

Summary of the latest property market headlines

All of the indices over the last month are giving positive signals that the market is doing better. Statements of 'stronger buyer demand' and prices 'edging up' are good news – but it still remains a tough market versus the 'norm'. This is typically one of the better performing times of the year, so we'd expect to see more positive headlines.

	High 2007/08	Low 2009	How much did prices fall?	Latest price vs 2007/08 high	Jan-24	Feb-24	Mar-24	Annual Change	Annual Average (05 - 24)		
Rightmove	£241,474	£213,570	13.1%	52.4%	£359,748	£362,839	£368,118	0.8%	3.6%	Asking prices	E & W
Home.co.uk	£258,531	£239,607	7.9%	35.9%	£349,400	£349,965	£351,282	0.1%	n/a	Asking prices	E & W
Nationwide	£184,131	£147,746	24.6%	41.8%	£257,656	£260,420	£261,142	1.6%	2.9%	Mortgaged only	UK
Halifax	£199,766	£157,767	26.6%	44.4%	£291,029	£291,699	£288,430	0.3%	3.0%	Mortgaged only , seasonally adjusted	UK
e.surv	£231,829	£197,145	17.6%	55.9%	£361,029	£363,249	£361,368	-3.1%	3.5%	Actual prices, includes cash sales	E & W
Zoopla	£178,128	£153,449	16.1%	48.0%	£263,600	£263,600	n/a	-0.5%	n/a	Sold prices, mortgage valuations and agreed sales	UK
UK HPI	£190,032	£154,452	23.0%	48.4%	£281,913	n/a	n/a	-0.6%	3.4%	Sold prices, includes cash sales and new builds	UK

Property price and market indices headlines:

Rightmove

Stronger buyer demand and sales as market marches into Spring

"The average price of newly marketed properties rises by 1.5% this month."

Home.co.uk

Prices up in all regions as the market picks up pace

"Asking prices continue their upward trajectory, adding 0.4% since last month across England and Wales, and are now up year-on-year by 0.1% vs. March 2023."

RICS

Outlook for sales volumes continues to improve with enquiries and listings up modestly over the month

"House price indicator moves into neutral territory while twelve-month expectations point to an upward trend emerging."

Nationwide

Annual house price growth edges up in March

"UK house prices up 1.6% compared with a year ago."

Halifax

Annual growth slows, but house prices remain up on last year

"Property prices grew by +0.3% annually (vs +1.6% last month)."

e.surv

Confidence slowly returning to the market.....

"but annual change still negative at -3.1%."

Zoopla

Sellers return to the market as sales volumes grow

"Annual house price inflation slows to -0.3%, up from -1.4% in Oct 23."

And although the headlines are positive and month on month movements aren't the best measure of the market, it's interesting to note that both Halifax and e.surv are both showing slight dips in March of 'average prices' versus January and February this year.

The key highlights from the indices do talk about prices, but the biggest news is that the sales agreed are higher versus previous years which should help boost things for all of the moving sectors this year:

Rightmove

- *The positive start to the year continues, paving the way for a greater number of home purchases than last year:*
 - *With average asking prices still £4,776 below the May 2023 peak, more are seeing a window of opportunity to buy.*
 - *The number of sales being agreed is now 13% higher than at this time last year.*
 - *Buyer demand is now 8% above last year, led by the less mortgage-rate-sensitive larger homes sector and London.*
- *However, despite a better-than-expected start to the year, the market remains sensitive to pricing and external events:*
 - *The average time to find a buyer is 71 days, the longest at this time of year since 2019. Attractively priced properties are quickly being cherry-picked, but over-optimistically priced sellers are taking longer to find a buyer.*
 - *The average 5-year mortgage rate is now 4.84% compared to 4.64% five weeks ago, as rates edge up to higher levels.*

Nationwide

- *Annual rate of change returned to positive territory for first time since January 2023 - prices up 1.2% year on year.*
- *All regions saw an improvement in the annual rate of change in first quarter of 2024.*

