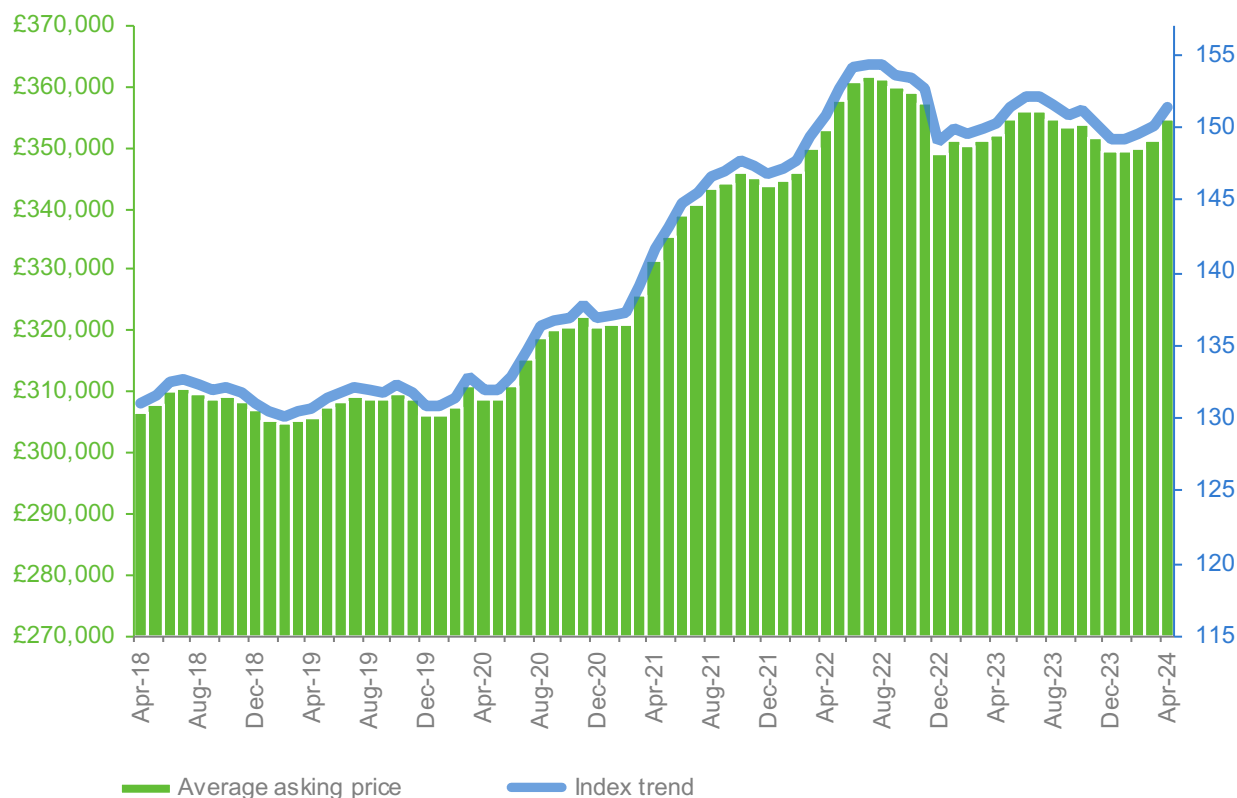


Prices Surge as Properties 'Fly Off the Shelves'

Headlines

- Asking price growth accelerates. Prices are up 0.9% since last month across England and Wales and 0.8% since April 2023.
- Prices were hiked again in ALL English regions and Wales during the last month, indicating increasing positive sentiment, although prices in Scotland dipped a little.
- Market momentum is really taking off, as indicated by the Typical Time on Market for unsold property in England and Wales dropping 21 days since last month. The current median is 83 days; in pre-COVID April 2019, the same measure was 93 days.
- The total unsold sales stock count for England and Wales indicates a small rise in line with seasonal expectations, although this increase is dwarfed by the number of new instructions (ca.139,000). Hence, since many properties have changed status to SOLD or SSTC, the current total of unsold property is a mere 3,000 more than last month.
- The number of new instructions entering the market during March 2024 was 12% more than during March 2023. This notable increase underlines the greater vendor optimism and the increasing alacrity of the market.
- The North West tops the regional property market growth league with a year-on-year gain of 4.1% while the East of England remains the worst performing region over the same period at -1.2%.
- Falling asking rents in London, the UK's largest rental market by far, have significantly impacted the national growth figure. The annualised change is just 2.1% despite double digit growth in some regions; the North East, for example, is indicating growth at +17.1% year-on-year. Greater London rents are down 4.8%.
- Rents continue to slide in several London boroughs due to oversupply, although the overall picture is increasingly mixed. Some boroughs such as Islington have returned to significant growth (+9.5%) while the worst performer remains Kensington and Chelsea with a year-on-year fall in asking rents of 18.1%.

