the same week in other years.

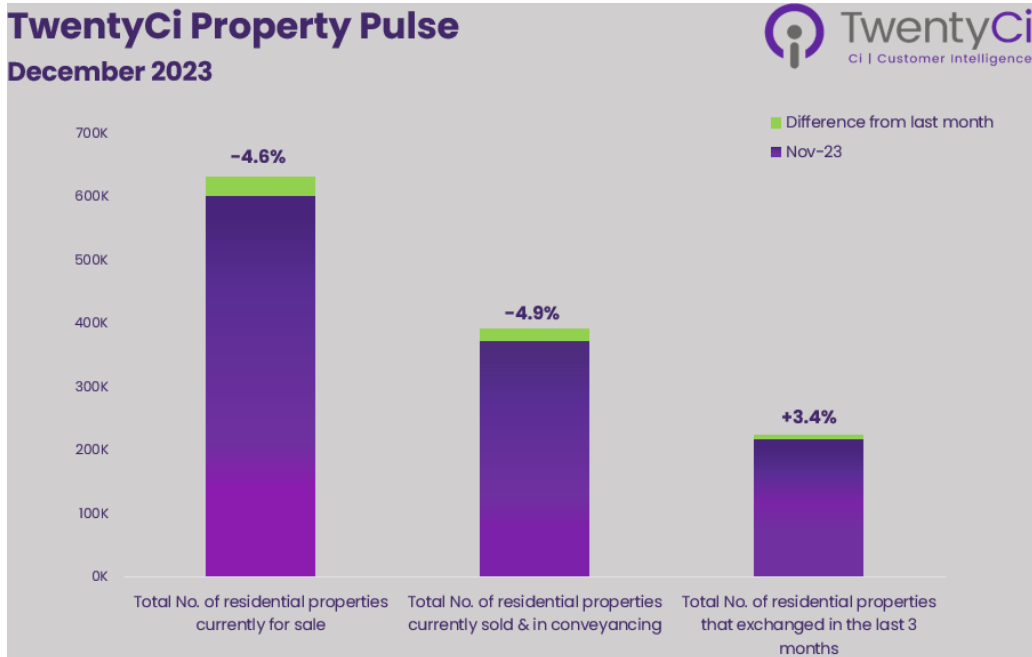


As far as sales agreed are concerned, average sales at the end of the week were 19,500 from 2017 to 2019 and in this last week of November, they were 19,000, just 2.5% down. However, this is more of a reflection of the problems we saw in 2022 due to the mortgage crisis than it is because of a better performing market in 2023.



TwentyCi

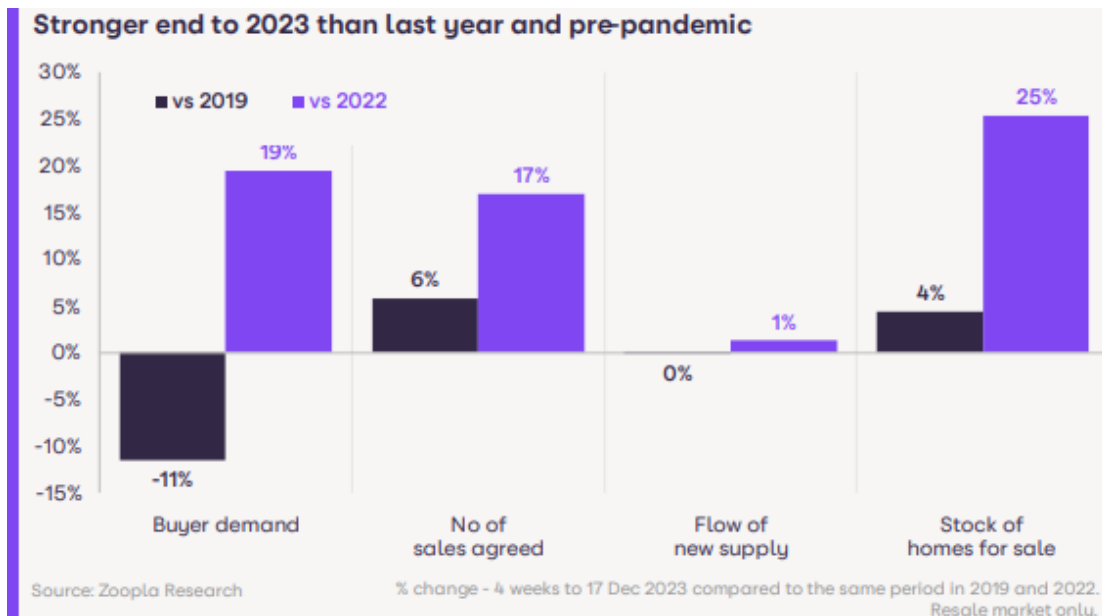
“We are seeing a stable market in terms of transactional volumes from November to December, with small decreases in stock availability and SSTCs and an increase in exchanges in the period. Whilst these are small changes month on month, they may precedent more difficult trading conditions emerging over time but this is more likely indicative of seasonality effects at this time of year.”