Home.co.uk

- *The total sales stock count for England and Wales continues to rise in line with seasonal expectations. The current total of unsold property is 451,185, around 11,000 more than last month and approximately the same total as registered in March 2019.*
- *The number of new instructions entering the market during February 2024 was 13% more than during February 2023.*
- *The Typical Time on Market for unsold property in England and Wales has dropped eight days since February as market momentum increases. The current median is 104 days; in pre-COVID March 2019, the same measure was 111 days.*

e.surv

- *The average sale price of completed home transactions using cash and/or mortgages rose by a minor £200 - or 0.1% - to £361,368, and is now at a level first seen in February 2022.*
- *It is also evident that the average price has hovered around the £361,000 mark for the last four months.*
- *74 authorities see rising prices in February.*
- *Three northern regions top growth league table.*

Zoopla

- *Market activity improves across all key measures led by sales, which are 9% higher than a year ago.*
- *More sellers coming to market and stock of homes for sale up 20%.*
- *House price inflation higher than Q3 2023 across all areas but still negative in southern England.*
- *The percentage of the asking price achieved has narrowed from 95.5% in November 2023 to 96.1% in March 2024.*

Country and regional market performance for March/April

The country performance from Land Registry is looking more positive versus last month with Scotland remaining in the positive territory and Northern Ireland slightly up, while England and Wales remain slightly down. It's important to bear in mind though that this data is accurate – but out of date – and measures the market around 3-6 months ago.

Property prices by country

Property Prices - Countries	Land Registry latest data Jan 24/ Q4 23	Land Registry year on year change in price Jan 24/Q4 23	Land Registry annual average increase since 2005	Nationwide latest data Q1 24	Nationwide year on year change in price Q1 24
England	£298,575	-1.5%	3.4%	£297,978	0.4%
Wales	£213,063	-0.8%	2.9%	£202,533	1.2%
Scotland	£190,328	4.8%	3.8%	£179,148	3.7%
Northern Ireland (Q4)	£177,611	1.4%	2.5%	£181,303	4.6%

For Scotland, Wales, and Northern Ireland we monitor:

- Halifax
- Nationwide
- e.surv

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

Summary from the indices of the Scottish housing market

e.surv

Scotland's house prices show varying regional fortunes ...

"The average house price in Scotland in January 2024 has increased by £520, or 0.2%, over the last twelve months, which is 0.5% higher than the revised rate of -0.3% in December 2023, one month earlier.

"In January 2024, 16 of the 32 local authorities in Scotland were reporting a positive movement in prices over the previous twelve months, the same number as in December 2023.

"Midlothian had the highest annual rate of price growth in January of all local authority areas on the mainland, at 9.9%, having been in second position in December. In Midlothian, all property types have seen an increase in values over the last twelve months. Staying on the mainland, Stirling has the second-highest annual growth rate at 7.4%.

"At the other end of the scale, the area on the mainland with the largest percentage fall in prices over the last twelve months was West Dunbartonshire, at -8.5%. In West Dunbartonshire, all property types saw prices fall over the year."

Nationwide

"Scotland saw annual price growth pick up to 3.7%."

Halifax

"Scottish house prices rose +2.1% year-on-year to stand at £204,835."

Summary from the indices of the Welsh housing market

Nationwide

“Compared with Q1 2023, Wales saw a 1.2% year-on-year rise.”

Halifax

“In Wales annual property price growth slowed to +1.9% in March, from +3.9% in February, with the average home now costing £219,213.”

Summary from the indices of the Northern Ireland housing market

Nationwide

“Northern Ireland remained the best performing area, with prices up 4.6% compared with Q1 2023.”

Halifax

“Northern Ireland remains strongest performing nation or region in the UK – with house prices up by +4.3% on an annual basis. Properties in Northern Ireland now cost an average of £194,743, which is £7,972 more than a year ago.”