Home Asking Price Trend for England & Wales



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

Summary

Positive trends in all the key indicators underline the fact that the UK property sales market has recovered from the interest rate shocks and is proceeding apace. Properties are moving through the market more rapidly overall than was observed in pre-COVID years. Confidence has risen significantly following the rebalancing of supply and demand, as demonstrated by a return to modest year-on-year price growth overall.

While price growth is to be expected during spring, the size of the price rises in several regions surpasses the norm. Confident vendors in the South West and Yorkshire hiked prices so much during the last month that the mix-adjusted average rose by 1.7% and 1.6% respectively. Moreover, they are not alone, as

the North East, Wales, and West Midlands also show month-on-month price hikes above 1%. Such rapid price hikes may not be entirely justified by current demand, although given the fact that Typical Time on Market for unsold property is now lower than it was in April 2019, there is some cause for confident pricing.

Positive market sentiment has triggered a rise in new instructions. The total of new market entrants during the last month is 12% higher than a year ago, affording greater choice for buyers. Demand is also increasing as previously hesitant homebuyers return, comforted by price stability and the probable end to rising interest rates. As we stated last month, pent-up demand will be a key driver of pricing this year.

The North/South divide persists in terms of price growth. Northern regions



are steadily adding to their already positive annualised growth figures while the South is slowly recovering ground lost over the last twelve months. The East of England, East Midlands and the South West are still in negative territory but, notably, London just managed to return to positive year-on-year growth this month by the smallest of margins.

Asking rents continue to show positive annualised growth in all regions except Greater London and, perhaps surprisingly, Wales. Asking rents continue to indicate year-on-year losses in the UK's largest rental market, although a spring boost has lessened the loss to -4.8% from last month's mix-adjusted average which was -6.9% year-on-year. Wales slipped into negative territory this month (-0.1%) despite supply being relatively steady. Meanwhile, the North East remains the regional growth leader with

a year-on-year rise of 17.1% in the average rent and is the only region apart from Scotland to show a contraction in supply.

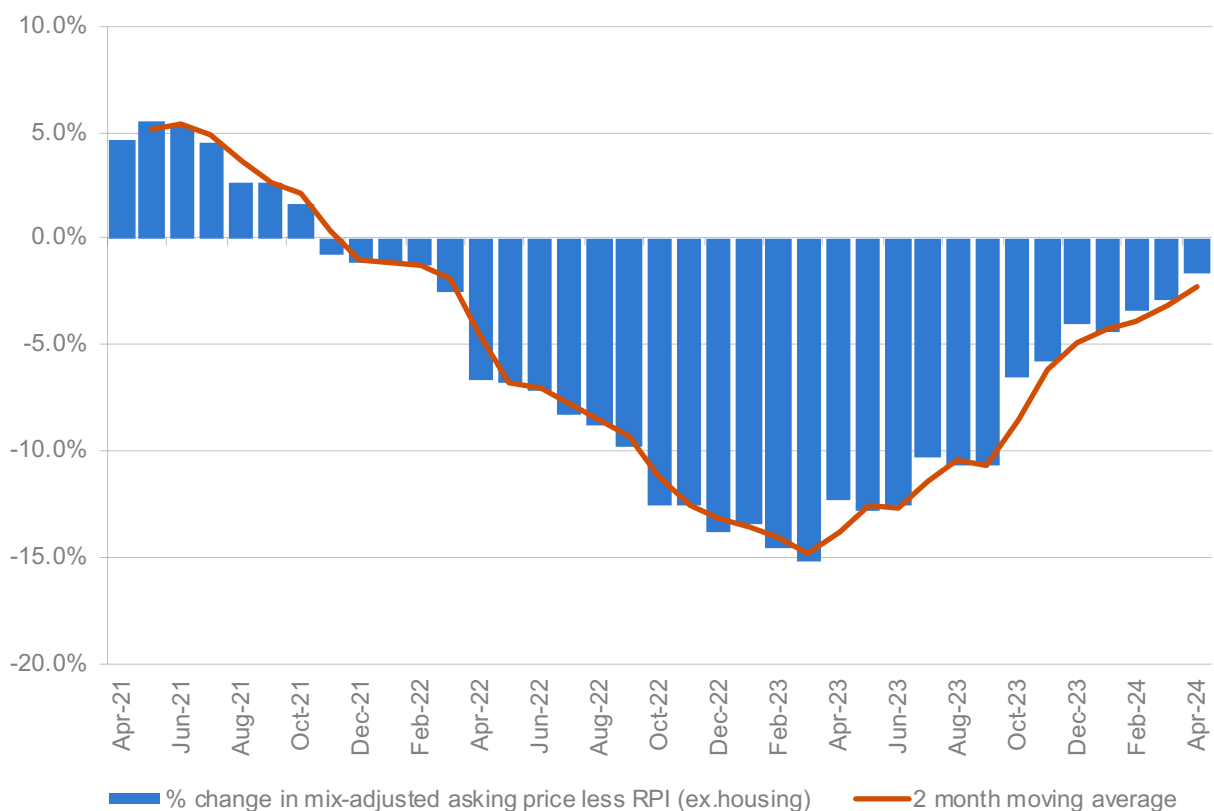
UK asking rents are currently 2.8% above their April 2023 reading.