Zoopla

Sales hold up in Q4 2023, providing support for prices

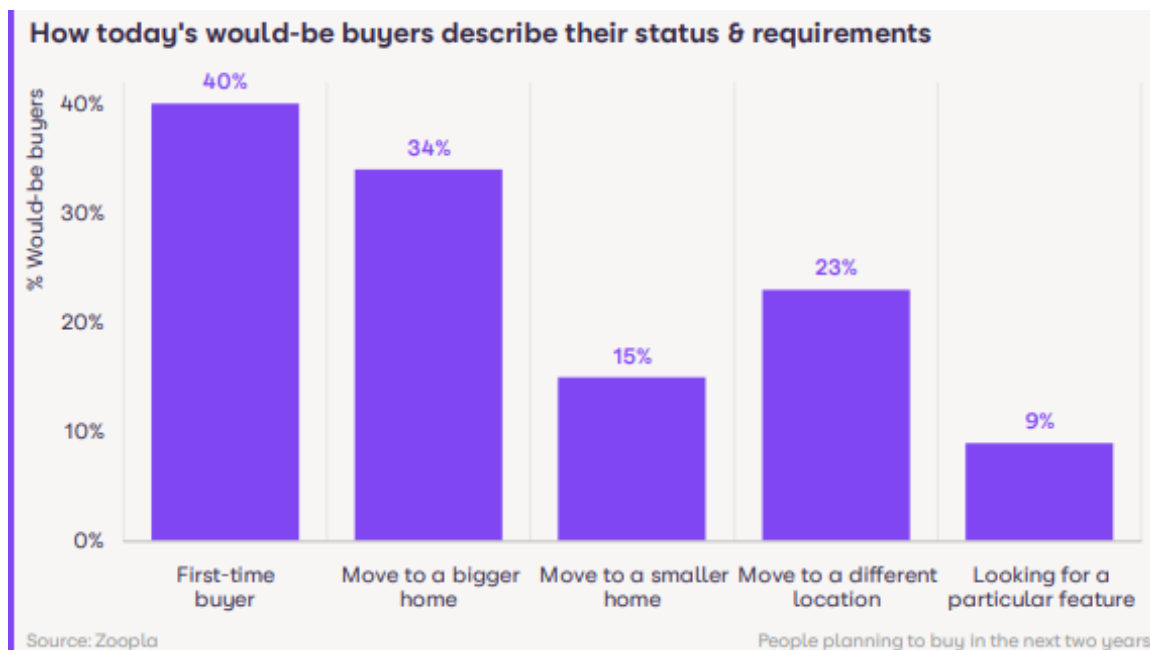
“The final weeks of 2023 have recorded above average levels of new sales, 17% higher than a year ago and ahead of 2019 levels. Market sentiment is improving due to rising incomes and an initial decline in mortgage rates. An increase in available supply, up a quarter on last year, is also boosting choice and supporting sales.”



First-time buyers to remain largest buyer group in 2024

“Despite the affordability challenges facing first-time buyers, they are the largest group of would-be buyers. Our latest consumer survey found that 40% of people looking to buy a home in the next 2 years are first-time buyers. The rapid growth in rents continues to motivate this group - average rents have risen faster than average mortgage repayments over the last 3 years – and despite larger deposits.

“Upsizers account for a third of would-be buyers in the next 2 years who will typically be buying a larger home that will require a larger mortgage. This group have been biding their time in 2023 waiting for the outlook on the economy and mortgage rates to become clearer. The trajectory for mortgage rates and getting better value for money will be key considerations for upsizers in 2024.”



Buyers look further afield for better value

“Almost a quarter of would-be home movers say they are looking to move to a different location. A high proportion of home moves tend to be limited to within local areas - the average distance buyers are looking to move when searching on Zoopla is 4.3 miles.

“However, in the face of higher borrowing costs and the search for value, one of the key trends for 2024 will be buyers continuing to look further afield in search of better value. This is particularly the case in high value housing markets where upsizing is expensive.

