

RESEARCH

Housing Market Update

June 2024

Market Overview

The UK economy bounced back in the first quarter of 2024, officially ending the technical recession that began in the latter half of 2023. GDP not only returned to positive territory but grew at an impressive 0.6%, the strongest rate of expansion in over two years. This growth, along with Canada's, was the joint fastest among G7 economies. There was also positive news on inflation, which dropped to just 2.3% in the year to April, down from 3.2% in March. This is the lowest rate since July 2021.

In the housing sector, the latest data points to a sales market that remains in a cautiously stable position. While house prices still show signs of growth, this was a modest 0.6% over the last year (Nationwide). Asking prices were found to have risen by the same amount, according to Rightmove. The level of supply does show signs of improvement, but buyers remain cautious, likely waiting for clearer signals about a potential interest rate reduction which is anticipated to arrive this summer.



Sales and Lettings prices

- House prices rose by a modest 0.6% over the 12 months to April, according to Nationwide, down from 1.6% the month before. The slowdown in growth likely due to gradually rising mortgage rates. Rates fell rapidly at the turn of the year which coincided with house prices also rising. However, they have been steadily climbing over the past ten weeks, putting pressure on buyer affordability, and making them more cautious.
- On a monthly basis Halifax recorded a negligible rise of 0.1% in house prices in April with annual prices increasing 1.1%, up from 0.4% in March. The bank goes on to say that the uplift over the 12 months to April is largely due to weak price growth in April 2023 rather than any significant rise in demand placing upward pressure on prices.
- Of asking prices, these were found to have grown by 0.6% according to Rightmove's latest house price index report (May). On a monthly basis the web portal found that prices rose by 0.8% compared with April. They go on to report that again it is the 'top-of-the-ladder' homes which are still seeing the highest price growth, with average prices in these types of property up 1.3% compared with last year.
- Moving on to the rental market and the pace of rental growth declined slightly in the 12 months to April, according to the latest Price Index of Private Rents figures from the ONS. At 8.9% this is down from the month before but is still the third highest recorded rate since records began in 2015, after February (9.0%) and March (9.2%) this year. On a regional and country basis rents were found to have grown the fastest in London at 10.8% followed by Scotland at 10.1% and England at 8.9%. London rents are the highest in the nation, averaging £2,070 per calendar month (pcm) followed by the South East at £1,285pcm and then the East of England averaging £1,137pcm.

Activity

- There was another increase in the number of mortgage approvals issued in March (latest available data), according to Bank of England. There were approximately 61,325 approvals during the month, up 1% over February's figure and 20% more than the same month last year. This was also the highest number of recorded approvals since September 2022.
- There was a similar rise in the total number of estimated

- transactions in March, according to HMRC. Sales reached just over 84,000 (seasonally adjusted), which is 1% more than February. Unlike mortgage approvals though this is down 6% over March 2023, again indicating that mortgage holders - much more exposed to interest rate changes - retreated from the market in much higher numbers than cash buyers.
- In the lettings market all indicators from Rightmove's

latest rental tracker for Q1 point to a slowly narrowing gap between supply and demand, from recent highs. The web giant reports that available supply is up 11% compared with last year although this is still over a quarter less than the pre-pandemic figure. Demand on the other hand has come down, 17% lower than the same time last year although again this is significantly higher (54%) than in 2019. The average number of

enquiries per available property according to the web portal is 13, down from 19 this time last year.

