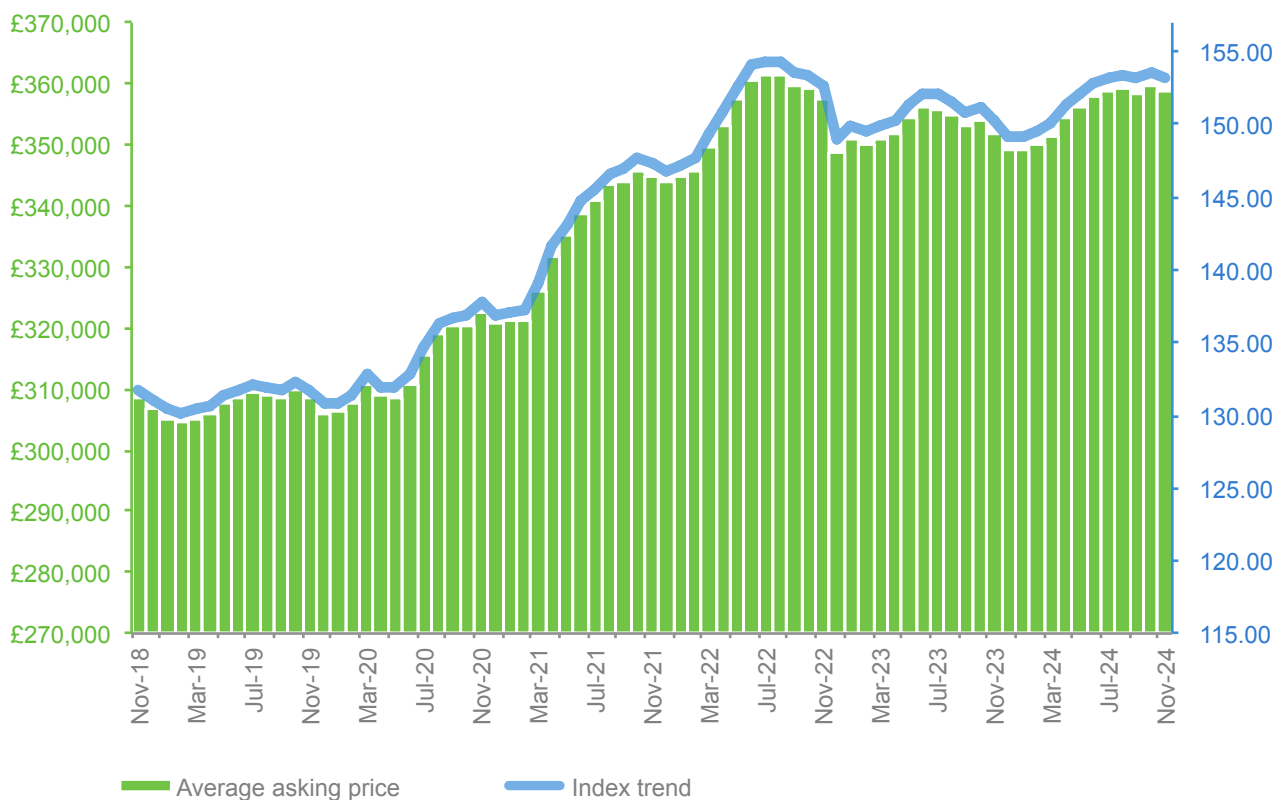


# Only Northern Markets Even Close to Real Growth

## Headlines

- Asking prices indicate an anticipated seasonal decline of -0.3% since last month across England and Wales, while annualised home price growth extends to 2.0%, driven mainly by capital growth in the North and Wales.
- The UK property market continues to show renewed vitality. Property turnover is currently higher than during most of the last ten years and Typical Time on Market remains significantly lower than in pre-pandemic November 2019.
- Such is the volume of property moving through the market that, despite a large uptick in new instructions in October, the total of unsold property fell significantly over the same period.
- The total number of new instructions entering the market during October 2024 was 14% more than during October 2023. The North West saw the highest regional increase, up by 21%.
- The unsold sales stock count for England and Wales fell by just over 13,000 during the last month, making the current total 495,618.
- Seasonal price dips were observed in most English regions and Wales. However, prices continued to rise in Scotland and the North West over the last month, while in London they remained unchanged.
- The North East holds its top position in regional property market growth; the year-on-year gain increased to 6.9%. In second place is Yorkshire at 4.2%.
- The East of England is the worst performing region, indicating an increase of just 0.1% over the last twelve months.
- Comparing national home price growth to inflation over the last five years shows that gains during the COVID boom are illusionary in real terms. The *real* price growth for England and Wales was -17.3% (vs RPI) or -8.3% (vs CPI).
- The annualised national growth for asking rents is just 1.1%, which is dragged down by London's falls. However, Wales followed by Yorkshire continue to indicate double-digit growth of 15.2% and 14.4% respectively year-on-year. Meanwhile, the worsening year-on-year decline in Greater London rents is now -3.9%.
- The City of London shows the greatest decline in asking rents of all London boroughs with an annualised rental fall of 15.6%.