“Our data shows that up to half of would-be movers currently living in southern regions³ are looking to move more than 10 miles. The proportion looking longer distances in other parts of the UK is lower.

“This is important for home builders and estate agents who tend to focus on demand and needs in local areas whereas there is the need to capture and nurture demand coming from further afield, especially as these buyers may well have more money to spend.”

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 BS6, 3, 5, 7 and 15 (Bristol), 81%, 72%, 70% and 69% of the properties on the market are under offer, in contrast, B4 (Birmingham), L2 (Liverpool) and W1 (London) being the worst performers according to this index, with only 5% 8% and 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, Poole, Reading and Birmingham (B47) having some of the busiest markets, and Birmingham (B4), Liverpool, London 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	%	Jan 24
BS6	81	Bristol
BS3	72	Bristol
BS5	72	Bristol
BH17	70	Poole
BS7	70	Bristol
BS15	69	Bristol
RG5	69	Reading
B47	69	Birmingham
S6	68	Sheffield
PL2	68	Plymouth

Top 10 cold markets - buyer demand

Postcode	%	Jan 24
B4	5	Birmingham
L2	8	Liverpool
W1	10	London
LN13	11	Alford
EC2	12	London
S1	12	Sheffield
L1	13	Liverpool
WC2	13	London
PL28	14	Padstow
SW8	14	London

Source: [TheAdvisory](#)

Where is the market going?

It's as tricky to work out what will happen in the market in 2024 as it was in 2023. Although currently the indicators are much more positive this year than last and we have seen mortgage rates start to fall faster than predicted, there are still threats ahead, especially with the problems being caused by the crisis in the Red Sea.

The biggest issue this could cause is a rise in oil prices again which will affect energy prices, but also because ships are being delayed and have to take detours which are likely to increase costs of basic foods, for example rice and meat.

If this causes inflation falls to reverse, this will then make it tougher for the Bank of England to reduce base rates as currently hoped.

Rightmove

"Rightmove predicts that new seller asking prices will drop nationally by an average of 1% in 2024, with motivated sellers still needing to price below their local competition to secure a sale, as buyer affordability remains stretched."

Nationwide

"There have been some encouraging signs for potential buyers recently, with mortgage rates edging down. Investors have become more optimistic that the Bank of England has already raised rates far enough to return inflation to target and will reduce rates in the years ahead. This shift in view is important, as it has brought down longer-term interest rates, which underpin fixed mortgage rate pricing."

"Nevertheless, a rapid rebound in activity or house prices in 2024 appears unlikely. While cost-of-living pressures are easing, with the rate of inflation now running below the rate of average wage growth, consumer confidence remains weak and surveyors continue to report subdued levels of new buyer enquiries. Moreover, while markets are projecting that the next Bank Rate move will be down, there are still upward risks to interest rates. Inflation is declining, but measures of domestic price pressures remain far too high."

"It appears likely that a combination of solid income growth, together with modestly lower house prices and mortgage rates, will gradually improve affordability over time, with housing market activity remaining fairly subdued in the interim. If the economy remains sluggish and mortgage rates moderate only gradually, as we expect, house prices are likely to record another small decline or remain broadly flat (perhaps 0 to -2%) over the course of 2024."

Halifax

"As we move through 2024, the UK property market will continue to reflect the wider economic uncertainty and buyers and sellers are likely to be naturally cautious when considering making a move. While wage growth is now above inflation, helping to ease cost of living pressures for some and improving housing affordability, interest rates are likely to remain elevated for as long as inflation remains markedly above the Bank of England's target. Our latest forecast suggests house prices could fall between -2% and -4% during the coming year, although, as with recent years, forecast uncertainty remains high given the current economic climate."

Zoopla

"We expect the steady momentum in new sales that has developed over the final part of 2023 to continue into early 2024, with the usual seasonal rebound in demand over Q1 as pent-up demand returns to the market."

"While mortgage rates are edging lower, affordability remains a key challenge for mortgage-reliant households who are making home moving decisions. The impact of higher mortgage rates continues to feed through with half of mortgagees are yet to move onto higher rates from cheaper fixed rate deals agreed before 2022."

"The modest decline in house prices over the year means UK housing still looks 10-15% overvalued at the end of 2023. We expect this position to improve over 2024 as incomes rise and house prices drift 2% lower over the year. Sales volumes are expected to hold steady at 1million sales completions over 2024."