Regional property prices tracking

Property Prices - Regions	Rightmove Latest data Mar-24	Rightmove Year on year change in price Mar-24	Home.co.uk Latest data Mar-24	Home.co.uk Year on year change in price Mar-24	Nationwide Latest data Q1 24	Nationwide Year on year change in price Q1 24	Zoopla Year on year change in price Mar-24	Land Registry Latest data Jan-24	Land Registry Year on year change in price Jan-24
North East	£187,592	2.0%	£192,174	2.2%	£158,543	4.1%	1.1%	£154,948	-1.7%
North West	£257,185	2.6%	£266,155	3.6%	£209,548	2.9%	0.8%	£215,082	-0.6%
Yorkshire & The Humber	£247,054	2.4%	£246,476	1.3%	£200,958	2.4%	0.6%	£203,571	-0.7%
East Midlands	£287,145	1.0%	£279,561	-1.5%	£229,458	0.5%	-0.5%	£240,427	-1.9%
West Midlands	£288,945	2.4%	£297,974	0.1%	£236,006	-0.2%	0.2%	£248,758	0.6%
South West	£383,889	-0.3%	£372,031	-1.5%	£297,228	-1.7%	-1.5%	£316,879	-0.6%
East	£415,199	-0.2%	£390,885	-1.7%	£268,778	-1.3%	-2.3%	£336,502	-2.2%
South East	£478,936	-0.7%	£440,181	0.3%	£328,544	-1.0%	-2.0%	£373,177	-3.1%
London	£686,844	0.9%	£538,715	-0.7%	£519,505	1.6%	-0.4%	£517,726	-3.9%

Regionally, the markets remain very different performance wise with price growth the highest for Nationwide in the North East at a growth of 4.1%, while the biggest fall is from the Land Registry of 3.9% in London, although other indices that measure the market a little more recently show London to be on a par, or slightly up versus last year.

The table below shows how many regions are up or down by index and this is slightly better than last month, especially from Nationwide.

Indices	No of regions up	No of regions down
Rightmove	6	3
Home.co.uk	5	4
Nationwide	5	4
Zoopla	4	5
UK HPI	1	8

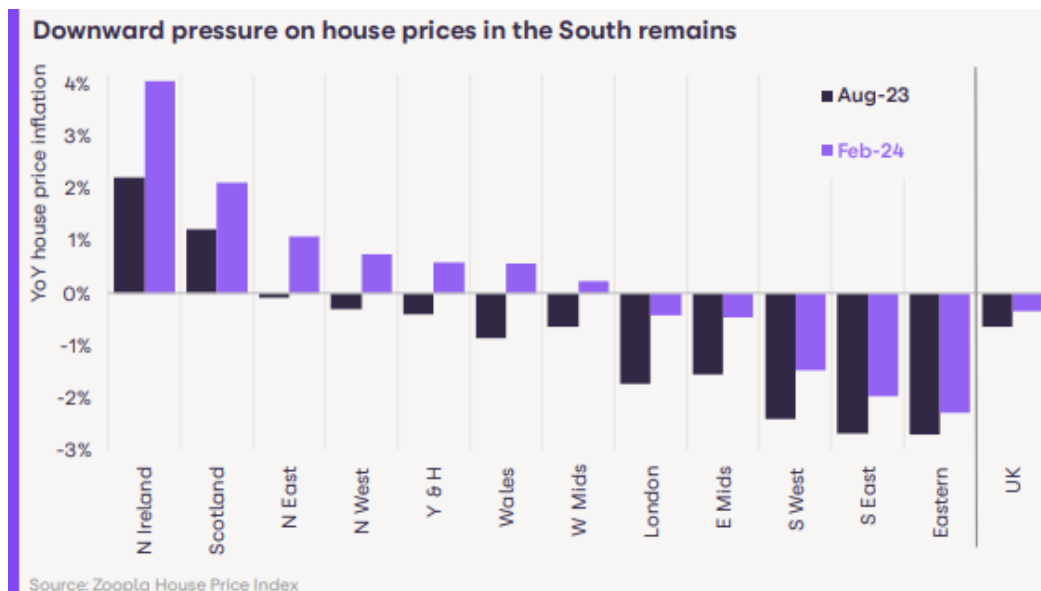
Commentary on the regional performance by indices is below:

Zoopla

House prices firming rather than set for faster growth

“There is a clear divide across the UK as southern regions continue to register annual price falls, led by the Eastern (-2.3%) and South East (-2%) regions. Prices are rising the most in Scotland and Northern Ireland.