## Home Asking Price Trend for England & Wales



Source: Home.co.uk Asking Price Index, November 2024, Indexed to May 2004 (Value=100).

### Summary

Confidence abounds in the northern regions while the green shoots of recovery are increasingly evident in the south. Overall, the UK property sales market is in good shape. Current growth is driven mainly by the northern powerhouse regions and, given the latest rate cut by the Bank of England, above-inflation growth may well return to London and the southern regions next year. Most importantly, properties are moving through the market with ease as demand has increased sufficiently to match heightened supply.

The tailwind of lower borrowing costs will undoubtedly boost activity further. However, the stamp duty hike announced in Labour's first budget is clearly a step in the wrong direction. Such a move will

only compound fundamental supply issues in the rental market by deterring much-needed investment. Consequently, chronic scarcity will continue to drive rents even higher.

The northern regions of England, the West Midlands, Scotland and Wales have enjoyed significant home price growth over the last twelve months. These inflation-beating gains are supporting the national figures and are in stark contrast to the lacklustre performance of the southern and eastern regions including London.

The regional growth leader is the North East which continues its impressive run, with the mix-adjusted average now 6.9% higher than a year ago. The better rental yields in the North have clearly had a significant effect on investors' appetites.

Seemingly a world apart, the East of England registered a mere 0.1% growth over the same period. In *real* terms, prices are obviously still correcting in this region, while the rest of the southern regions are merely keeping pace with the current lower levels of inflation and therefore indicate no *real* growth. We expect a return to *real* growth in 2025 for most of the southern group of regions although the East of England may well have trouble eliciting sufficient demand to achieve *real* growth next year.

Propped up by the northern powerhouse regions, the UK property market may be said to be operating fairly normally overall. The "race for space" during the COVID years, coupled with buy-to-let investment, transformed the northern markets.

The North West, for example, shows growth of 30.6% since November 2019, while the national average growth figure is a mere 16.2% over the same period.

Given that the budget triggered a further jump in two-year swap rates, further reductions in mortgage rates may not materialise in the near future, thereby hampering the recovery of the southern regions.

Overall, UK asking rent growth is merely keeping pace with inflation (1.1%), but this annualised national growth figure obscures the huge differences regionally between Greater London at -3.9% and the two best performers, Wales (+15.2%) and Yorkshire (+14.4%).

The annualised mix-adjusted average asking price growth (sales) across England and Wales is now 2.0%; in November 2023, the annualised growth of home prices was -1.6%.

## Price Trend

The mix-adjusted average home price for England and Wales nudged down during the last month with a seasonal decline of -0.3%. Expectations are now for a further decline before the usual seasonal uptick in January, marking the beginning of the annual growth cycle. The market will most likely need to wait till spring 2025 to see prices challenge the peak set in summer 2022, brought about by the unprecedented COVID boom caused by UK government stimulus and credit expansion by the Bank of England. These are the same fiscal policies that subsequently triggered the huge rise in inflation, that somehow the same institutions didn't see coming.

## Market Turnover

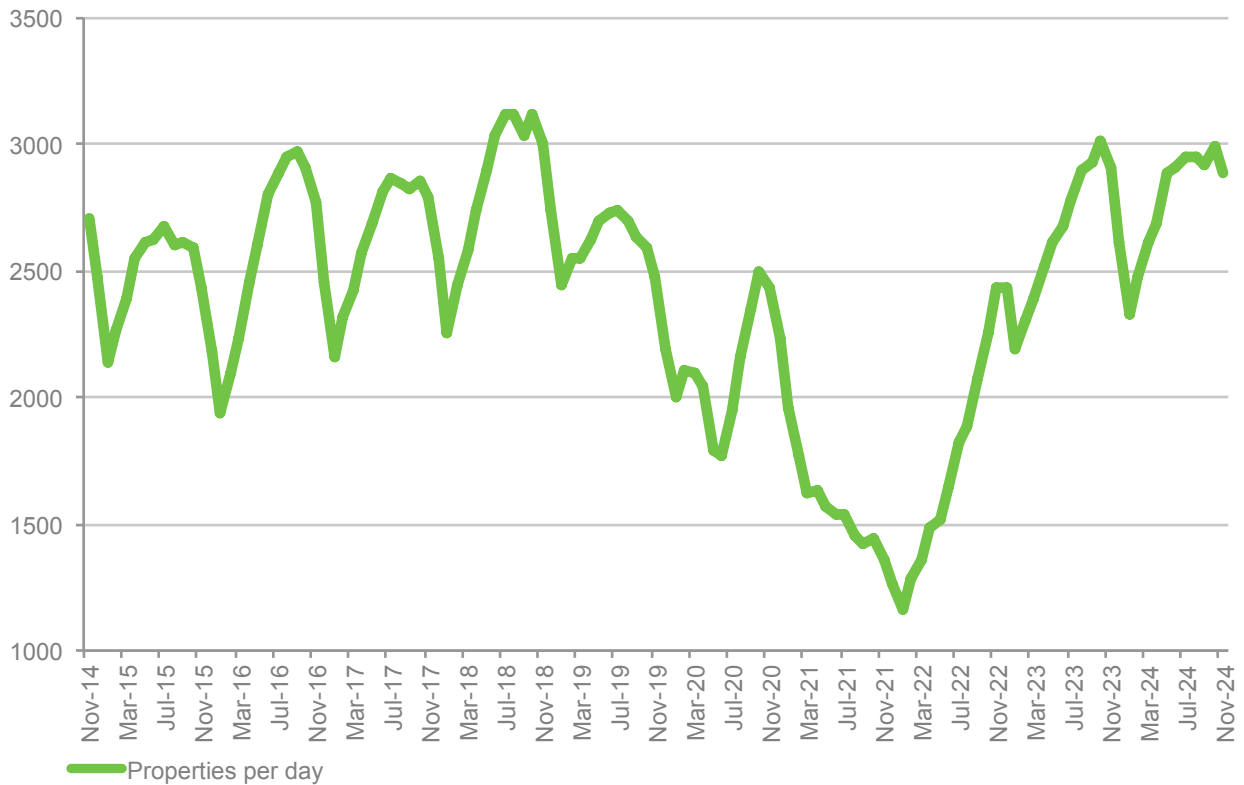
The Market Turnover Indicator chart shows the large volume of properties moving through the market. Clearly, this is good news for agents, surveyors, conveyancers, lenders and removal firms. Market activity rivals even the best pre-COVID years when interest rates were much lower.