The annualised mix-adjusted average asking price growth (sales) across England and Wales is now 0.8%; in April 2023, the annualised rate of increase of home prices was -0.3%.

Price Trend

The market is brimming with renewed optimism. Returning confidence has rekindled demand and this in turn has resulted in an uptick in momentum. Properties are moving through the market more quickly now than they were in April 2019. Consequently, prices are on the rise and the mix-adjusted average asking price has jumped 0.9% since March. Of course, this is precisely in line with sea-

Real Asking Price Growth, England and Wales



Source: Home.co.uk Asking Price Index, April 2024 and ONS [RPI ex. housing]. Inflation for March and April are our estimates (3.0% and 2.5% respectively).

sonal expectations, but the magnitude of the monthly rise in home values in many regions suggests that vendors are feeling much more bullish. Despite increased numbers of market entrants, stock levels are staying in the normal range.

Retreating monetary inflation is increasing the likelihood of a rate cut by the Bank of England and this, of course, bodes well for lower mortgage rates. Hence, the UK housing market is benefitting from this positive news and price growth in the next few months may well drive the national average above the previous high set in July 2022.

Real Price Growth

After a prolonged painful period of negative real price growth, falling inflation and rising prices mean that the trend is heading back to positive territory. This

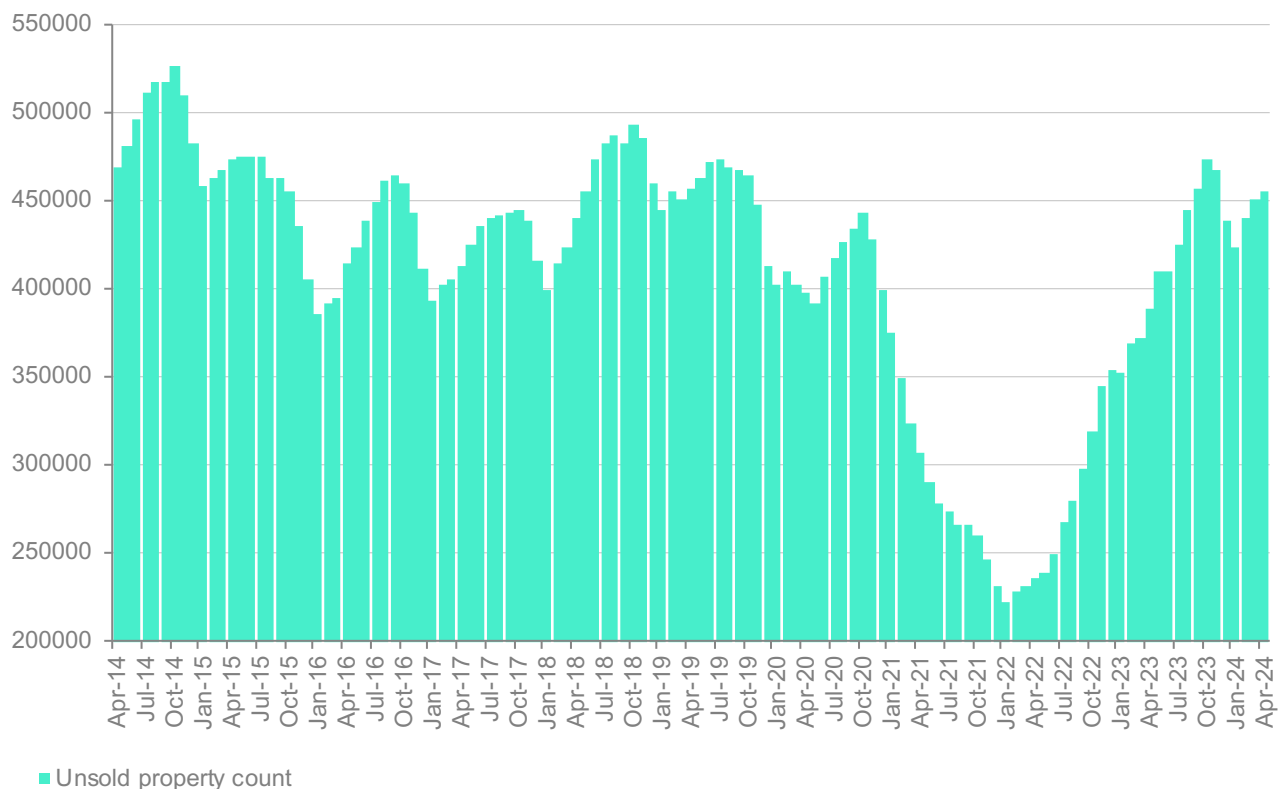
is a key driver for savvy institutional investors who appreciate that property will once again be a safe store of value, as is traditionally the case.