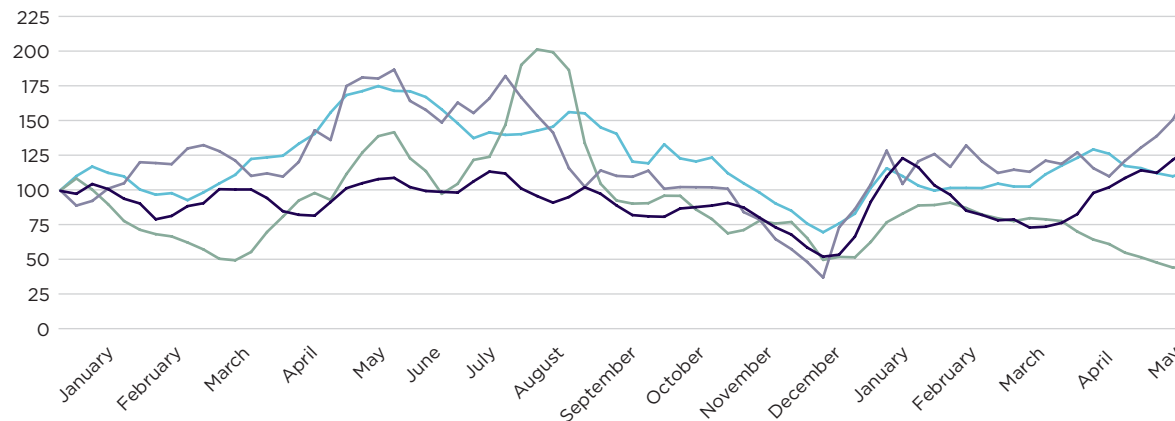
- Enquiry levels in our Carter Jonas locations have been steadily rising over the last four weeks, increasing by around 6% compared with the previous four weeks. This is not equal across the board however with our London and central offices seeing the most growth of 22% and 26%, respectively. Our locations

in the south and northern regions have seen overall declines. As mentioned above though, we expect that some buyers are being cautious and may be waiting for more clarity on interest rates before they begin their home searches in earnest later this summer.

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
March 2024

Source: HM Land Registry



Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
West Oxfordshire	£392,332	5.7%	6.0%
North Yorkshire	£277,992	2.0%	4.4%
Winchester	£489,680	-0.8%	4.3%
Bath and North East Somerset	£428,154	2.9%	4.3%
Leeds	£238,551	0.5%	4.0%
Cambridge	£493,952	0.6%	3.5%
Vale of White Horse	£406,218	3.9%	2.2%
United Kingdom	£282,776	0.7%	1.8%
Oxford	£462,088	1.3%	1.2%
England	£299,321	0.5%	1.0%
Suffolk	£292,028	0.7%	0.7%
Wiltshire	£328,566	0.2%	0.3%
Cambridgeshire	£341,501	0.9%	-0.5%
Somerset	£290,816	0.0%	-0.5%
South Cambridgeshire	£428,744	2.5%	-0.9%
York	£314,438	0.0%	-1.6%
Outer London	£473,780	-0.3%	-2.1%
South Oxfordshire	£474,251	0.2%	-3.4%
London	£499,663	-0.9%	-3.4%
West Berkshire	£385,470	-1.8%	-6.1%
Inner London	£566,329	-2.1%	-7.3%
South West London	£690,038	-0.7%	-7.8%
Prime Central London	£1,052,065	-2.7%	-17.2%
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 April 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	£1,096	0.6%	13.0%
London	£2,070	0.7%	10.8%
Prime Central London	£3,164	1.2%	10.7%
Vale of White Horse	£1,222	0.2%	9.2%
South West London	£2,243	0.9%	9.2%
England	£1,293	0.6%	8.9%
West Berkshire	£1,190	0.1%	7.8%
South Oxfordshire	£1,250	0.9%	7.7%
Cambridge	£1,642	0.5%	7.6%
South Cambridgeshire	£1,254	0.7%	6.8%
Winchester	£1,319	0.8%	6.5%
West Oxfordshire	£1,225	1.0%	6.3%
North Yorkshire	£771	0.7%	5.5%
Bath and North East Somerset	£1,544	0.5%	4.9%
Oxford	£1,659	0.1%	4.9%
Wiltshire	£928	0.3%	4.3%





Monthly change in enquiry levels

22%

LONDON

-9%

SOUTH

24%

CENTRAL

-24%

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.

Lisa Simon Partner,
Head of Residential
lisa.simon@carterjonas.co.uk

Leslie Schroeder
Head of Residential Research
leslie.schroeder@carterjonas.co.uk

020 7518 3200

One Chapel Place
London
W1G 0BG

chapelplace@carterjonas.co.uk

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.

© Carter Jonas 2024. The information given in this publication is believed to be correct at the time of going to press. We do not however accept any liability for any decisions taken following this report. We always recommend that professional advice is taken.

Exclusive UK affiliate of

CHRISTIE'S
INTERNATIONAL REAL ESTATE