

## RESEARCH

# Housing Market Update

July 2024

## Market Overview

This month's dominating news story is undoubtedly the UK General Election, finally ending months of speculation with the post-election period bringing some much-needed certainty to the markets. While historical data suggests a weak link between general elections and house price growth directly, a stable post-election period could potentially boost both demand and supply.

However, the most significant factor impacting the housing market over the past year and a

half has undeniably been interest rate hikes. These increases have undoubtedly dampened demand from potential buyers, leading to somewhat sluggish house price growth despite a relative stability in prices. The recent MPC vote to keep Bank Rate at 5.25% however was a vote of 7-2 in favour of a hold with an expectation that a cut may be on the way in August. Any fall in interest rates will help buoy demand which we expect to improve in the latter half of the year.

## Sales and Lettings prices

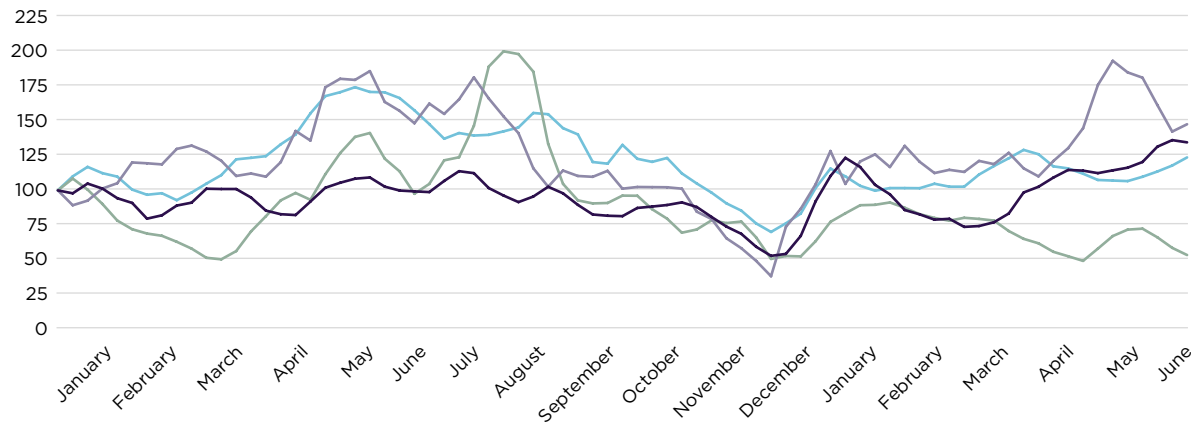
- UK house prices rose by 0.4% in May (month on month), offsetting the -0.4% fall during April, according to Nationwide's latest index report. On an annual basis this too increased, rising by 1.3% over the last 12 months, up from +0.6% the month before. Despite ongoing affordability pressure from rising mortgage rates, the sales market remains stable and resilient.
- According to Halifax house prices remained virtually unchanged in May, moving down by -0.1% over the month. Annually, prices were found to have risen by 1.5%, up from 1.1% in April and the sixth consecutive month of rising house prices. On a regional basis, prices grew the most in the North West over the last year (+3.8%) while the East of England saw the largest decline at -0.8%. In London, house prices grew by a negligible +0.2% in the 12 months to May.
- The web search portal Rightmove reported in their June housing index that asking prices rose by an average of 0.6% annually, unchanged from May. The report says this 'no change' in prices between May and June is reflective of a seasonal trend for this time of year. They note that less expensive and more northerly regions of the country are witnessing stronger price growth with areas across the East of England and London seeing slower growth.
- In the private rented sector Zoopla notes that the pace of growth slowed to its lowest level in over 2 ½ years, at 6.6%. This time last year rental growth was in double digits, where it remained for many months. On a regional level London recorded the greatest slowdown with rental growth here averaging 3.7% while the largest increases were found in the North East (9.5%) and Scotland (9.3%).