Seasonal expectations are that the sales market turnover will trend downwards until the annual low point in January. The precise level of this low point will indicate the strength of the market relative to previous years.

## Real Price Growth

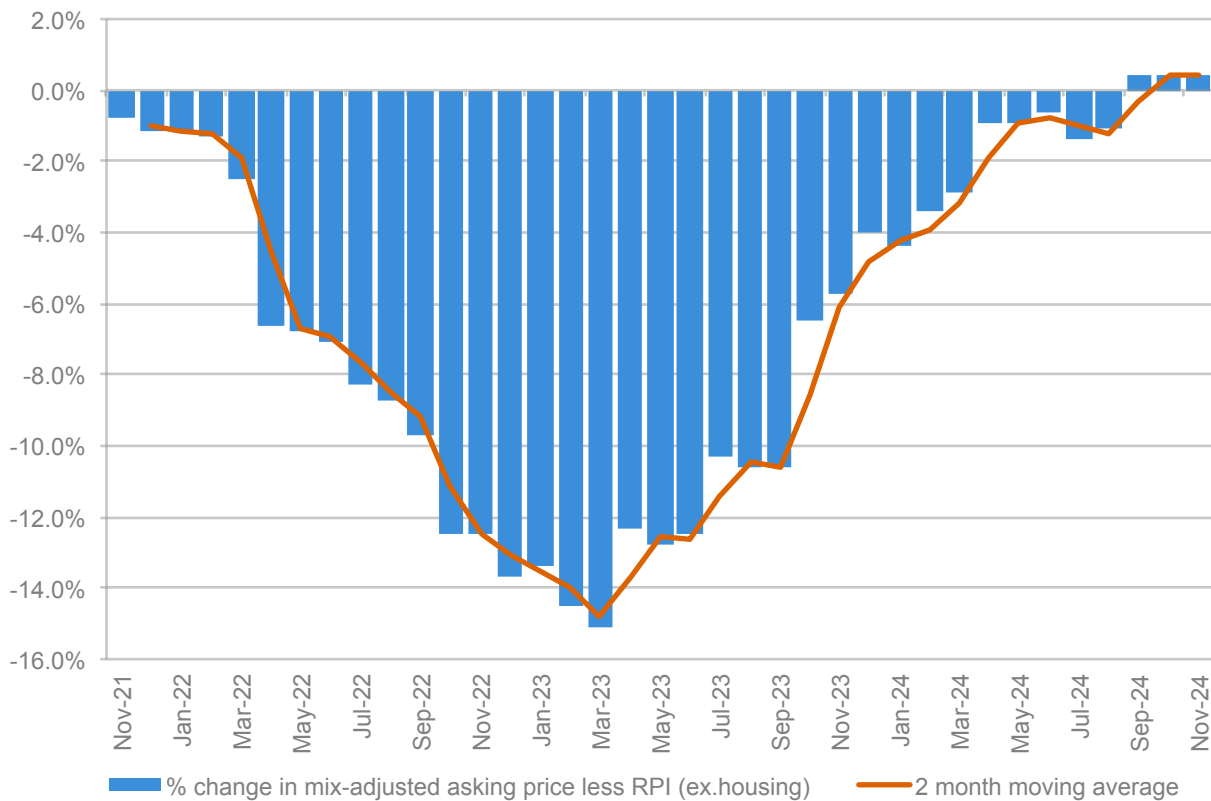
Our chart indicates that overall UK home price growth made real gains in September for the first time in nearly three years. Real growth turned negative back in November 2021 when the Bank of England were still wildly printing money and telling us all that inflation would "peak at around 5% in April

## Sales Market Turnover Indicator



Source: Home.co.uk Asking Price Index, November 2024

## Real Asking Price Growth, England and Wales



Source: Home.co.uk Asking Price Index, November 2024 and ONS [RPI ex. housing]. Inflation for October and November are our estimates (1.3 % and 1.6% respectively)



2022.” In fact, inflation (even by their preferred measure CPI which many view as an underestimate) peaked in October that year at nearly double the Bank of England’s forecasted value.