“All areas are recording higher annual price inflation than six months ago as sales volumes recover and pricing levels firm. We expect the current trends in pricing to continue into H2 2024 as prices continue to adjust to higher mortgage rates and reduced buying power.”



Nationwide

“Across northern England (which comprises North, North West, Yorkshire & The Humber, East Midlands and West Midlands), prices were up 1.7% year on year.

“Meanwhile southern England (South West, Outer South East, Outer Metropolitan, London and East Anglia) saw a 0.3% year-on-year fall. London remained the best performing southern region with annual price growth recovering to 1.6%. The South West was the weakest performing region, with prices down 1.7% year-on-year.”

Halifax

“Something of north/south divide exists in England, where the North West saw the strongest growth, up by +3.7% on an annual basis to £232,315.

“Properties in Eastern England recorded the biggest decline of -0.9%, with homes selling for an average of £330,627, a drop of £2,878 over the last year.

“London continues to have the highest average house price in the UK, at £539,917. Prices in the capital have increased by +0.4% over the last year.”

City tracker – what’s happening in the last month according to the indices?

Although this is Land Registry data which measures the market 3-6 months ago, it still gives an accurate measure of what has happened over time.

Out of the 30 cities we track, since 2005, property prices have only risen above the average annual 3.8% inflation rate in six cities/towns. These include:

- Manchester
- Bristol
- London
- Cambridge
- Brighton and Hove
- Milton Keynes

The rest of the towns and cities we track actually show that property prices, in many areas, have risen at less than inflation. In property, when you measure the market from and to, it can result in some very misleading information.

The following towns and cities price growth ‘on average’ are performing well below inflation:

- Newcastle upon Tyne
- Belfast
- Aberdeen
- Southampton
- Lincoln
- Liverpool

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	5.8%	Belfast (Q4)	4.5%
Edinburgh	5.4%	Glasgow	2.6%
Aberdeen	5.2%	Bradford	1.9%
Milton Keynes	3.4%	Sheffield	1.3%
Glasgow	2.7%	Edinburgh	1.2%

Lowest performers are:

Land Registry's lowest 5 performers:	YoY	Hometrack's lowest 5 performers:	YoY
Reading	-8.5%	Norwich	-3.1%
Tunbridge Wells	-7.9%	Peterborough	-2.1%
Croydon	-7.6%	Southampton	-2.0%
Southampton	-7.5%	Brighton and Hove	-1.9%
Bournemouth, Christchurch & Poole	-7.4%	Portsmouth	-1.8%

Although there isn’t an obvious ‘north/south’ divide, the likes of the south coast – with Bournemouth, Southampton and Portsmouth are still recording year on year falls, along with the likes of Reading and Tunbridge Wells. It appears that the South is suffering while London is doing slightly better, which is probably due to international monies and the fact that demand tends to always outstrip supply.