Stock Levels

Stock levels typically rise at this time of year and continue to swell until reaching a maximum around September. However, demand also rises during spring and so, in a healthy market, little stock is accumulated. This is exactly how the market trend in total stock is playing out. Moreover, the current total of 454,667 is well within the range established in the pre-pandemic years.

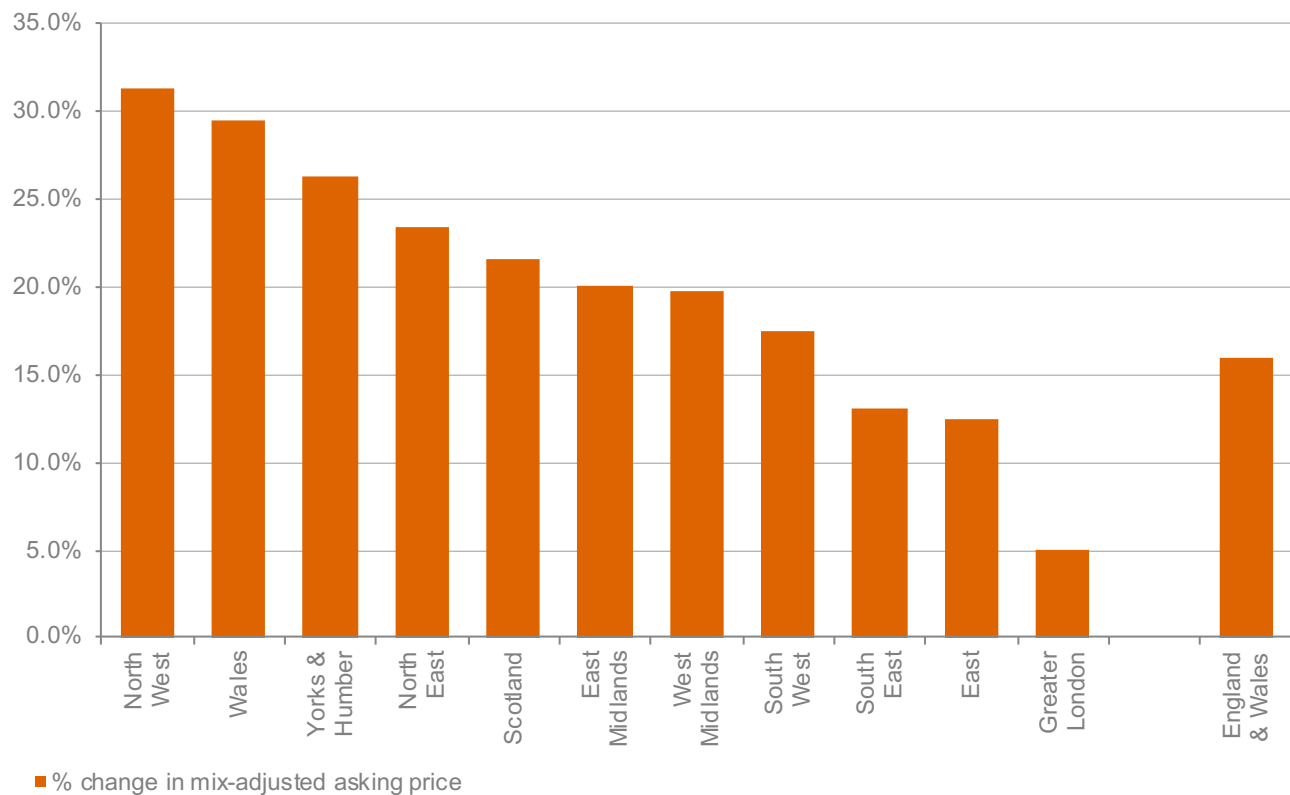
We forecast last month that the supply of new instructions will be slightly elevated over the next few months as previously hesitant vendors commit to sell, encouraged by a calmer and more opti-

Total Stock of Property for Sale, England and Wales



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

5-year Regional Price Growth, Apr 2024 vs. Apr 2019



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

mistic market. Indeed, this is precisely what is happening, with new instructions up 12% during the month of March (compared to March 2023).