The fallout from this unprecedented bout of fiscal stimulus and deeply flawed forecasting was 23.7% inflation (RPI) between November 2021 and September 2024 (or around 20% in terms of CPI). Both calculated figures dwarf the 4.0% growth in UK asking prices over the same period. Moreover, they also eclipse the current five-year home price growth figure of 16.2%. Hence, all the paper gains made during the so-called COVID boom were more than wiped out by the inflation that followed. Not even the North West, the home price growth leader over the last five years at 30.6%, managed to escape real losses due to the

accumulated inflation of 33.5% (RPI)<sup>1</sup> over the same timescale. However, comparing regional growth to CPI (24.5% over the last five years)<sup>2</sup> suggests that only the three northern regions, Scotland and Wales have made small *real* gains.

The worst performing region, Greater London, has made a loss in real terms of 27.7% over the same period. In terms of CPI, the loss is 18.7%. In either case, most economists would call those kinds of losses a severe crash, albeit hidden by purely nominal reporting by the major house price indices.

## Regional Roundup

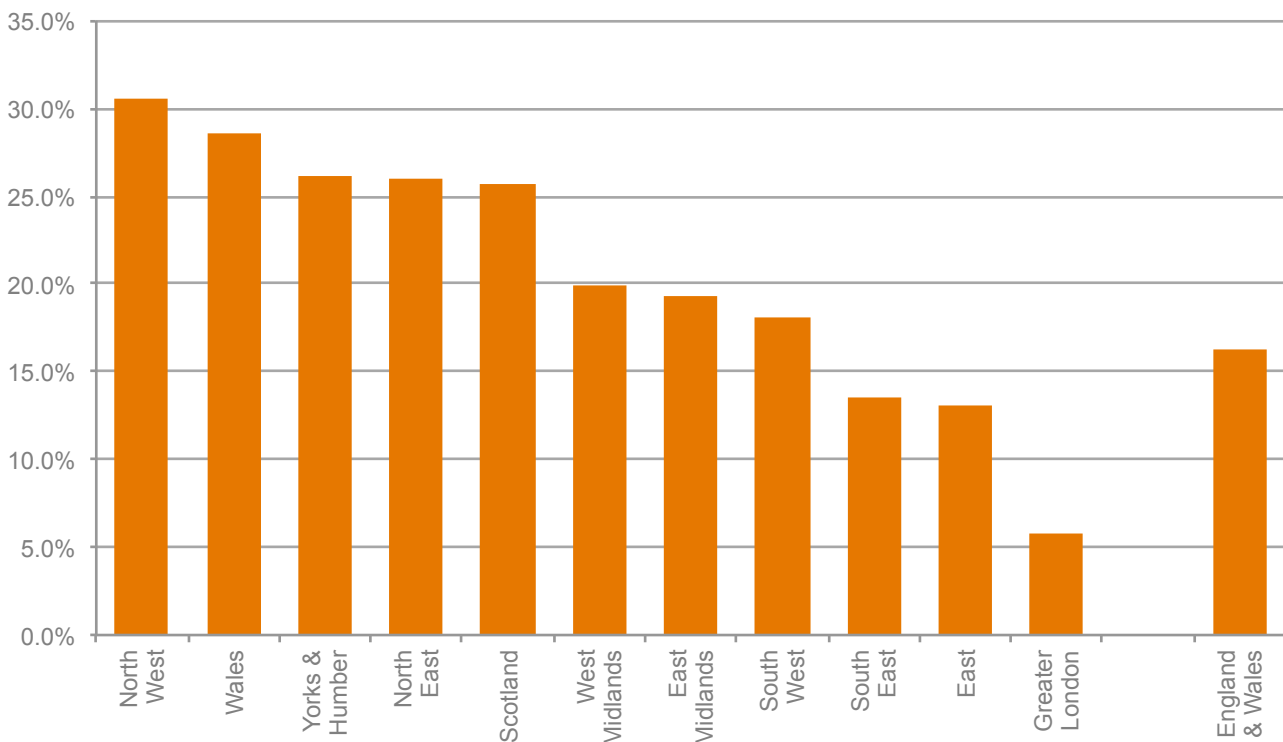
The five-year growth chart for the English regions, Scotland and Wales portrays the relative fortunes of the regions and the enormous disparity therein.