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 Jan 24/Q4 23	Land Registry Year on year change in price Jan 24/Q4 23	Annual average increase since 2005	Hometrack latest data Feb-24	Hometrack Year on year change in price Feb-24
Belfast (Q4)	£213,626	£87,890	£161,974	0.6%	2.3%	£170,000	4.5%
Glasgow	£130,473	£96,139	£173,341	2.7%	3.1%	£148,900	2.6%
Edinburgh	£225,750	£183,029	£325,659	5.4%	3.7%	£271,100	1.2%
Aberdeen	£171,220	£146,598	£137,146	5.2%	2.5%	£136,800	0.3%
Cardiff	£170,496	£139,651	£268,053	0.5%	3.1%	£253,100	0.6%
Newcastle upon Tyne	£164,935	£133,086	£192,348	2.1%	1.8%	£152,600	0.8%
Bradford	£139,640	£111,109	£168,445	-3.8%	2.9%	£156,100	1.9%
Liverpool	£130,249	£103,705	£176,371	-0.7%	2.8%	£156,700	1.0%
Leeds	£161,439	£130,128	£234,948	0.6%	3.0%	£207,400	1.0%
Sheffield	£144,875	£120,193	£216,156	-1.9%	3.4%	£171,900	1.3%
Manchester	£140,431	£111,679	£249,633	5.8%	5.3%	£223,500	1.0%
Lincoln	£128,707	£106,017	£176,027	-6.3%	2.7%	n/a	n/a
Nottingham	£119,010	£93,696	£192,016	-3.2%	3.0%	£201,200	-0.2%
Norwich	£166,498	£123,698	£245,134	-3.2%	3.5%	£261,600	-3.1%
Peterborough	£156,264	£123,752	£231,772	-5.7%	3.0%	£215,900	-2.1%
Birmingham	£148,578	£122,773	£231,884	-2.3%	3.0%	£208,200	0.6%
Leicester	£135,317	£110,071	£229,995	-1.4%	3.6%	£226,800	-0.7%
Milton Keynes	£194,666	£147,827	£324,701	3.4%	3.9%	£311,200	-1.3%
Gloucester	£169,008	£129,203	£253,979	-1.6%	3.1%	£229,300	-1.3%
Oxford	£289,855	£223,319	£440,092	-1.0%	3.4%	£446,700	-0.3%
Cambridge	£283,241	£224,469	£476,112	-2.7%	4.2%	£467,500	-1.1%
Bournemouth, Christchurch & Poole	£206,227	£163,937	£319,716	-7.4%	3.1%	£328,600	-1.7%
Southampton	£168,795	£134,665	£235,211	-7.5%	2.5%	£255,200	-2.0%
Portsmouth	£169,633	£130,868	£247,685	-5.4%	2.9%	£278,600	-1.8%
Brighton and Hove	£257,108	£202,054	£433,865	-4.3%	4.1%	£399,600	-1.9%
Reading	£216,724	£176,087	£316,404	-8.5%	3.2%	£405,400	-0.9%
Croydon	£248,005	£199,415	£392,498	-7.6%	3.4%	n/a	n/a
Tunbridge Wells	£279,413	£217,421	£418,589	-7.9%	3.2%	n/a	n/a
Bristol	£195,196	£153,648	£349,874	-0.6%	4.4%	£336,200	-0.6%
London	£298,596	£245,351	£517,726	-3.9%	4.3%	£534,800	-0.4%

e.surv

“In February 2024, 18 of the 111 Unitary Authority areas in England and Wales were recording price gains over the previous twelve months, which is 9 more authorities with price rises over the year than in January 2024, providing further evidence of the increase in demand for housing that has been prevalent during February 2024.

“The area with the highest annual increase in prices in February 2024 is Rutland, up by 20%, but since Rutland has the smallest number of houses sold in England and Wales in any month, it tends to have volatile movements in average price. In second place is Flintshire, in Wales, with annual growth of 9.6%. In Flintshire, all property types have seen an increase in prices over the last twelve months.

“By way of contrast, the area with the largest fall in prices over the last twelve months was The Vale of Glamorgan, also in Wales, where prices have fallen by -17.5% over the year. The prime reason for this fall is that a detached property had sold for £2.6 million in February 2023, but with no similar value home having been purchased in 2024, average prices fell in The Vale by £60k across the two years – a classic example of how the lack of high value sales in Wales in 2024 compared to 2023 is resulting in the decline in average property prices in Wales, despite the one-off sale in Flintshire described above.”

Appendix: 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.

What's happening to supply and demand?

Supply and demand remain far more important to than what's happening to prices yet are rarely featured in the press. Overall, this last month we've seen good news with sales agreed being much higher than this time last year – 13% according to Rightmove and 7% according to Zoopla.