Regional Roundup

Behind the national price growth figures there lies much disparity at the regional level. Broadly speaking, the North, Wales, Scotland and the Midlands have outperformed the southern regions, especially London. While the COVID boom pushed up prices in all regions, our 5-year chart shows that only the North, Wales and Scotland managed to hold onto most of those gains. It is interesting to note that inflation over the same period series was 33.7%¹, according to the Retail Price Index series. Hence, none of the regions managed to completely match this figure (and therefore achieve

real growth), but the North West and Wales came pretty close.

Today, the East of England, East Midlands and the South West are still indicating negative growth over 12 months, despite recent price rises (see map). London, however, has just managed to move into positive territory by 0.1%, thanks to a 0.5% increase since March. The recent market correction hit the East of England by far the hardest and it will take at least a couple of months of significant price rises to return to annualised growth and several more to return to real growth. Bargain hunters will be paying attention to this region.

Mix-adjusted average prices rose in every English region and Wales during the last month. The magnitude registers above that of seasonal expectations, which indicates that vendors are much

¹ <https://erikasgrig.com/calculators/rpi-calculator-inflation/> Feb 2019 to Feb 2024

more confident about finding a buyer, and lower marketing times confirm this. The average price in the South West jumped 1.7% during the last month, which was the largest regional rise.

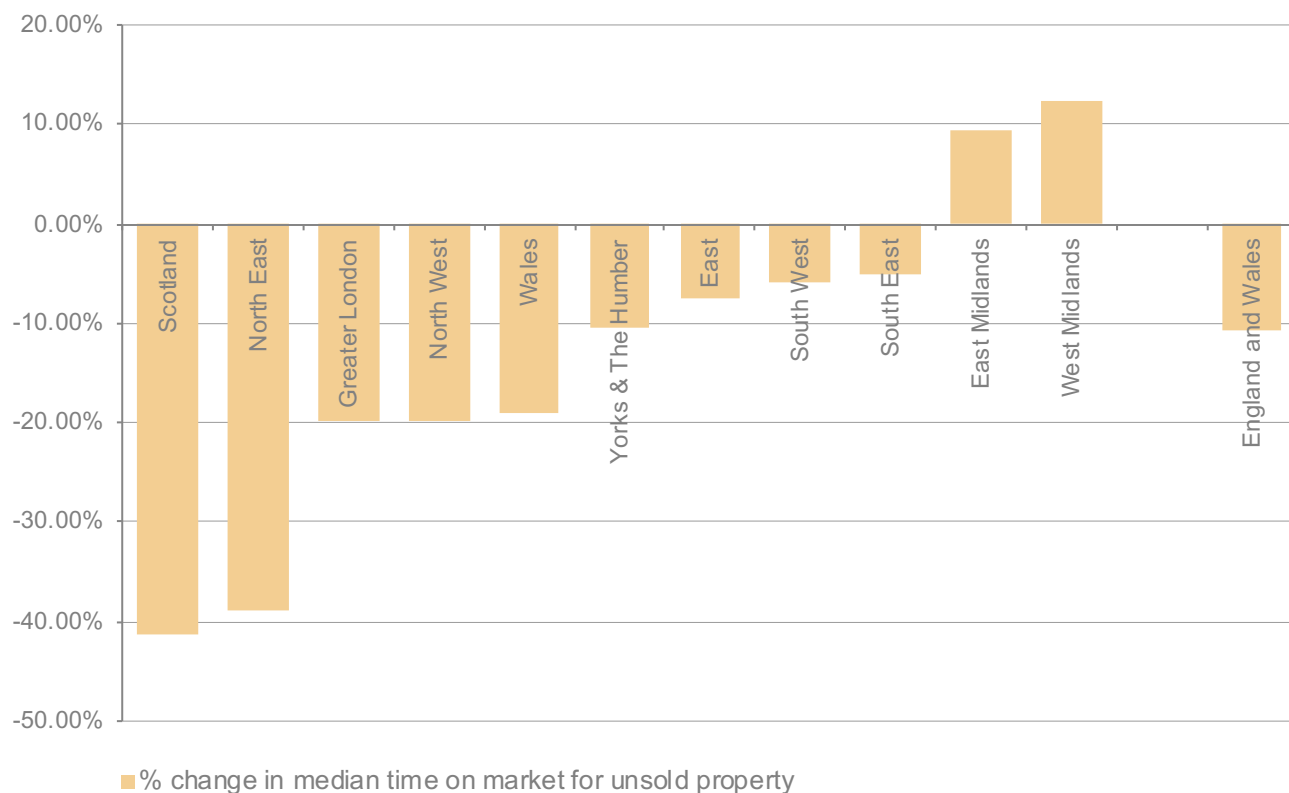
Regional Time on Market

The Typical Time on Market for England and Wales is 93 days which is 11% lower than it was in April 2019 and is a clear indication of improved market momentum. Regional level data gives a more detailed picture. The most improved

regions in terms of market momentum over the last five years are the North East and Scotland, while the Midlands have yet to bounce back from this winter’s slowdown.

