

RESEARCH

Housing Market Update

April 2024



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Source: Rightmove

Market Overview

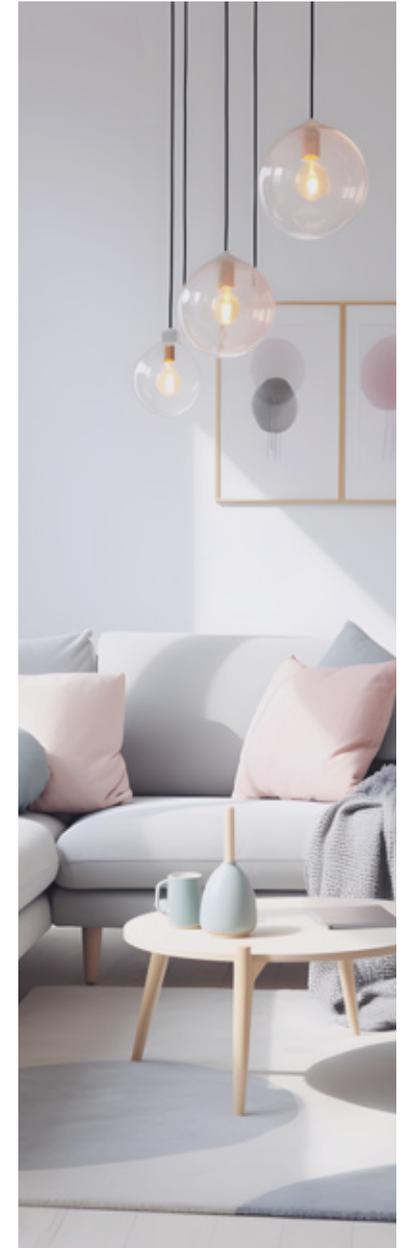
The UK economy shows signs of recovery after what will hopefully be a short-lived recession in late 2023. GDP grew in January, there is rising business and consumer confidence, and moderating inflation forecasts. The labour market also remains strong, with a growing number of payrolled employees and a low unemployment rate. There are still some external challenges placing downward pressure on further potential growth optimism, not least of which is the ongoing conflicts in Ukraine and the Middle East.

The housing sector is also gathering steam, with house price growth in positive territory according

to both major indices: Halifax reporting 1.7% annual growth and Nationwide posting 1.2%. Mortgage approvals also rose to their highest level since October 2022, with just over 55,000 approvals in January, a hefty 40% increase over the same time last year. The lettings market, however, shows little change. Tenant demand continues to outstrip an already constrained supply of rental properties, putting upward pressure on rents. Although rental growth is slowing, this is due to rents reaching an upper limit of affordability, rather than a significant shift in the demand-supply balance.

Sales and Lettings prices

- Nationwide reported annual house price growth of 1.2% in February, the first time it has been in positive territory since January 2023. This means prices are now just 3% below their peak in the summer of 2022 with the average UK house price now £260,420. On a monthly basis prices rose by 0.7%, following a similar 0.7% rise in January.
- Prices were also shown to have grown at a rate of 1.7% annually according to Halifax's latest report, down from last month's 2.3% rise. On a monthly basis prices rose for the fifth consecutive month, increasing by 0.4% in February. The average UK home now costs £291,699, reflecting an increase of around £1,000 over January's price.
- According to Rightmove's latest house price index report, asking prices are also rising, increasing by an average of 1.5% in March (monthly), making this the highest March rise in the 22-year history of the series and also the highest monthly growth for ten months. This also translated to an annual increase of 0.8%.
- Of rental growth, the pace of growth appears to be slowing again, with both HomeLet and Zoopla / Hometrack reporting such. HomeLet has recorded rental growth slowed again in February moving to 7.4% from 7.5% the month before while Zoopla recorded rental growth of 7.8%, down from 11% over the same period one year ago and the lowest rate of growth for two years.



