

### Prices up by £3,000 in February

- ...largest rise in prices in the last 17 months
- Three northern regions top growth league table
- Transactions remain at lowest levels since 2013

**Note:** The e.surv Acadata House Price Index was formerly the LSL Acadata House Price Index. Content and methodology are unchanged. Please refer to the Notes at the end for more information.

House Price	Index	Monthly Change %	Annual Change %	Annual % (excluding London and the SE)
£363,249	349.6	0.8	-2.9	-2.3

### Richard Sexton, Director at e.surv, comments:

“January’s data confirms the housing market is showing signs of recovery. On a monthly basis, house prices have risen, in this instance by a significant £3,000, or 0.8%, in February 2024, and now stand at a level first seen in February 2022. This is the highest monthly increase since September 2022, some seventeen months ago. In January 2024, prices rose, on a monthly basis, in 54 of the 111 Unitary Authority areas, which is 21 more than in December.

“The tight supply is playing a part in this bounce back, coupled with improved affordability as borrowing rates have fallen and average wages grown. Whether this persists remains to be seen but expectation at the Bank of England is that rate cuts will materialise in the second half of the year and this should feed into further reductions in borrowing costs.

“Our data underlines why the Chancellor was probably reluctant to stoke the market any further in the recent Budget. Few in the property industry were calling for more short-term shots in the arm from the Treasury. However, the Budget was another missed opportunity to address some systemic long-term issues with regard to helping people get on the housing ladder in the first place. As a result the big issues of supply and affordability remain unaddressed and will likely become very live election issues.”

Table 1. Average House Prices in England and Wales for the period January 2023 – January 2024

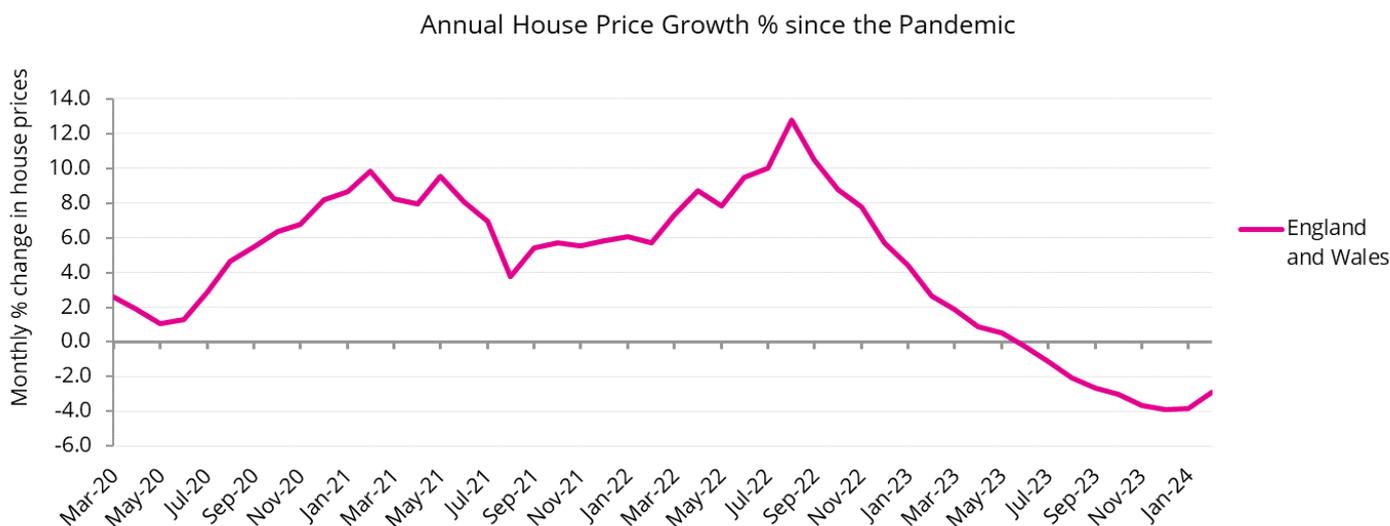
[Link to source Excel](#)