It is noteworthy that Greater London indicates significant improvement since 2019 and this is usually a signal that significant price growth will be achieved in the near term. Given that London prices have risen by only 5.1% since April 2019, there’s clearly plenty of room for price increases.

% Change in Typical Time on Market, Apr 2024 vs. Apr 2019



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



“ Renewed confidence has put a spring in the step of the market.

The recovery is well underway, even in the worst-hit regions where lost ground is steadily being clawed back in the wake of the 14 successive interest rate hikes. Of course, if the Bank of England had been paying more attention to the effects of their own actions during the pandemic, inflation could have been nipped in the bud much earlier. Criticism has come from several quarters regarding the BoE's inflation forecasting, including Ben 'Helicopter' Bernanke, former head of the Federal Reserve in the US.

Ironically, he's famous for suggesting that deflation can always be avoided through central bank intervention by dumping helicopter loads of cash on the population. Funnily enough, that's pretty much what happened during COVID, although most of the freshly minted cash ended up in the pockets of the richest 1%. How the Bank could have sat on their hands for so long while inflation let rip is a mystery.

According to Larry Elliot writing for the Guardian: 'If Threadneedle Street thought it was going to get an easy ride when it called in the former head of the US central bank, Ben Bernanke, to conduct a review of how decisions on interest rates have been made in recent years, it was mistaken.

'Bernanke's report is measured but still quietly devastating. It makes 12 detailed recommendations, and Andrew Bailey, the Bank's governor, says he will act on all of them.

'The backdrop to the report was the way the Bank responded to the coronavirus pandemic, the supply chain bottlenecks and the cost of living crisis of the past four years. The Bank thought price pressures would be short-lived and was taken by surprise when inflation rose to a 40-year-high of 11.1%.'

Taken by surprise?! It honestly makes me wonder why on earth we let these incompetent 'experts' try to manage our economy. Moreover, I'm not convinced that the BoE is going to learn anything useful from the former Fed Chairman, who himself was harshly criticised by Senator

Ron Paul who was quoted in the New York Times in 2010, saying Bernanke 'has been attacked for failing to foresee the financial crisis [2007], for bailing out Wall Street, and, most recently, for injecting an additional \$600 billion into the banking system to give the slow recovery a boost.' Indeed, Bernanke was the first chairman to introduce Quantitative Easing, commonly known as money printing.



What is clear to me is that central banks around the world repeatedly do the wrong thing at great cost to the lives of ordinary people. The famous 'lost decade' of Japan is a good example. The UK property market is, unfortunately, a repeat victim of mistakes by the BoE. Expansion and contraction of the money supply causes booms and busts with alarming regularity. The cycling up and down of interest rates causes uncertainty, speculation and sometimes ruin for many unfortunate mortgage holders. Moreover, it's not just the present economy that is in jeopardy due to central bank blunders but also our children's future and that of their children too.

The independence of the Bank of England has not served the interests of the British people. I believe it is time to take back control of the issuance of UK currency and once again let the market decide interest rates in an open and transparent manner. On that note, I'll leave you this month with a quote from a statement former US president Thomas Jefferson made in a letter to John Taylor in 1816. He wrote: 'And I sincerely believe, with you, that banking establishments are more dangerous than standing armies; and that the principle of spending money to be paid by posterity, under the name of funding, is but swindling futurity on a large scale.'

Doug Shephard
Director at Home.co.uk



UK Asking Prices

Scotland	Apr-24
Average Asking Price	£226,345
Monthly % change	-0.3%
Annual % change	1.6%

North East	Apr-24
Average Asking Price	£194,906
Monthly % change	1.4%
Annual % change	2.3%

Yorks & The Humber	Apr-24
Average Asking Price	£250,397
Monthly % change	1.6%
Annual % change	2.1%

North West	Apr-24
Average Asking Price	£268,409
Monthly % change	0.8%
Annual % change	4.1%

West Midlands	Apr-24
Average Asking Price	£301,718
Monthly % change	1.3%
Annual % change	1.0%

East Midlands	Apr-24
Average Asking Price	£281,548
Monthly % change	0.7%
Annual % change	-0.9%

East	Apr-24
Average Asking Price	£393,669
Monthly % change	0.7%
Annual % change	-1.2%