Activity

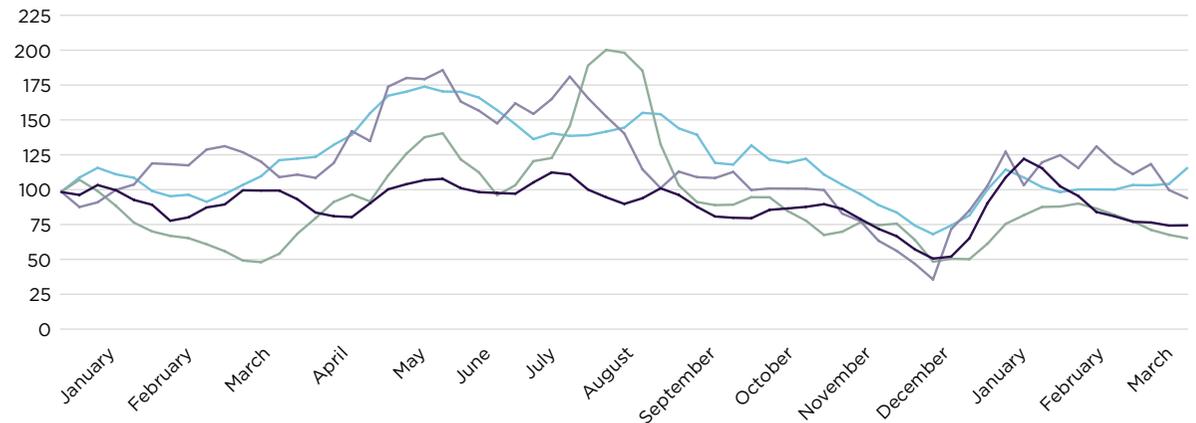
- The year got off to a strong start according to the Bank of England's latest mortgage approvals data. Total approvals rose yet again in January, increasing to 55,227 in the month, up 7% over December's figure and a strong 40% more than the same month one year ago. This also marks the fourth month in a row of rising approvals and the highest monthly figure since October 2022.
- Overall transaction volumes also increased in January, according to HMRC's figures. With a provisional figure of 82,000 during the month this is up 2% over December. However, with mortgage approvals typically in place several months before the final transaction occurs, and mortgage figures having steadily risen since September of last year, we still believe that the next few months will begin to see a rise in completed sales levels.
- Rightmove's March house price index report notes that there are 13% more agreed sales during this four-week period than the same time one year ago. There are also 8% more buyers than the same time last year, although they note that this has been mainly buoyed by cash buyers rather than mortgage holders.
- In the private rental market, the gap between supply and demand still remains wide although in Zoopla and Hometrack's March rental market report, they note that tenant demand is cooling slightly, with enquiries per available property dropping from a peak of 40 in 2021 to just over 15 currently. This figure is still double what it was prior to the pandemic period.
- While enquiries to our Carter Jonas offices have dipped slightly (around 6%) in the past four weeks, this is more due to the strong start to the year, which saw a significant increase in enquiries. Encouragingly, year-over-year comparisons show a rise in enquiries across all offices, with our northern offices experiencing a particularly strong 20% increase compared to the same period in 2023.



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
January 2024

Source: HM Land Registry

Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
Winchester	£504,924	1.1%	7.3%
Leeds	£234,948	0.1%	0.6%
North Northamptonshire	£266,376	0.8%	-0.5%
South Cambridgeshire	£426,889	-0.9%	-0.6%
North Yorkshire	£273,553	0.3%	-0.6%
United Kingdom	£281,913	0.5%	-0.6%
Bath and North East Somerset	£420,545	-0.6%	-0.7%
Somerset	£295,848	0.5%	-0.9%
Oxford	£440,092	-0.3%	-1.0%
England	£298,575	0.4%	-1.5%
Cambridgeshire	£338,094	-0.9%	-2.0%
West Northamptonshire	£288,492	0.1%	-2.1%
West Oxfordshire	£378,676	-0.9%	-2.3%
Vale of White Horse	£396,268	-0.8%	-2.4%
Wiltshire	£323,516	-0.5%	-2.5%
Cambridge	£476,112	-3.0%	-2.7%
Suffolk	£289,534	-0.5%	-3.2%
Outer London	£475,872	0.3%	-3.6%
West Berkshire	£398,095	-0.6%	-3.8%
London	£517,726	2.5%	-3.9%
South West London	£695,061	-0.4%	-4.0%
South Oxfordshire	£459,576	-1.0%	-4.5%
York	£299,369	-0.4%	-5.5%
Inner London	£586,090	-0.8%	-5.6%
Prime Central London	£1,066,982	-0.8%	-16.6%



Monthly change in enquiry levels

-24%

LONDON

-4%

SOUTH

0%

CENTRAL

1%

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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