

RESEARCH

Housing Market Update

December 2024

Market Overview

As widely expected, the Monetary Policy Committee (MPC) cut interest rates by an additional 25 basis points at its recent meeting, bringing the Bank Rate down to 4.75%. This is the lowest rate since May 2023. However, a decrease in the base rate doesn't always translate to lower fixed-rate mortgage rates. Recent events, such as the Autumn Budget and the US election results, have also increased costs for lenders, who have subsequently passed these costs onto consumers. As

a result, mortgage rates have again risen over the past three weeks. What's more, further cuts to the base rate this year and in early 2025 seem less likely as the MPC will probably want to wait a few months to assess the potential economic impact of the budget. This slower downward path of rates may also be already priced into mortgage rates and any further falls in mortgage rates are also now likely to be at a slower rate than previously thought.

The residential sales market however continued to gain some momentum. Mortgage approvals rose to their highest level since August 2022, exceeding 65,000 in September. While house price growth moderated slightly in October according to both Halifax and Nationwide, both banks still reported respectable growth rates of 3.9% and 2.4%, respectively. The latest RICS market survey reinforces this trend, with nearly all headline measures remaining in positive territory.

Sales and Lettings prices

- Nationwide reports annual house price growth of 2.4% in October, down slightly from 3.2% in September although this still reflects a monthly rise of 0.1%. The average UK property price is now £265,738, 3% below the peak of the market in August 2022.
 - Year on year house price growth reached 3.9% according to Halifax's October index report, down slightly from 4.6% in September. On a monthly basis prices rose by 0.2% to reach a UK average of £293,999. This is now the highest ever average house price for a typical property, just above the previous peak of £293,507 in June 2022.
 - Rightmove reports that average new seller asking prices are up 1.2% over the last 12 months. On a monthly basis though they are down by -1.4%, a larger decline than the usual drop of -0.8% for this time of year, which they suggest may be down to nervousness both before and after the Autumn Budget.
 - Carter Jonas tracked locations showed a wide range of annual price growth this month. Cambridge (5.7%), West Oxfordshire (5.5%), and Winchester (4.9%) led the table, while all areas monitored in the south west experienced declines: Cornwall (-1.7%), Dorset (-0.6%), Bath (-0.5%), Devon (-0.4%), and Somerset (-0.1%). It's important to remember that these locations experienced extraordinary growth during and after the pandemic, making these modest price corrections unsurprising.
 - Annual rental growth posted a surprise uptick in October, with average rents increasing by 8.7%, up from 8.4% in September, according to the ONS. Of the UK regions and countries, growth was again highest in London where a 10.4% increase was recorded, up from 9.7% in September.
- This was followed by the North West (9.7%) and the East Midlands (9.1%). Yorkshire and the Humber again saw the 'slowest' rate of annual rental growth at 5.8%, followed by locations in the South West where a 6.2% rise was reported.

