

RESEARCH

Housing Market Update

May 2024

Market Overview

This month we see some economic signs of both progress and headwinds emerging from the economic data. Positive signs came from GDP data, which showed continued growth in February according to the latest estimates. Further encouraging news from the latest inflation figures, where a 3.2% rise was recorded, above expectations but still representing a drop from the previous month's 3.4%. However, the labour market painted a less rosy picture, with unemployment rising, job vacancies falling, and the number of payrolled

employees declining. This indicates a potential slowdown in job creation, which may be due to poor economic momentum already in the cycle.

Housing market data suggests a stable sales market with modest house price increases driven by cautiously rising demand. While buyer interest is picking up, some potential buyers remain on the sidelines, waiting to see how interest rates play out in the coming months. New home supply in the sales market is

on the rise, with instructions expected to climb further in both the short and long term. Meanwhile, the private rental market remains exceptionally buoyant. The new ONS rental index (Price Index of Private Rents) reveals a sharp rent increase of 9.2% over the past year, reflecting continued strong demand in the sector amid a shortage in supply.

Sales and Lettings prices

- Latest figures from Nationwide show that UK house prices are still climbing, rising by 1.6% over the last 12 months, up from 1.2% growth in February. The average UK house price stands at £261,142 according to the bank.
- On the other hand, annual house price growth slowed to just 0.3% in March, according to the latest price index report from Halifax. This is down from 1.6% the month before and is the slowest rate of growth since November 2023. The report goes on to note

a north / south divide where prices in the North West grew the strongest (3.7% annually) compared with regions such as East of England (-0.9%) and London (+0.4%).

- Rightmove's latest data also shows growth with asking prices increasing by a hefty 1.1% on a monthly basis and 1.7% annually (April). This is the strongest annual price rise since April last year. The web portal goes on to say that the largest / top of the ladder homes have seen the

strongest price growth since 2014 while more 'price sensitive' first time buyer and second-stepper homes witnessing slower price rises and overall activity.

- This month we include a new rental index from the ONS. The Price Index of Private Rents is a monthly private rents index tracking prices paid for both new and existing tenancies across the UK's counties, regions and local authorities. This month the index reported continued robust growth in the sector with rents

rising by an average of 9.2% annually. A new table of select location rental prices and growth now appears at the end of this report.



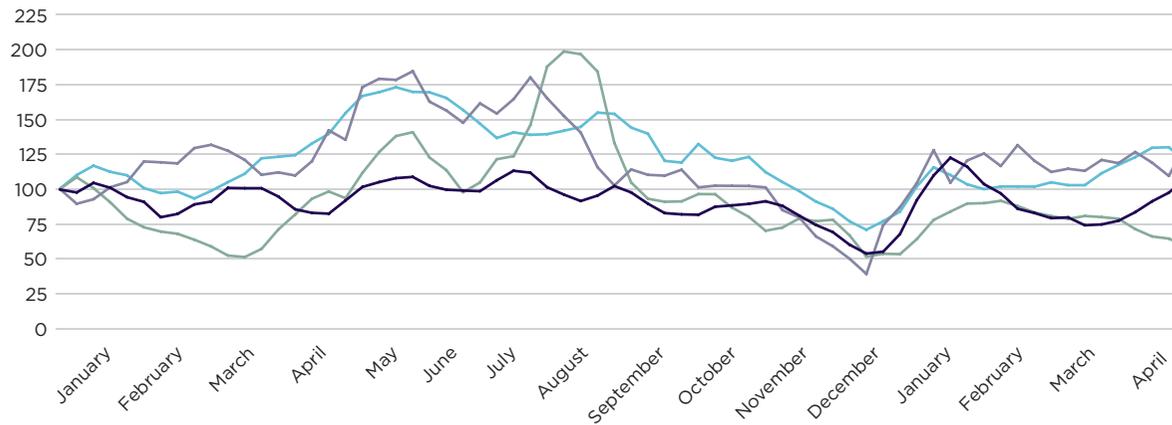
Average UK house price stands at £261,142