The strong performances of the northern English regions, Scotland and Wales

1 <https://www.hl.co.uk/tools/calculators/inflation-calculator>

2 <https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator>

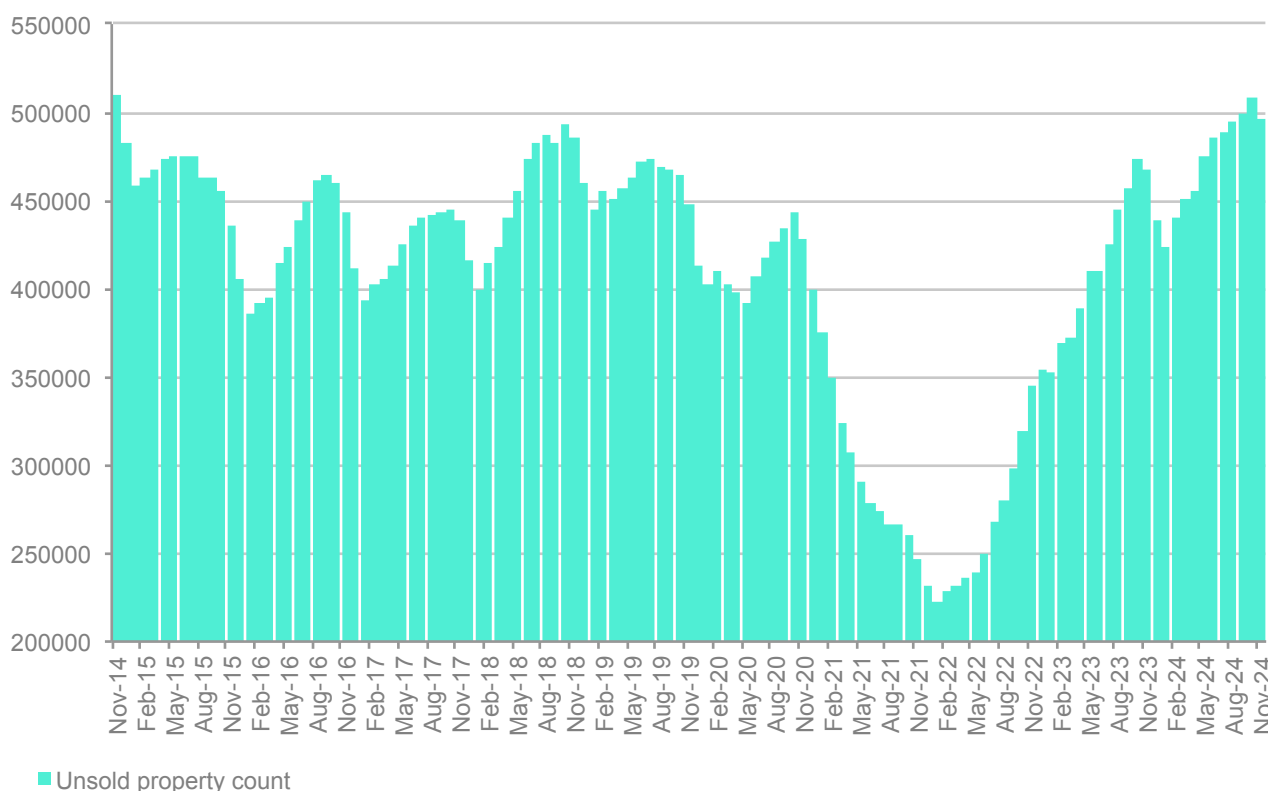
## 60-month Regional Price Growth, Nov 2024 vs. Nov 2019



■ % change in mix-adjusted asking price

Source: Home.co.uk Asking Price Index, November 2024

## Total Stock of Property for Sale, England and Wales



Source: Home.co.uk Asking Price Index, November 2024

largely spared homeowners from large losses in *real* terms. However, the last five years was clearly one of the worst periods in history to own a London property outright. On the other hand, those investors that were highly leveraged during this period will have benefitted significantly as inflation eroded a significant part of their debts.

### Stock Levels

The total stock level of unsold property ticked down during the last month, which was the first such contraction since December 2023. This seasonal reduction in properties for sale is fully expected in the regular operation of the UK property market. Moreover, this typical tendency

is reassuring inasmuch as it confirms that the market is functioning normally and allays fears that too many properties are building up. Further seasonal expectations are for a further drop this month to the annual minimum in December. The unsold property count fell by around 13,000 during the month of October to give the new total of 495,618.

As we pointed out last month, the stock level this year has been inflated by a significant number of landlords reducing their exposure to the Private Rented Sector (PRS) over deep concerns about forthcoming legislative changes and a seemingly ever-increasing tax burden.

“ While much of the press seem to be eulogising our first female chancellor’s budget, I remain in shock and despair at the simultaneous attacks on the Private Rented Sector and the poorest tenants in the UK. Rachel Reeves’ budget hit new private investment in much-needed new rental stock by hiking stamp duty and concomitantly continued the freeze on Local Housing Allowance.

According to a study by the Chartered Institute of Housing and Shelter: ‘1.8 million private renters in England – one in three of all renters – receive help through universal credit or legacy housing benefit to afford their home. The local housing allowance (LHA) sets the maximum amount they can claim and is meant to ensure that people can access the cheapest 30% of local homes. But LHA has been frozen since 2020, based on rents in 2018-19, while private rents have risen rapidly to their highest recorded levels.’

