

## RESIDENTIAL PROPERTY REVIEW

NOVEMBER 2023



Our property market review is intended to provide background to recent developments in property markets as well as to give an indication of how some key issues could impact in the future.

We are not responsible or authorised to provide advice on investment decisions concerning property, only for the provision of mortgage advice. We hope you will find this review to be of interest.

### RESIDENTIAL SUPPLY AND DEMAND LESS DOWNBEAT

**According to the Royal Institution of Chartered Surveyors (RICS) October UK Residential Market Survey, demand is still falling faster than supply.**

New buyer enquiries posted a net balance of -28% during October, marking eighteen successive months in which this indicator has been in negative territory. Nevertheless, the latest reading is less downcast compared to a figure of -37% seen in the September survey and represents the least negative return since May 2023.

For agreed sales, the latest net balance of -25% is consistent with generally weak activity levels over October. However, the reading is again less negative than figures of -45% and -35% recorded in August and September respectively.

New residential listings coming to market continue to slow, evidenced by a net balance reading of -7% for October. Respondents to the survey report that the number of market appraisals undertaken over the month is below that seen in the equivalent period of last year, with a net balance of -51%.

### FIXER UPPERS ARE MOST IN DEMAND

**When looking at more than 600,000 property listings to see which features led to the highest number of enquiries to estate agents, Rightmove has found that fixer-upper homes, or those that are described as needing refurbishment, are at the top of the list for buyers.**

Two groups of buyers compete for this type of home: first-time buyers looking for a cheaper property to get on the ladder which they can refurbish over time and investors looking to grab a bargain and do it up to sell or rent out.

Conversely, house hunters looking for a refurbished home can expect to pay an extra £70,000 on average for the privilege (19% more than the average national house price).

Rightmove's Tim Bannister commented, *"This really shows the different priorities that home-movers have – some are in a more fortunate position to be able to consider buying a newly refurbished home, while others want to put their own stamp on a home and do it up from scratch, or they may realise that if they buy now they can spend time doing up the house a room at a time."*

### NEW HOUSING MINISTER

**As part of the government reshuffle, Lee Rowley has replaced Rachel Maclean as Housing Minister.**

Rowley is the sixteenth Housing Minister since the Conservatives came into power in 2010 and he held the same position during the short-lived premiership of Liz Truss. He will oversee the Renters' Reform Bill, which is now at Committee stage, with findings scheduled to be reported back to the House of Commons by 5 December 2023.

The new Housing Minister will also address the Leasehold and Freehold Bill, confirmed in the recent King's Speech. This Bill aims to eliminate punitive service charges and facilitate easier acquisition of freeholds by leaseholders.

## HOUSE PRICES HEADLINE STATISTICS

HOUSE PRICE INDEX (SEPTEMBER 2023)	152.8
AVERAGE HOUSE PRICE	£291,000
MONTHLY CHANGE	-0.5%
ANNUAL CHANGE	-0.1%

\*(Jan 2015 = 100)

- Average house prices in the UK decreased by **0.1%** in the year to September 2023
- On a non-seasonally adjusted basis, average UK house prices decreased by **0.5%** between August 2023 and September 2023
- The average price in London was **£537,000**

Source: The Land Registry  
Release date: 15/11/23  
Next data release: 20/12/23

## HOUSE PRICES PRICE CHANGE BY REGION

REGION	MONTHLY CHANGE (%)	ANNUAL CHANGE (%)	AVERAGE PRICE (£)
ENGLAND	-0.5%	-0.5%	£310,000
NORTHERN IRELAND (QUARTER 3 - 2023)	3.1%	2.1%	£180,000
SCOTLAND	-0.2%	2.5%	£195,000
WALES	-0.9%	-2.7%	£215,000
EAST MIDLANDS	-0.6%	0.4%	£251,000
EAST OF ENGLAND	-0.4%	-1.4%	£353,000
LONDON	-0.3%	-1.1%	£537,000
NORTH EAST	-2.0%	1.6%	£163,000
NORTH WEST	0.5%	0.6%	£218,000
SOUTH EAST	-0.6%	-1.4%	£392,000
SOUTH WEST	-0.1%	-1.6%	£329,000
WEST MIDLANDS REGION	-0.2%	0.5%	£254,000
YORKSHIRE AND THE HUMBER	-2.4%	0.0%	£210,000

## AVERAGE MONTHLY PRICE BY PROPERTY TYPE – SEPTEMBER 2023

PROPERTY TYPE	ANNUAL INCREASE
DETACHED £461,000	-1.1%
SEMI-DETACHED £282,000	-0.1%
TERRACED £237,000	-1.3%
FLAT / MAISONETTE £233,000	0.1%

Source: The Land Registry  
Release date: 15/11/23

## HOUSING MARKET OUTLOOK

*“With Bank Rate not expected to decline significantly in the years ahead, borrowing costs are unlikely to return to the historic lows seen in the aftermath of the pandemic. Instead, it appears likely that a combination of solid income growth, together with modestly lower house prices and mortgage rates, will gradually improve affordability over time, with housing market activity remaining fairly subdued in the interim.”*

Robert Gardner, Chief Economist, Nationwide

Source: Nationwide November 2023

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**All details are correct at the time of writing (15 November 2023)**

It is important to take professional advice before making any decision relating to your personal finances. Information within this document is based on our current understanding and can be subject to change without notice and the accuracy and completeness of the information cannot be guaranteed. It does not provide individual tailored investment advice and is for guidance only. Some rules may vary in different parts of the UK.