Demand wise, things have picked up too with demand being 8% higher according to Rightmove and 11% more properties for sale according to Zoopla.

Naturally, areas where property is more affordable are rebounding price wise more quickly than the likes of London and the South.

But we all know that individual demand and supply is especially key in a market like this, so it's essential that agents report the different individual sales and rentals at a local basis – what sells well, what is sticking and why and the same from a rental perspective.

Rightmove

“Since the beginning of March, the number of sales being agreed is 13% higher than at the same time last year, continuing to pave the way for a higher number of transactions this year than the one million in 2023. Leading these higher sales agreed numbers is the less mortgage-rate-sensitive, top-of-the-ladder sector, where agreed sales are now 18% higher than last year. It is also this largest homes sector which is driving more people to get in touch with estate agents than at this time last year. In March so far, buyer demand for top-of-the-ladder properties is 12% higher than the same period last year, compared with 8% higher overall for all property types.

“London has seen the biggest increase in buyer demand, both overall and for top-of-the-ladder properties, compared to this time last year. The return to the office, wage increases, stable house prices and the slowing of inflation have all played their part in increasing buyer interest in living in the capital again.”

Zoopla

Sales market activity continues to improve

“All the primary measures of sales market activity continue to show positive, upward momentum. New sales agreed are 9% higher than a year ago, with 7% more home sales agreed over Q1 2024 than over Q1 2023. This trend is encouraging more sellers to bring their homes to market. The average agent had 11% more homes on the market in the last 4 weeks than they did this time last year. Overall, there are a fifth more homes for sale than last year.

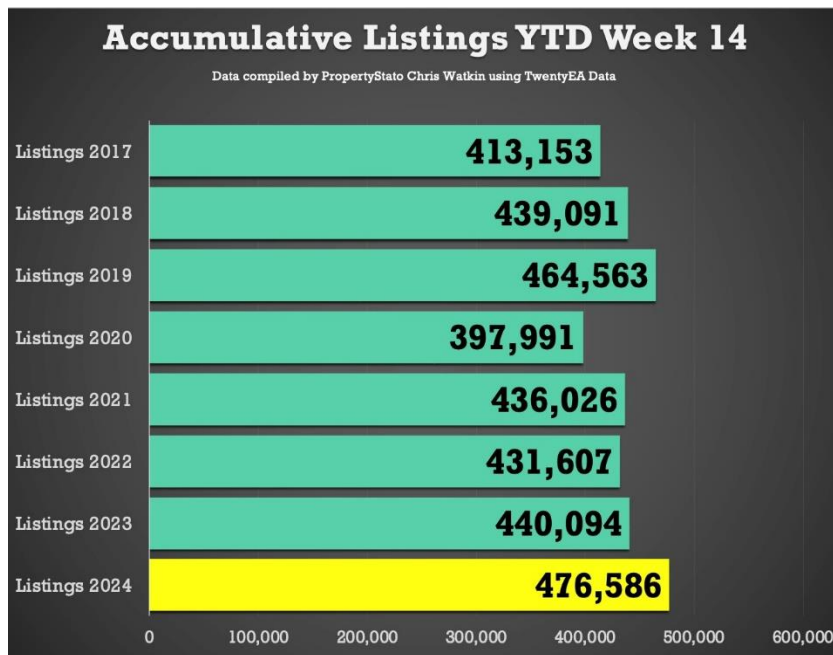
“Improving housing market sentiment is down to faster real wage growth and a healthy jobs market, both of which are boosting consumer confidence. The latest Gfk survey finds that consumers' confidence about their personal finances has hit the highest level in more than two years. At the same time, mortgage rates have fallen to 4.4% for a 75% loan to value 5-year fixed-rate loan, down by over 1 percentage point from a high of 5.8% in June 2023.

“Activity is up across the board with the strongest growth in sales in areas with more affordable house prices, such as Yorkshire and the Humber (11%) and the North West (13%). The strongest growth in new sellers listing homes is in the South West (28%) and North East (26%). The supply of homes for sale in London is only 8% higher, explaining why price inflation is rebounding faster here than other regions.”