Clearly, this is an appalling situation. How are the least well-off families meant to pay the ever-increasing shortfall between their rent and their housing benefit? The study estimates that: ‘Last year, fewer than one in five private rents in England were within LHA rates.’ Moreover, the report continues: ‘But with one in three renters only able to afford less than one in five homes, the system is broken. Meanwhile, the government ignores the growing scandal of homeless families in temporary accommodation and offers inadequate sticking plaster solutions such as discretionary housing payments.’

Fair enough. Just recently here at Home.co.uk, we have been working with a major North London Local Authority (LA) to calculate the shortfall. The results are shocking. For a 2-bed home in their Broad Rental Market Area, the LHA is still at £1288 per month while the 30th percentile rent has risen to £1,800 per

month since the 2020 freeze. So how are these families meant to find the £512 difference? Undeclared work? Crime? Who knows, but the chances of falling into arrears look very high.



Hence we have the scandal of homeless families in temporary accommodation and the absurdity of LAs chasing discretionary housing payments to plug the gap, thereby creating even more administrative workload for these already stretched organisations that are legally obliged to house our nation’s poor. It’s a Kafkaesque nightmare. Our LA client is trying to find temporary accommodation for 600 families per month in a shrinking private sector without the required resources, either human or fiscal.

And that brings me to the policies of both the present and previous governments to disincentivise investment in the PRS for private landlords. The stamp duty rise from 3% to 5% is just the latest attack and probably not the last. Waiting in the wings is the abolition of Section 21, the crucial safety net for landlords.

Virtuous claims by government ministers re: ‘fixing the housing crisis’ ring hollow against the reality I have described. This comes on the back of cuts to winter fuel payments for the most vulnerable in a country with the most expensive electricity in the world. The UK’s poor have been forgotten in a time of their greatest need by a Labour government that seems to have no problem with continuing to funnel billions into foreign conflicts and climate change.

**Doug Shephard**  
Director at Home.co.uk



# UK Asking Prices

Scotland	Nov-24
<b>Average Asking Price</b>	<b>£236,967</b>
Monthly % change	0.3%
Annual % change	3.9%

North East	Nov-24
<b>Average Asking Price</b>	<b>£201,795</b>
Monthly % change	-0.5%
Annual % change	6.9%

Yorks & The Humber	Nov-24
<b>Average Asking Price</b>	<b>£256,582</b>
Monthly % change	-0.5%
Annual % change	4.2%

North West	Nov-24
<b>Average Asking Price</b>	<b>£272,774</b>
Monthly % change	0.3%
Annual % change	3.6%

West Midlands	Nov-24
<b>Average Asking Price</b>	<b>£305,360</b>
Monthly % change	-0.4%
Annual % change	3.2%

East Midlands	Nov-24
<b>Average Asking Price</b>	<b>£284,543</b>
Monthly % change	-0.5%
Annual % change	1.4%

East	Nov-24
<b>Average Asking Price</b>	<b>£395,101</b>
Monthly % change	-0.5%
Annual % change	0.1%

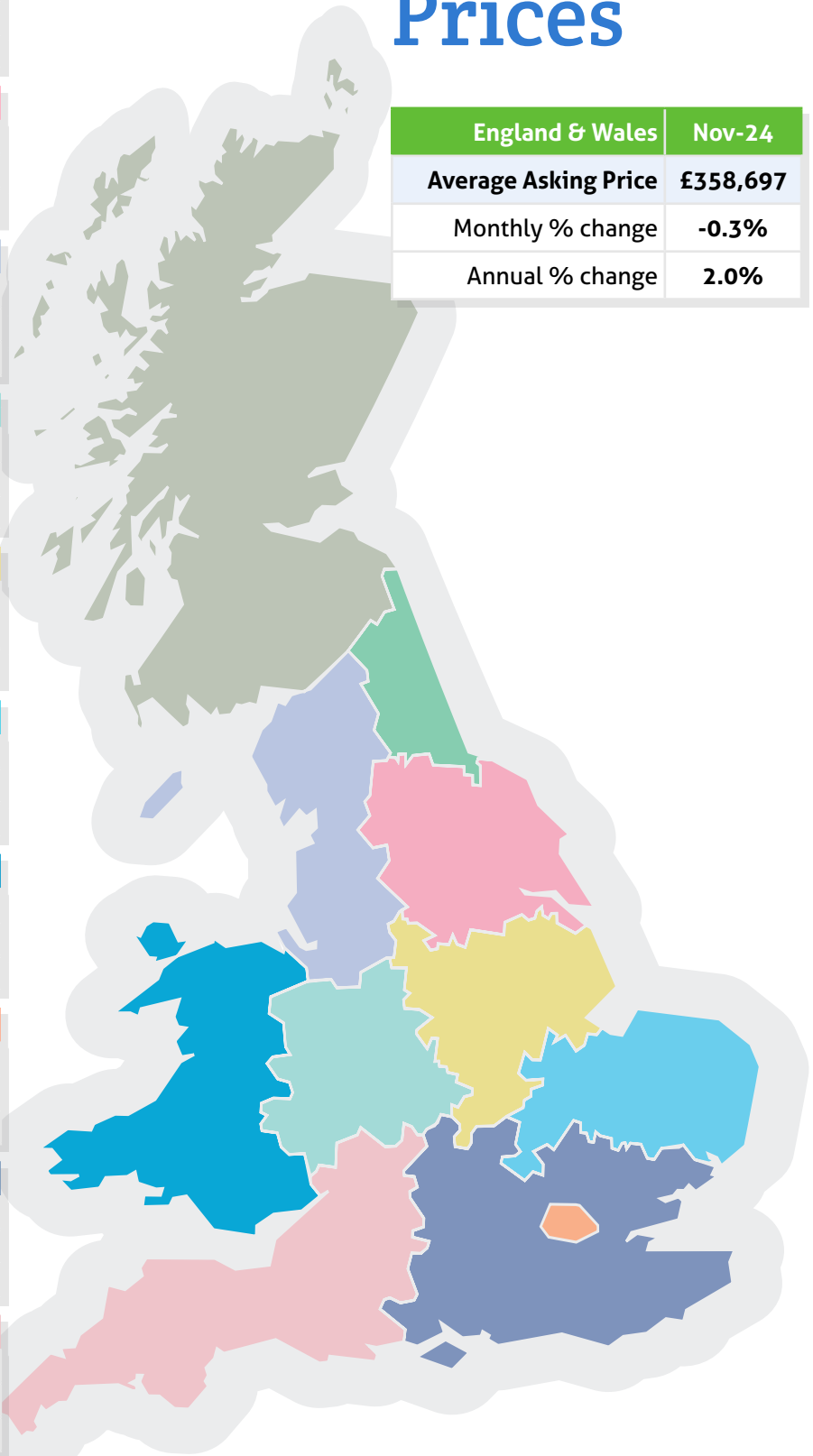
Wales	Nov-24
<b>Average Asking Price</b>	<b>£272,769</b>
Monthly % change	-0.2%
Annual % change	3.4%