Month	Year	House Price	Index	Monthly Change %	Annual Change %
February	2023	£374,007	360.0	-0.2	2.6
March	2023	£371,432	357.5	-0.7	1.9
April	2023	£368,205	354.4	-0.9	0.9
May	2023	£366,461	352.7	-0.5	0.6
June	2023	£364,739	351.0	-0.5	-0.2
July	2023	£364,382	350.7	-0.1	-1.1
August	2023	£364,882	351.2	0.1	-2.1
September	2023	£365,503	351.8	0.2	-2.7
October	2023	£365,223	351.5	-0.1	-3.0
November	2023	£361,442	347.9	-1.0	-3.7
December	2023	£360,445	346.9	-0.3	-3.9
January	2024	£360,261	346.7	-0.1	-3.8
February	2024	£363,249	349.6	0.8	-2.9

**Note:** The e.surv Acadata House Price Index provides the “average of all prices paid for domestic properties”, including those purchases made with cash.

## Commentary: John Tindale and Peter Williams, Acadata Senior Analysts

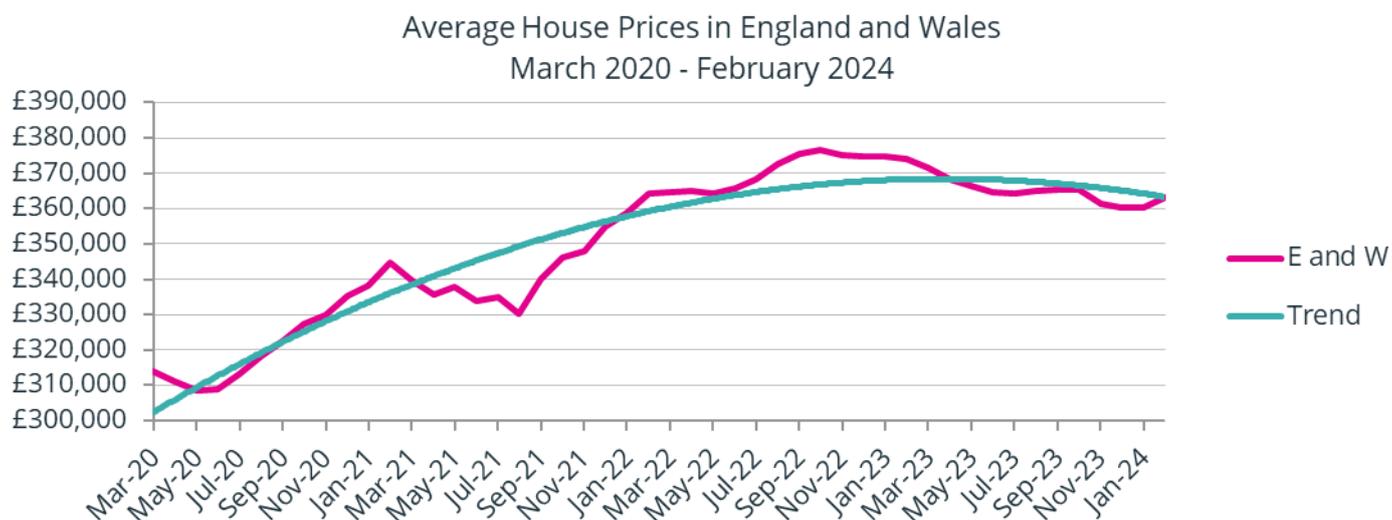
Figure 1. The annual rate of change in house prices in England and Wales, March 2020 – February 2024 [Link to source Excel](#)



Although the annual average sale price of completed home transactions using cash and/or mortgages in England and Wales fell in February 2024 by some £10,750, or -2.9%, to £363,249, this still represents a near 1% gain over the -3.8% fall in the annual rate seen in January (revised).

On a monthly basis, house prices have also risen, in this instance by a significant £3,000, or 0.8%, in February 2024, and now stand at a level first seen in February 2022. This is the highest monthly increase since September 2022, some seventeen months ago.

Figure 2. The average monthly house price growth in England and Wales, March 2020 – February 2024 [Link to source Excel](#)



However - as Figure 2 illustrates - in terms of actual (nominal) prices, the fall in price is a not insubstantial £13,350 since the peak in October 2022. While this must be viewed against the cumulative £49,400, or 16%, rise in average prices since the start of the pandemic in March 2020, it will still be significant for more recent buyers.

