

RESEARCH

Housing Market Update

March 2024

Market Overview

Despite having recently confirmed the UK economy entered a recession at the end of last year, there are plenty of signs of optimism: Inflation has fallen significantly over the last 12 months, mortgage rates are declining, and consumer and business confidence is rising. Indeed, by several measures there are clear indications that the recession may already be over.

Adding to the recent positive economic signals, house prices grew by 2.5% in the year to January, according to Halifax, marking the second consecutive month of

annual price increases. Other industry surveys also support this optimism, noting both rising buyer demand and an increase in available properties for sale, leading to an overall improvement in market sentiment. However, concerns remain regarding the lettings market. While the pace of rental growth slowed this month, demand is rising again, and the significant imbalance between supply and demand persists.

Sales and Lettings prices

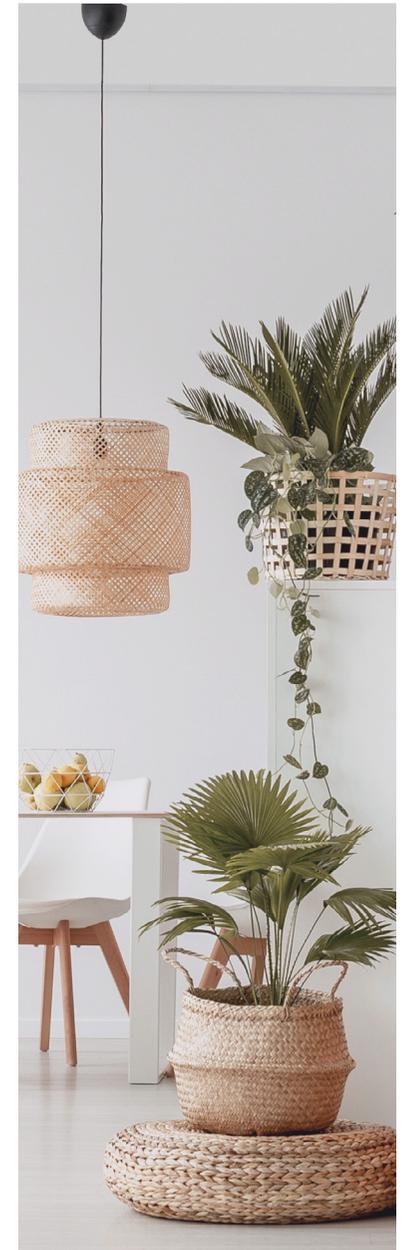
- House prices began the year on a more positive footing, according to Nationwide, with annual prices down by just -0.2%, compared with -1.8% at the end of 2023. On a monthly basis they were found to have grown by 0.7% to reach a national average price of £257,656. Overall, UK house prices are now down -5.8% from their peak in August 2022.
- According to the other key index (Halifax), house prices grew by a punchy 2.5% annually, up from 1.7% the month before and reflecting the highest rate of

growth since January 2023. On a monthly basis prices also grew sharply, up 1.3%, the highest monthly rate of growth since the summer of 2022. The average UK house price is now £291,029, back to the same level as in October 2022.

- According to Rightmove's latest House Price Index, asking prices also rose in the 12 months to February, increasing by +0.1%, up from a fall of -0.7% in January and reflecting a monthly rise of +0.9%. This marks the first positive annual price rise for six

months and brings the average asking price to £362,839.

- HomeLet reports that rental growth continues to ease, rising by 7.5% annually across the UK in January. This marks the lowest rate of growth since September 2021 and the third month in a row where average rents have fallen on a monthly basis. On a regional level though, rental growth is still rising strongly in some areas with growth of nearly 10% per annum in the South East, 9.7% in the East Midlands and 9.2% across the West Midlands.



Activity

- For the third consecutive month mortgage approvals number rose month on month, albeit the ascent is very slow. December saw approvals rise by 2% over November although they are up 14% compared with September 2023. Total approvals reached 50,459 in December, up from a downwardly revised figure of 49,313 in November.
- As for total transaction volumes, December's figures (latest data) indicated a continued gradual decline, falling by 1% from November and 18% compared to December 2019. This marks the fifth straight month of decreasing transactions. However, for the whole of 2023, total sales only dipped 13% compared to 2019, pre-pandemic levels. This suggests that cash buyers remain active, unlike mortgage holders and points to higher mortgage rates as the primary factor dampening consumer demand.
- More recent data from Rightmove shows that there is increasing momentum in the sales with their latest index showing that agreed sales have risen by 16% over the same period one year ago and are even 3% more than the 'pre-pandemic period' of 2019. Furthermore, there are 7% more listings on Rightmove this year over last and 7% more buyer enquiries as well.
- Enquiry levels to our Carter Jonas offices jumped significantly over the last four weeks, following a slow end to 2023. Rising by an average of nearly 50%, all our locations saw an increase with our London offices in particular experiencing a sharp rise of over 70% in enquiries over the four weeks to mid-February, followed by a 58% increase in our Central offices and 55% across our northern locations. Compared with the same time last year all of our offices together have seen a 2% growth in enquiries.