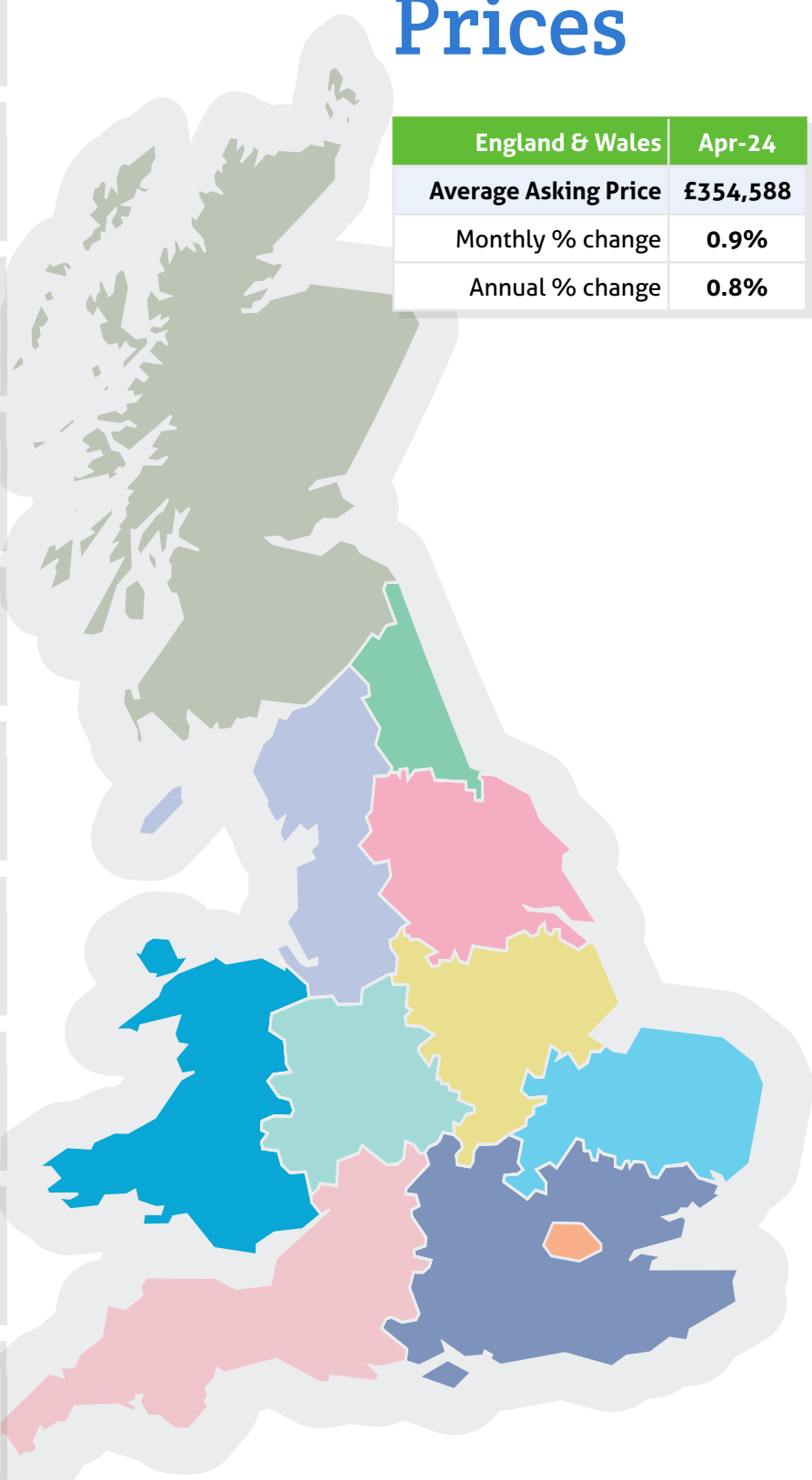
Wales	Apr-24
Average Asking Price	£268,857
Monthly % change	1.2%
Annual % change	3.4%

Greater London	Apr-24
Average Asking Price	£541,167
Monthly % change	0.5%
Annual % change	0.1%

South East	Apr-24
Average Asking Price	£443,867
Monthly % change	0.8%
Annual % change	0.8%

South West	Apr-24
Average Asking Price	£378,308
Monthly % change	1.7%
Annual % change	-0.2%

England & Wales	Apr-24
Average Asking Price	£354,588
Monthly % change	0.9%
Annual % change	0.8%



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



UK Time on Market

Scotland	Apr-24
Average Time on Market	201
Typical Time on Market	74
Annualised % supply change	11%

North East	Apr-24
Average Time on Market	160
Typical Time on Market	77
Annualised % supply change	15%

Yorks & The Humber	Apr-24
Average Time on Market	151
Typical Time on Market	77
Annualised % supply change	12%

North West	Apr-24
Average Time on Market	168
Typical Time on Market	85
Annualised % supply change	7%

West Midlands	Apr-24
Average Time on Market	162
Typical Time on Market	81
Annualised % supply change	11%

East Midlands	Apr-24
Average Time on Market	153
Typical Time on Market	81
Annualised % supply change	13%

East	Apr-24
Average Time on Market	153
Typical Time on Market	75
Annualised % supply change	13%