Latest transaction data from Chris Watkin and TwentyEA

The beauty of this data is that it is much more up to date than other indices, so more reflective of the current market.

To date: Listings are doing incredibly well versus the long term average going back to 2017 of 431,500, being the highest we've seen in seven years:



Although we have the highest listings, due to the subdued market, the number of net sales is still slightly below the seven year average of 259,000, but it's still ahead of every year bar 2021 and 2022 and certainly up on last year's by just over 11%.



Where is the market going?

We review the market forecasts quarterly, and currently, we are all hoping for a rate cut as soon as possible. What we need for the market to return to any sort of 'normality' is interest rates around 4% (according to Zoopla) and one of the best forecasters I know for interest rates (and inflation), Capital Economics.

From their latest report Paul Dales their Chief UK Economist states:

"A softer landing in activity and continued restraints on supply imply that lingering price pressures will prevent the Bank of England from cutting interest rates until after the Fed, the ECB and current market pricing of mid-2024.....That's why we believe the Bank of England won't cut interest rates from 5.25% until late in 2024."

I must admit I was hoping for earlier than that, but it's important to bear in mind that lenders are pricing these types of forecasts in, which is why Moneyfacts show that across all Loan to Values 2 year fixed mortgages are at 5.81% while 5 year fixed are lower: 5.39%.

Having said that, there are still a lot of lenders that with good deposit levels you can access much lower rates.

Add to this increased competition amongst lenders and some of the new mortgage offers for first time buyers from the likes of Yorkshire Building Society (<https://www.ybs.co.uk/mortgages/5k-deposit-mortgage>) which allow you to borrow with just a £5,000 deposit, what we are seeing is better offers for FTBs and the recognition that they are paying down their mortgage from day one of borrowing, so they can afford to be more flexible on the deposit required.

And, hopefully, this means the market can continue to pick up even without interest rates being lowered.

Latest thoughts from the indices:

Nationwide

"With cost-of-living pressures easing as inflation moves back towards target, consumer sentiment is improving. Indeed, surveyors report a pickup in new buyer enquiries and new instructions to sell in recent months. Moreover, with income growth continuing to outpace house price growth by a healthy margin, housing affordability is improving, albeit gradually."

"If these trends are maintained, activity is likely to gain momentum, though the pace of the recovery is still likely to be heavily influenced by the trajectory of interest rates."

Halifax

"The broader picture is that house prices are up year-on-year, reflecting the opposing forces of an easing cost of living squeeze – now that pay growth is outpacing general inflation – and relatively high interest rates. Taking a slightly longer-term view, prices haven't changed much over the past couple of years, moving in a narrow range since the spring of 2022, and are still almost £50,000 above pre-pandemic levels."

"Looking ahead, that trend is likely to continue. Underlying demand is positive, as greater numbers of people buy homes, demonstrated by recent rises in mortgage approvals across the industry and underpinned by a strong labour market. And with rental costs rising at record rates, home ownership continues to be an attractive option for those who can make the sums work. However, the housing market remains sensitive to the scale and pace of interest rate changes, and with only a modest improvement in affordability on the horizon, this will likely limit the scope for significant house price increases this year."

What impact will lower interest rates have in H2 2024?

“Rising household disposable incomes are expected to be the primary driver of improved housing affordability over 2024. Disposable incomes are projected to increase by 3.5% over 2024, while house prices look set to remain broadly flat over the year.

“The timing and scale of interest rate reductions expected in H2 is the other key factor that could boost market sentiment and reduce mortgage rates. Expectations of lower interest rates are already priced into fixed rate mortgages today. Lower interest rates would likely result in further modest declines in mortgage rates but how far depends on how low money markets see base rates falling.

“Economists currently expect base rates to fall to 3.5% by the end of 2025, which would imply mortgage rates remaining in and around the 4%+ range. This would support sales volumes but would require incomes to continue to rise faster than house prices to help reset housing affordability, especially in southern England.”