Source: Nationwide

Figure 1 Carter Jonas Enquiry level trends, since January 2023

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

London / Central / North / South



Activity

- Mortgage approval levels continued to rise in February, with Bank of England data showing a total of 60,383 approved in the month. This reflects an increase of 8% over January and 40% more than February 2023.
- Total transaction volumes also rose in February to reach a total of 82,940 during the month. Although this reflects a rise of 1% over January's total it is still 6% below the same month last year. It is also 20% below the long-term average for this time of year. Given however that mortgages are arranged a few months before the transaction takes place, and that the number of approvals has been rising for the last five months, we still hope to see a steady increase in overall transaction volumes over the coming months.
- Rightmove found in their April price index report a 12% rise in the number of new sellers this month, compared with the same period one year ago. They also note a 13% increase in agreed sales. The report goes on to say though that the biggest growth is coming from the largest homes where sellers here are up 18% and agreed sales of these properties are up 20%.
- ARLA PropertyMark's latest private rental market report notes tenant demand declined in February with the number of new prospective tenants falling from an average of 97 in January to 89 in February. This monthly decline though is in line with the long-run average for this time of year so should not be taken as an indication of overall declining demand. There was also a decline in stock levels during the month and overall demand continues to outstrip supply. On average there were around 10 new applicants for each available property.
- Total enquiries across our Carter Jonas offices are up by around 1% over the last four weeks with the largest uplift seen across our southern offices. Our Oxford office in particular has seen robust enquiry levels throughout April. Compared with the same period last year our offices have seen an overall increase of around 5% with Harrogate and York in particular seeing higher levels of demand.

Official House Price data

HM Land Registry
February 2024

Source: HM Land Registry



Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
Winchester	£490,124	-0.2%	6.1%
Cambridge	£489,134	2.2%	2.1%
Oxford	£460,277	1.7%	1.6%
North Yorkshire	£275,881	0.8%	1.6%
Bath and North East Somerset	£419,592	0.2%	1.5%
Leeds	£234,765	-0.9%	1.5%
Wiltshire	£331,792	1.9%	0.6%
United Kingdom	£280,660	0.4%	-0.2%
West Oxfordshire	£372,778	3.2%	-0.6%
Somerset	£291,764	0.1%	-1.1%
England	£297,735	0.6%	-1.1%
Suffolk	£290,446	0.6%	-1.4%
Cambridgeshire	£339,568	0.1%	-2.1%
Vale of White Horse	£392,577	0.8%	-2.4%
York	£313,190	1.0%	-2.9%
Outer London	£475,330	0.0%	-3.0%
South Cambridgeshire	£418,864	-2.6%	-4.1%
London	£502,690	-0.7%	-4.8%
South Oxfordshire	£466,815	0.1%	-5.1%
West Berkshire	£385,156	-2.2%	-6.2%
South West London	£694,771	-0.7%	-6.4%
Inner London	£569,857	-1.6%	-7.0%
Prime Central London	£1,041,274	-1.1%	-17.3%
Inner London	£586,090	-0.8%	-5.6%
Prime Central London	£1,066,982	-0.8%	-16.6%



Official Price Index of Private Rents

ONS March 2024

Source: ONS

Note: Rents are for all property types and bedroom numbers, £ per calendar month

Carter Jonas location	Average Rent (pcm)	Monthly Change (%)	Annual Change (%)
York	£1,089	2.2%	13.1%
London	£2,055	1.0%	11.2%
Prime Central London	£3,128	1.5%	11.2%
Vale of White Horse	£1,219	0.3%	9.5%
England	£1,285	0.7%	9.1%
South West London	£2,222	1.0%	8.6%
West Berkshire	£1,189	0.4%	8.1%
Cambridge	£1,634	0.6%	7.6%
South Oxfordshire	£1,239	0.7%	7.0%
South Cambridgeshire	£1,245	0.6%	6.6%
West Oxfordshire	£1,213	0.5%	6.5%
Winchester	£1,309	0.4%	5.6%
Oxford	£1,657	0.1%	5.4%
North Yorkshire	£766	0.5%	5.2%
Bath and North East Somerset	£1,536	0.8%	4.8%
Wiltshire	£925	0.3%	3.7%





Monthly change in enquiry levels

-6%
LONDON

11%
SOUTH

0%
CENTRAL

-6%
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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