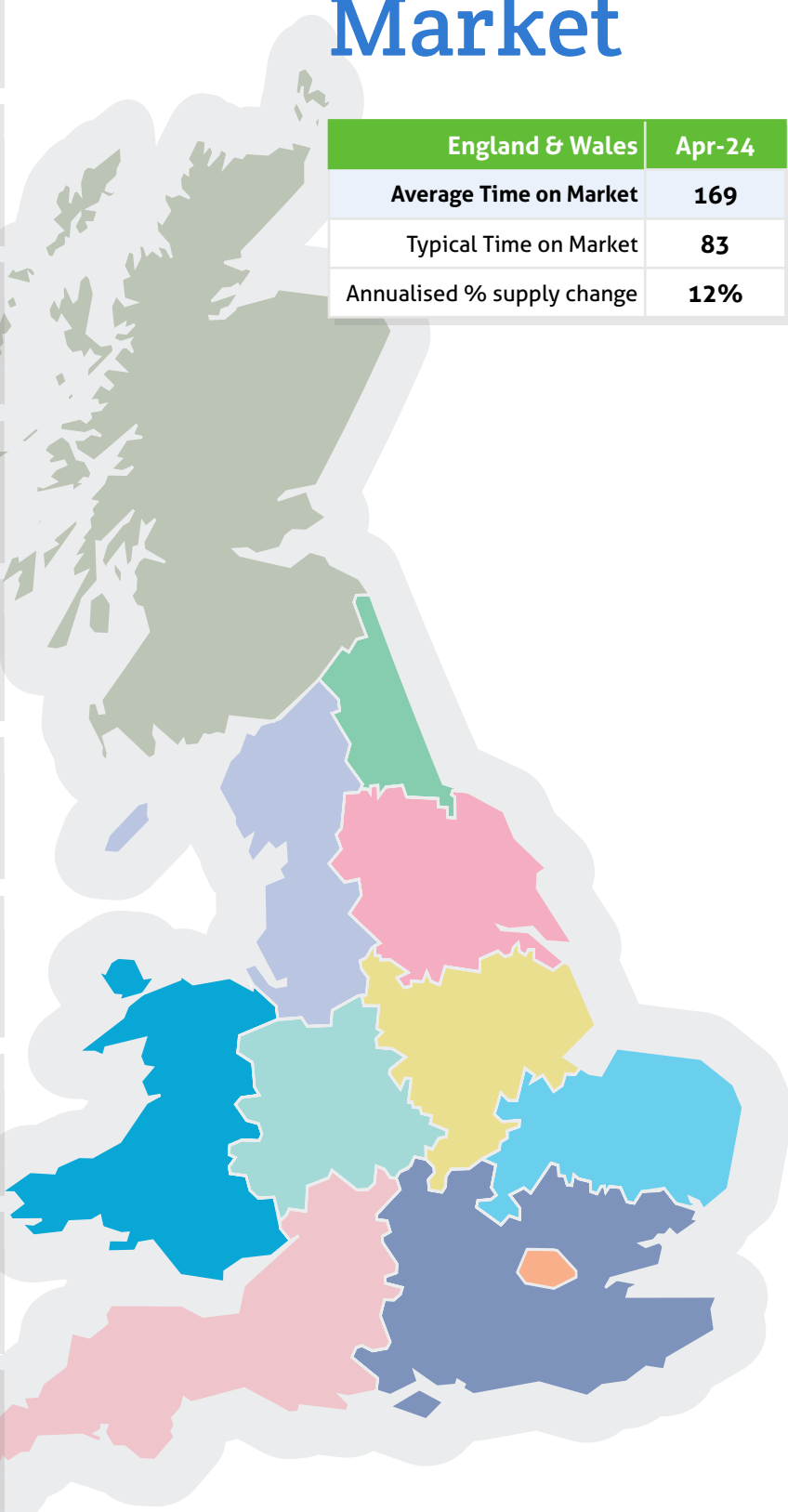
Wales	Apr-24
Average Time on Market	183
Typical Time on Market	111
Annualised % supply change	13%

Greater London	Apr-24
Average Time on Market	195
Typical Time on Market	85
Annualised % supply change	10%

South East	Apr-24
Average Time on Market	157
Typical Time on Market	75
Annualised % supply change	13%

South West	Apr-24
Average Time on Market	158
Typical Time on Market	81
Annualised % supply change	15%

England & Wales	Apr-24
Average Time on Market	169
Typical Time on Market	83
Annualised % supply change	12%



Source: Home.co.uk Asking Price Index, April 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

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- 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
- To learn more about Home.co.uk data services please visit:
<https://www.home.co.uk/company/data/>

Future release dates:

- Wednesday 15th May
- Wednesday 12th June
- Friday 12th July