Greater London	Nov-24
<b>Average Asking Price</b>	<b>£546,520</b>
Monthly % change	0.0%
Annual % change	1.3%

South East	Nov-24
<b>Average Asking Price</b>	<b>£447,133</b>
Monthly % change	-0.5%
Annual % change	1.3%

South West	Nov-24
<b>Average Asking Price</b>	<b>£382,438</b>
Monthly % change	-0.4%
Annual % change	1.2%

England & Wales	Nov-24
<b>Average Asking Price</b>	<b>£358,697</b>
Monthly % change	<b>-0.3%</b>
Annual % change	<b>2.0%</b>



Source: Home.co.uk Asking Price Index, November 2024



# UK Time on Market

Scotland	Nov-24
<b>Average Time on Market</b>	<b>186</b>
Typical Time on Market	79
Annualised % supply change	9%

North East	Nov-24
<b>Average Time on Market</b>	<b>163</b>
Typical Time on Market	87
Annualised % supply change	8%

Yorks & The Humber	Nov-24
<b>Average Time on Market</b>	<b>154</b>
Typical Time on Market	90
Annualised % supply change	11%

North West	Nov-24
<b>Average Time on Market</b>	<b>162</b>
Typical Time on Market	89
Annualised % supply change	21%

West Midlands	Nov-24
<b>Average Time on Market</b>	<b>166</b>
Typical Time on Market	93
Annualised % supply change	8%

East Midlands	Nov-24
<b>Average Time on Market</b>	<b>154</b>
Typical Time on Market	91
Annualised % supply change	13%

East	Nov-24
<b>Average Time on Market</b>	<b>159</b>
Typical Time on Market	89
Annualised % supply change	11%