Figure 1 Carter Jonas Enquiry level trends, since January 2023

Source: Carter Jonas. Enquiry levels are four-week rolling average

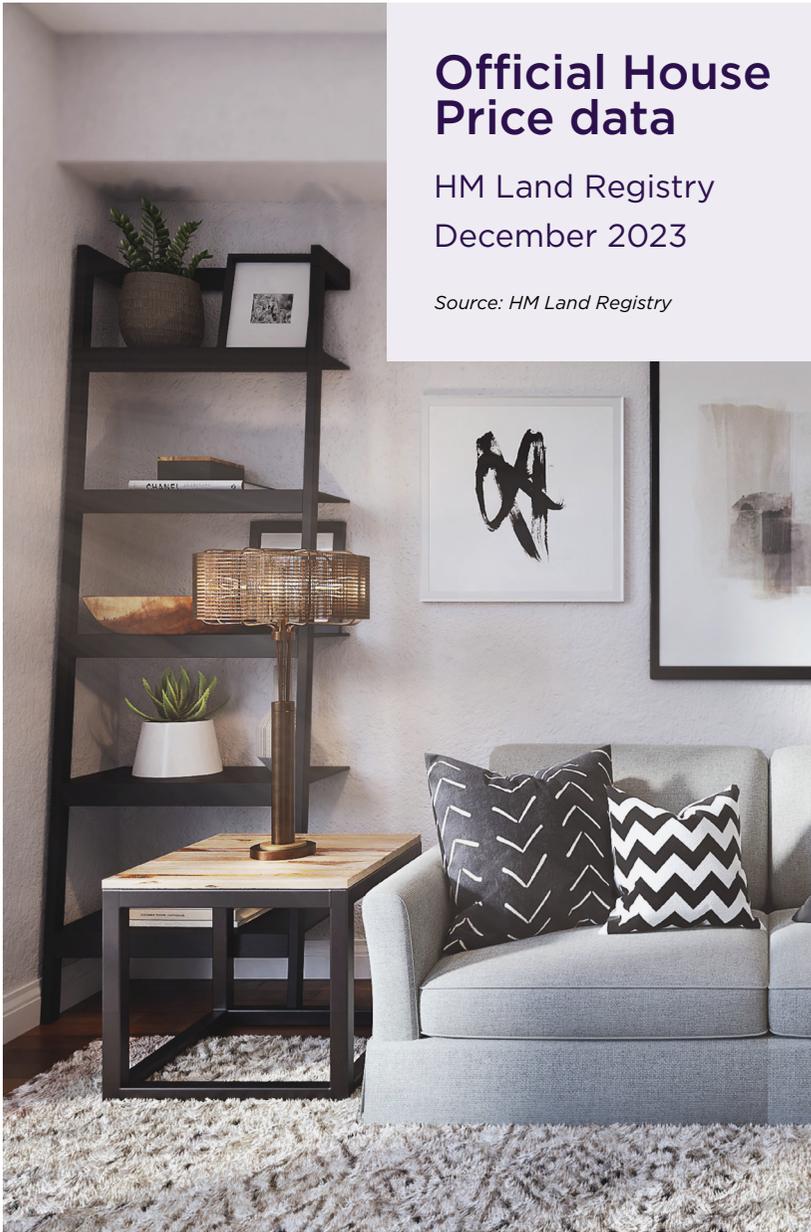
London / Central / North / South



Official House Price data

HM Land Registry
December 2023

Source: HM Land Registry



Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
Winchester	£537,592	4.9%	7.9%
West Berkshire	£412,827	1.1%	1.3%
West Oxfordshire	£406,428	-1.2%	1.2%
North Yorkshire	£278,368	1.6%	-0.8%
Somerset	£305,945	0.7%	-0.8%
Leeds	£241,328	-0.3%	-0.9%
North Northamptonshire	£274,939	1.0%	-1.1%
United Kingdom	£284,691	0.1%	-1.4%
England	£302,164	0.2%	-2.1%
Cambridgeshire	£352,507	-0.3%	-2.2%
West Northamptonshire	£293,704	-0.4%	-2.5%
South Cambridgeshire	£437,446	-1.6%	-2.6%
Bath and North East Somerset	£423,358	-4.8%	-2.6%
Suffolk	£299,013	0.9%	-2.7%
Vale of White Horse	£420,181	-1.0%	-2.9%
Cambridge	£515,041	1.1%	-3.0%
South Oxfordshire	£498,271	-2.5%	-3.5%
South West London	£676,567	-2.2%	-3.8%
Wiltshire	£324,693	-2.5%	-4.0%
Outer London	£470,273	-1.1%	-4.1%
London	£508,037	0.0%	-4.8%
York	£308,467	-2.5%	-4.9%
Inner London	£591,549	-1.7%	-5.0%
Oxford	£434,370	-9.6%	-7.4%
Prime Central London	£1,001,543	-5.8%	-14.9%



Monthly change in enquiry levels

70%
LONDON

29%
SOUTH

58%
CENTRAL

55%
NORTH



We're closely analysing what happens next

We're monitoring the market so we can get you the best possible price for your property. If you're keen to sell your property as soon as possible or simply curious to know what it's worth during these changing times [CLICK HERE](#) to book a complimentary market appraisal.

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Sources: Carter Jonas Research, Halifax, Nationwide, ONS, Rightmove, Zoopla

About Carter Jonas

Carter Jonas LLP is a leading UK property consultancy supported by a national network of 34 offices and 1,000 property professionals. Our team is renowned for their quality of service, expertise and the **simply better property advice** they offer their clients.

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