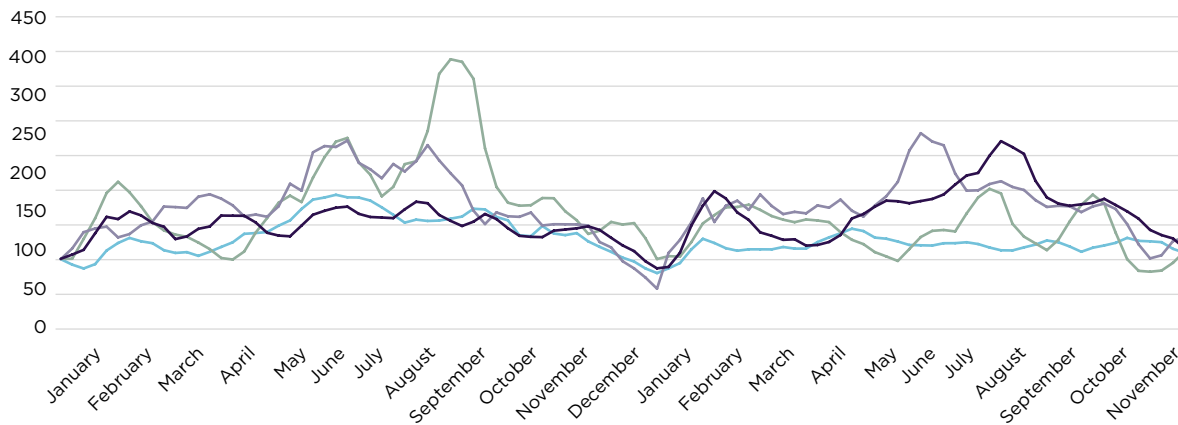
Activity

- Total mortgage approvals rose by 1% in September, according to the Bank of England's latest records. At just over 65,500 for the month this is almost 50% more than the same month last year. This also means that mortgage approvals are now nearly at pre-pandemic levels when the five-year average was just over 66,500 per month.
- According to Rightmove's latest House Price Index, the total number of agreed sales over the most recent four-week reporting period was up 26% compared with the same period in 2023. They go on to note that the number of new sellers is also up over last year, by 6%, while demand from buyers has increased by 18%-23% over the last four weeks.
- In the lettings market, the RICS Residential Market survey for October reports that tenant demand increased again this month with a net balance of +19% of respondents reporting an increase. Conversely, the landlord instructions metric continues to fall, with a reading of -29% suggesting a further widening of the supply / demand imbalance in the sector.
- All of our Carter Jonas office locations experienced a decline in enquiries leading up to the budget announcement at the end of the month. Consequently, overall enquiries decreased by over 20% compared to the same period last year. However, since the budget announcement, all locations, except for some in central London, have begun to see an increase in enquiry levels. We anticipate this trend to continue before the typical Christmas slowdown in late December.

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
September 2024

Source: HM Land Registry



Carter Jonas location	Average Price	Monthly Change (%)	Annual Change (%)
Cambridge	£496,824	1.0%	5.7%
West Oxfordshire	£394,603	1.6%	5.5%
Winchester	£486,083	-1.6%	4.9%
South Cambridgeshire	£444,308	0.2%	3.9%
York	£327,059	0.3%	3.5%
Oxford	£494,162	1.9%	3.5%
Leeds	£246,811	0.1%	3.4%
United Kingdom	£291,828	-0.3%	2.9%
Vale of White Horse	£419,378	2.3%	2.8%
North Yorkshire	£277,516	-0.1%	2.5%
England	£308,782	-0.1%	2.5%
Outer London	£490,817	0.6%	2.0%
South Oxfordshire	£499,648	-1.0%	1.8%
Wiltshire	£332,357	0.2%	1.6%
Cambridgeshire	£347,631	0.5%	1.5%
Suffolk	£293,322	1.0%	1.0%
West Berkshire	£402,846	-1.3%	0.0%
Somerset	£290,953	-0.6%	-0.1%
London	£525,586	-0.8%	-0.5%
Bath and North East Somerset	£433,548	-0.6%	-0.5%
Inner London	£598,823	-0.6%	-1.8%
South West London	£704,041	-2.0%	-3.8%
Prime Central London	£1,076,575	-0.6%	-7.8%

Official Price Index of Private Rents

ONS October 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 (%)
London	£2,172	1.3%	10.4%
South West London	£2,362	0.8%	9.6%
South Oxfordshire	£1,329	1.1%	9.5%
York	£1,104	-0.3%	9.3%
Prime Central London	£3,297	0.8%	9.3%
Winchester	£1,399	0.5%	9.1%
England	£1,348	0.9%	8.8%
Cambridge	£1,715	0.8%	8.7%
South Cambridgeshire	£1,308	0.8%	8.0%
Bath and North East Somerset	£1,624	0.6%	7.8%
Oxford	£1,751	1.5%	7.7%
West Berkshire	£1,229	0.4%	7.2%
North Yorkshire	£798	0.6%	6.4%
Wiltshire	£968	0.4%	6.3%
Vale of White Horse	£1,261	0.8%	6.1%
West Oxfordshire	£1,262	0.5%	6.0%





Monthly change in enquiry levels

-25%

LONDON

-26%

SOUTH

-26%

CENTRAL

-5%

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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