**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

- April (latest available data) saw overall mortgage approvals remain virtually unchanged at 61,140, according to Bank of England's latest data. This is on par with the 61,263 (revised) approvals in March and reflects the overall mood of the market which can be described as cautious but stable. Year to date total approvals is just over 238,000 which is 30% more than the same period last year.
- Total transaction volumes jumped 5% in April to reach a total of 90,430. This is the highest number of residential sales since March last year and is the fourth month in a row of rising activity. As sales completions lag mortgage approvals by a few months we expect this to level out again in the coming months. We believe that buyers are still waiting for more certainty on interest rate declines which are anticipated this summer. Once this happens approvals and transaction volumes will pick up in the latter half of the year.
- Across to the lettings market and Zoopla's latest rental market report for June noted a narrowing of the supply and demand gap. Rental demand is down 25% compared with the same period last year while the level of supply has increased by around 18% (average number of homes for rent per agent).
- In our Carter Jonas office locations enquiry levels over the last four weeks have been a little up and down, very much dependent upon the location. Our London offices have seen overall enquiries rise by nearly 15% month on month and 25% compared with the same period last year. Locations across the south have also seen a monthly rise, increasing by 7%. Across our central locations though total enquiry levels dropped by around 9% between June and May but this is reflective of a spike at the end of May rather than any substantial decline in demand over the last four weeks.

# Official House Price data

HM Land Registry  
April 2024

Source: HM Land Registry

Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
West Oxfordshire	£398,625	2.3%	7.8%
Cambridge	£494,294	1.9%	5.2%
Vale of White Horse	£410,219	1.1%	5.1%
Winchester	£494,459	2.9%	4.4%
Bath and North East Somerset	£429,644	1.3%	3.9%
South Oxfordshire	£497,099	4.4%	2.6%
North Yorkshire	£271,210	-1.0%	2.0%
Leeds	£233,737	-0.8%	1.7%
<b>United Kingdom</b>	<b>£281,373</b>	<b>0.3%</b>	<b>1.1%</b>
Cambridgeshire	£343,314	1.0%	0.7%
<b>England</b>	<b>£298,229</b>	<b>0.3%</b>	<b>0.6%</b>
Wiltshire	£326,337	-0.3%	0.3%
Somerset	£286,709	-0.5%	-0.8%
Suffolk	£284,808	-1.0%	-1.1%
South Cambridgeshire	£422,602	0.3%	-1.8%
Oxford	£446,424	-0.1%	-2.0%
Outer London	£467,468	-1.0%	-2.3%
York	£309,934	-0.5%	-3.1%
West Berkshire	£392,428	1.6%	-3.2%
London	£501,880	-0.2%	-3.9%
South West London	£704,268	0.8%	-5.4%
Inner London	£574,168	0.4%	-5.6%
Prime Central London	£1,039,625	-3.1%	-16.1%



# Official Price Index of Private Rents

ONS May 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	£1,103	0.6%	12.9%
London	£2,086	0.8%	10.1%
Prime Central London	£3,197	1.1%	10.0%
South West London	£2,262	0.8%	9.3%
Vale of White Horse	£1,224	0.2%	9.1%
<b>England</b>	<b>£1,301</b>	<b>0.6%</b>	<b>8.6%</b>
Winchester	£1,338	1.4%	8.1%
South Oxfordshire	£1,254	0.3%	7.8%
West Berkshire	£1,194	0.3%	7.7%
Cambridge	£1,647	0.3%	7.2%
South Cambridgeshire	£1,263	0.7%	7.1%
West Oxfordshire	£1,237	1.0%	6.8%
North Yorkshire	£774	0.4%	5.3%
Bath and North East Somerset	£1,549	0.3%	5.1%
Wiltshire	£931	0.3%	4.8%
Oxford	£1,659	0.0%	4.5%





## Monthly change in enquiry levels

14%

LONDON

7%

SOUTH

-9%

CENTRAL

2%

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 33 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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