## The housing market in February 2024

Our monthly report highlights some modest improvement in the housing market in February, but with prices still remaining in negative territory. The market is experiencing something of a rollercoaster ride at present: consumer and business sentiment and market conditions have improved in the short term, reflected in more properties being marketed and viewed, along with the upticks noted in prices. In recent weeks however, mortgage rates - which had been falling due to intense lender competition and improved market confidence regarding the future direction of rates - have begun to edge up again. The Bank of England has been signalling that though rates will come down in the longer term, they are likely to remain elevated for some time yet. This obviously impacts affordability - a key buyer concern - and some analysts continue to suggest a potentially more negative outlook in the medium term.

Much now turns on both the reaction to the Budget and the General Election. Housing market sentiment tends to rise in the run up to an election, and clearly the government is acutely aware of the politics of home ownership, the importance of first time buyers in general, and those in the younger age groups where home ownership rates have fallen sharply. The press has given a lot of coverage to schemes that might or might not be introduced, including 99% mortgages. However, none were announced in the March 6th Budget, nor were there any new Stamp Duty cut incentives - so at present we must await manifesto commitments.

## Average Annual English Regions and Wales House Prices

Figure 3. The annual change in the average house price for the three months from December 2023 to February 2024, analysed by GOR [Link to source Excel](#)

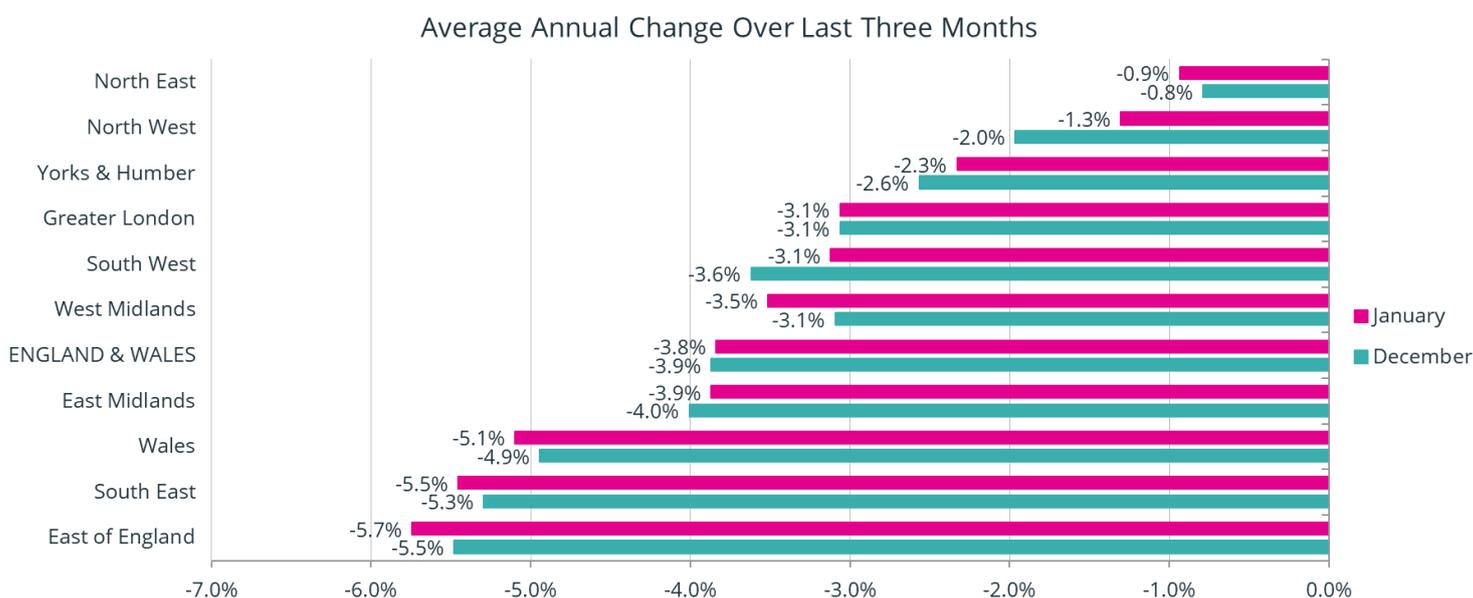


Figure 3 shows the percentage change in **annual** house prices on a regional basis in England and for Wales, **averaged over the three-month period of December 2023 to February 2024**, compared to the same three months in 2022/23. These figures are calculated on a rolling three-month basis to smooth out the minor changes in price which arise, and here are centred on January 2024 (pink line), with Figure 3 also showing the similarly averaged figures for December 2023 (blue line). The e.surv Acadata prices are also adjusted for seasonal variation.

