

## RESEARCH

# Housing Market Update

December 2023

### Market Overview

Some encouraging news recently as inflation eased at a faster pace than expected in October, moving sharply from 6.7% in September to 4.6%. While this decline was primarily driven by Ofgem's reduction in the energy price cap, both services inflation and, crucially, core inflation, also slowed by more than had been anticipated. The Bank of England maintained interest rates at 5.25% at their early November meeting, and with these subsequent better-than-expected inflation figures, they are now anticipated to hold rates steady again at their December meeting, before potentially cutting rates sometime next year.

Further uplifting data from house prices this month with a surprise upward growth as both Nationwide and Halifax figures showed increases of +0.9% and +1.0%, respectively. This meant that on an annual basis, although both measures showed overall declines, they were by less than the month before. Despite this positivity, the price increase is largely being attributed to the lack of stock on the market rather than any substantial increase in demand. In the lettings market, there is again little in the way of change, with demand outstripping supply across most types of lettings. Overall, the market is at least showing some signs of stabilisation.

### Sales and Lettings prices

- UK house prices rose 0.9% month on month this October, according to Nationwide. On an annual basis though they are still down by -3.3% but this is a marked improvement from the -5.3% annual fall in both August and September this year. The small uptick in pricing this month is likely affected by the low available supply and the lack of forced sales, which would usually place far more downward pressure on pricing.
- The Halifax house price index figures for October show a similar trend to Nationwide, with monthly house prices increasing by 1.0% in October. This follows a fall of -0.3% the month before. On an annual basis property prices fell by -3.2%, up from -4.5% in September.
- On an annual basis Zoopla's October house price index report found that house prices declined by an average of -1.1% over the year. Compare this with the +9.2% at the same time last year. They go on to note that southern England has seen the greatest price reductions but that this declining trend is now spreading across almost all areas of the country.
- HomeLet recorded October's UK annual rental growth at 9.6% on average, the lowest rise since September 2022. On a monthly basis growth was recorded as 0.5% meaning rents now average £1,283 per calendar month (pcm). Once again Scotland topped the list with the highest rate of growth at 12.0%, largely a factor of their legislated rental cap whereby landlords can only raise rents by more than 3% on new tenancies.

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**UK house prices rose 0.9% month on month in October”**

*Source: Nationwide*



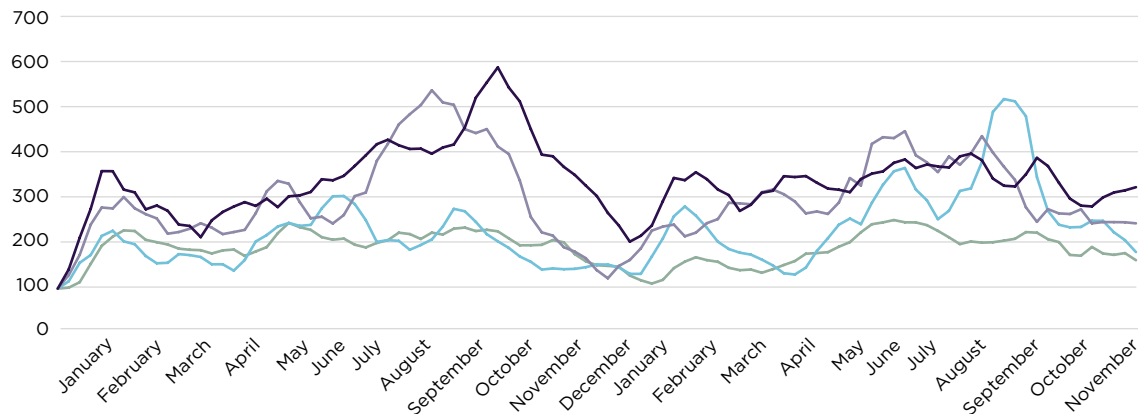
## Activity


- Following an upwardly revised figure for August, Bank of England's mortgage approvals in September declined slightly, down 4.6% to 43,328 overall. This marks the third consecutive month of falling approvals with year-to-date mortgages around 30% below the same time last year.
- Total transactions meanwhile stayed relatively stable between August and September, with latest provisional figures showing there were 85,610 sales during September, marking nearly no change over August. This means that cash buyers have made up around 45% of all transactions so far this year, compared with a long-term average of 33%.
- Rightmove's latest information finds that the number of sales agreed is now down 10% over 2019's more normal market level. This is an improvement however on last month which was 15% below the normal level. Studio and one-bed property sales are just 7% below 2019's level while agreed sales for four+ bedroom properties are 14% behind the 'normal' 2019 level.
- Across our tracked Carter Jonas office locations most areas have seen a small decline in the overall number of enquiries compared with last month. This seems to be down to a fall in lettings enquiries as we approach the winter months and nearing the holiday season.
- Annually, enquiry levels appear to be at the same level as the same period last year. However, when this is disaggregated, we see that our northern office locations have seen enquiries jump by nearly 50% compared with last year, while London office requests are down by around 20%. The lack of available stock is the main driver of the enquiries volatility as demand has been largely stable.
- While demand for rental properties remains strong across most property types, we are observing a slight easing of pressure at the top end, particularly for higher-value and family homes. It remains to be seen whether this trend will extend to other property types and sizes.
- We also continue to see early indications of the return of 'reluctant landlords' who are perhaps unable to sell their properties for the price they are hoping for and thus turn to lettings as an alternative. Equally, some investment landlords have been looking to sell their properties due to increasing mortgage payments together with some unease surrounding the upcoming Renters Reform bill.

**Figure 1** Carter Jonas Enquiry level trends, since January 2022

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

London / Central / North / South





## Official House Price data

HM Land Registry  
September 2023

*Source: HM Land Registry*

Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
West Oxfordshire	£414,782	1.1%	4.9%
Bath and North East Somerset	£454,062	4.0%	3.8%
Vale of White Horse	£443,291	1.3%	3.2%
Leeds	£246,187	0.9%	2.7%
Oxford	£498,261	-1.2%	2.3%
West Berkshire	£423,496	1.4%	2.1%
North Yorkshire	£285,474	0.4%	2.0%
South Oxfordshire	£530,719	-0.4%	1.8%
Somerset	£308,359	2.0%	0.3%
West Northamptonshire	£297,627	0.4%	-0.1%
<b>United Kingdom</b>	<b>£291,385</b>	<b>-0.5%</b>	<b>-0.1%</b>
Cambridgeshire	£358,926	-0.4%	-0.2%
Wiltshire	£341,013	0.8%	-0.3%
South Cambridgeshire	£452,228	-0.9%	-0.3%
<b>England</b>	<b>£309,602</b>	<b>-0.5%</b>	<b>-0.5%</b>
Outer London	£491,375	0.8%	-0.5%
Cambridge	£515,926	0.1%	-0.6%
North Northamptonshire	£270,839	0.2%	-0.8%
Suffolk	£301,527	-0.2%	-0.9%
London	£537,424	-0.3%	-1.1%
Inner London	£624,898	0.8%	-1.6%
York	£320,683	-3.6%	-1.8%
South West London	£730,486	0.9%	-1.9%
Winchester	£492,648	-2.0%	-2.0%
Prime Central London	£1,085,166	-6.5%	-11.4%



## Monthly change in enquiry levels

5%

LONDON

-7%

SOUTH

-6%

CENTRAL

-10%

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

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### 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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