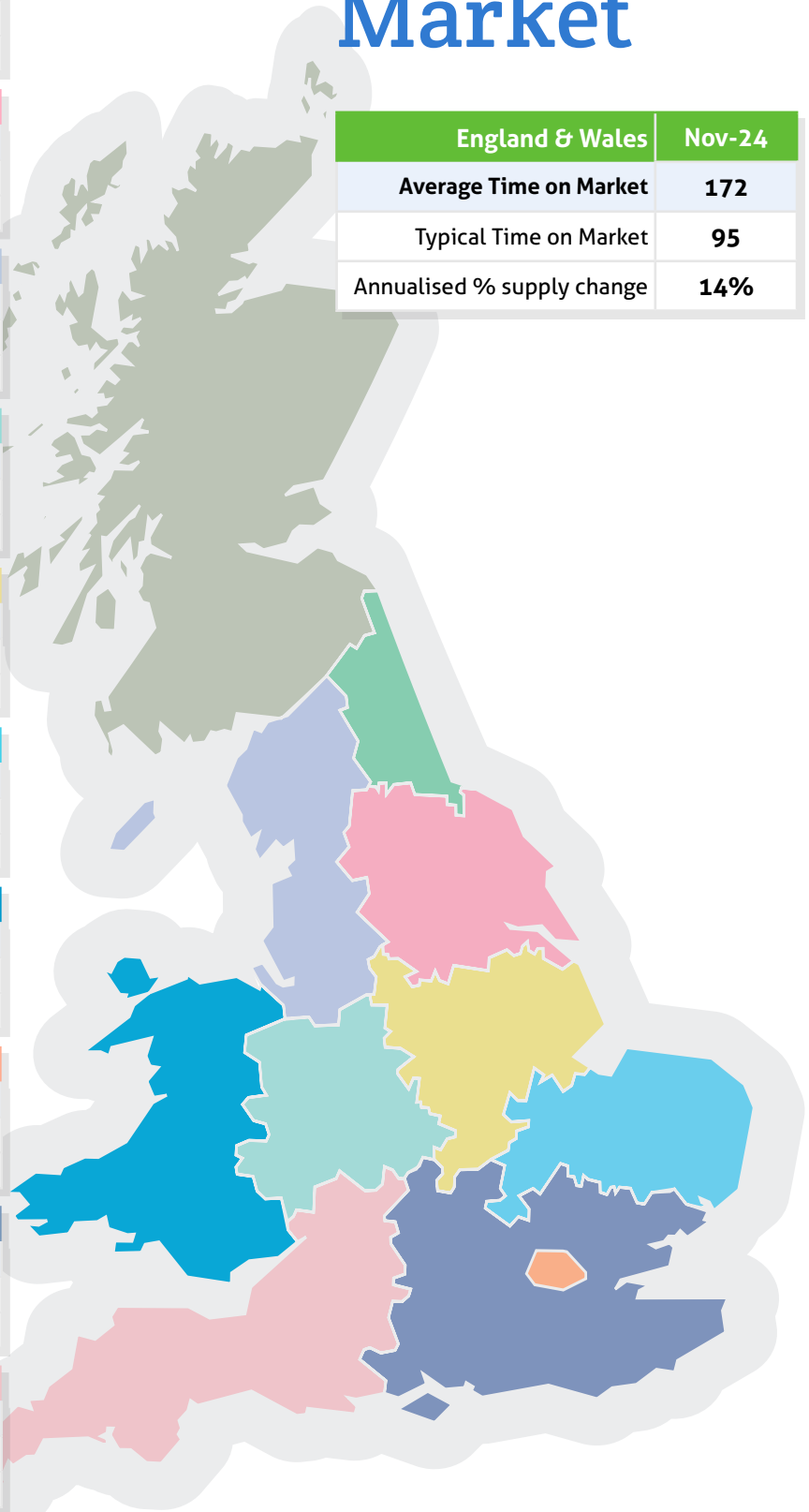
Wales	Nov-24
<b>Average Time on Market</b>	<b>187</b>
Typical Time on Market	109
Annualised % supply change	12%

Greater London	Nov-24
<b>Average Time on Market</b>	<b>197</b>
Typical Time on Market	95
Annualised % supply change	17%

South East	Nov-24
<b>Average Time on Market</b>	<b>162</b>
Typical Time on Market	88
Annualised % supply change	13%

South West	Nov-24
<b>Average Time on Market</b>	<b>163</b>
Typical Time on Market	96
Annualised % supply change	16%

England & Wales	Nov-24
<b>Average Time on Market</b>	<b>172</b>
Typical Time on Market	<b>95</b>
Annualised % supply change	<b>14%</b>



Source: Home.co.uk Asking Price Index, November 2024. Average = Mean (days), Typical = Median (days).

# About the Home.co.uk Asking Price Index

- The Home.co.uk Asking Price Index was originally devised in association with Calnea Analytics: the statistical consultancy responsible for the production of the official Land Registry House Price Index.
- The Home.co.uk Asking Price Index (HAPI) is calculated using a weighting system based on the DCLG (formerly ODPM) Survey of English Housing Stock (published March 2006). This allows for enhanced regional delineation and conforms to the current geographical orthodoxy as set out by the Office of National Statistics.
- The HAPI is the UK's only independent forward market indicator. The published figures reflect current and historic confidence of buyers and sellers of UK property on the open market. The HAPI is calculated every month using around 500,000 UK property house prices found in the Home.co.uk Property Search Index. This figure represents the majority of the property for sale on the open market in the UK at any given time.
- The HAPI is based on asking price data which means the index can provide insights into price movements around 5 months ahead of mortgage completion and actual sales data – thus making it the most forward looking of all house price indices. Properties above £1m and below £20k are excluded from the calculations.

# Contact details and further information

- For media enquiries please contact:  
[press@home.co.uk](mailto:press@home.co.uk)  
0845 373 3580
- To learn more about Home.co.uk please visit:  
<https://www.home.co.uk/company/about.htm>
- For further details on the methodology used in the calculation of the HAPI please visit:  
[https://www.home.co.uk/asking\\_price\\_index/Mix-Adj\\_Methodology.pdf](https://www.home.co.uk/asking_price_index/Mix-Adj_Methodology.pdf)
- To learn more about Home.co.uk data services please visit:  
<https://www.home.co.uk/company/data/>

## Future release dates:

- Thursday 12<sup>th</sup> December
- Wednesday 15<sup>th</sup> January
- Wednesday 12<sup>th</sup> February