The figure shows that in January 2024 all 10 GOR areas in England and Wales have witnessed a negative movement in prices compared to twelve months earlier. The region with the lowest fall in prices in both December (restated at -0.8%) and January was the North East, at -0.9%. This region has now been in first place in the Regional growth league (Figure 3) for the last three months, and has been in one of the top five places for the last eleven months. In the North East, just two of its eight constituent areas are showing a positive movement in their annual prices, these being Tyne and Wear (+0.3%) and Northumberland (+0.3%), although between them they account for some 53% of house sales in the region.

In January 2024, second place in the league table is taken by the North West, at -1.3%. Similar to the North East, the North West has been in second place for the last three months and has been in one of the top five places for the last eight months. In this region, only two of its eleven constituent areas are showing a positive movement in their annual prices - Cheshire East (+1.6%) and the recently established Unitary Authority of Cumberland (+1.1%), which between them account for 11% of the region's house sales.

At third place in the league table is Yorkshire and the Humber, at -2.3%. Similar to both the North East and the North West, Yorkshire and the Humber has been in third place for the last three months, and is the only region to have been in one of the top five places for all twelve of the last twelve months. In

Yorkshire and the Humber only one of its eight constituent areas is showing a positive movement in its annual price, this being West Yorkshire where prices increased by just £45.

It should not go unnoticed that all three regions are located in the north of England. With affordability being a key factor, these three regions have the lowest average house prices of all the nine GOR areas in England. Little wonder then that they attract more purchasers, especially among first time buyers and buy-to-let landlords.

So why then is Wales currently eighth in Figure 3 above – given that its average price is similar to these three regions? In part, it is because the country had already been top of the league table (from July 2021 to June 2022), with annual growth rates in excess of 9.0% for all except one of the 24 months from December 2020 to November 2022. Whilst the demand for affordable homes in Wales continues - for example Cardiff has seen a £7k increase in the price of flats over the last year - post-pandemic there are fewer large homes being sold, with a consequent decline in the average price.

As the chart shows, price growth from December 2023 to January 2024 is varied, with 5 regions showing an upward movement in their rates, and 5 where price declines have accelerated. The largest upward change in rates was in the North West, up by +0.7% on the previous month, with the largest downward movement in rates occurring in the West Midlands, where prices fell by an additional -0.4%, resulting in a decline of -3.5% on an annual basis.

Coming fourth this month is Greater London, with a fall of -3.1% in values over the last twelve months. In Greater London only 9 of the 33 London boroughs have recorded a positive movement in prices over the past year, but 6 of these boroughs are in London's top 10 when ranked by average value. At 44.9%, the City of London leads in terms of price growth, although the volume of sales there is traditionally very low at an average 12 property sales per month. However, the City of Westminster is in second place in London's growth league, having seen values rise over the year by 7.6%. A number of observers suggest that central London has regained its popularity, especially for flats (which make up 88% of the City of Westminster's properties), as more commuters return to work from the office.

Perhaps as the corollary to this change in behaviour, the East of England and the South East have both been at the bottom of the table for the last nine months, with annual price changes of -5.7% and -5.5% respectively. The suggestion here is that properties that require a longer commute into a city centre have become less popular, despite other attractions.

On a monthly – as opposed to annual – basis, looking at the price movements in the 10 GOR areas in January 2024, there were four areas with a price increase, being the North East, at +0.4%, and the East and West Midlands and Greater London, all with +0.2% increases. The six remaining GOR areas all had price falls. The biggest fall was in the East of England, where prices fell by an average -0.5%, with the largest decrease among its constituent areas being seen in Essex, down by -1.3%.

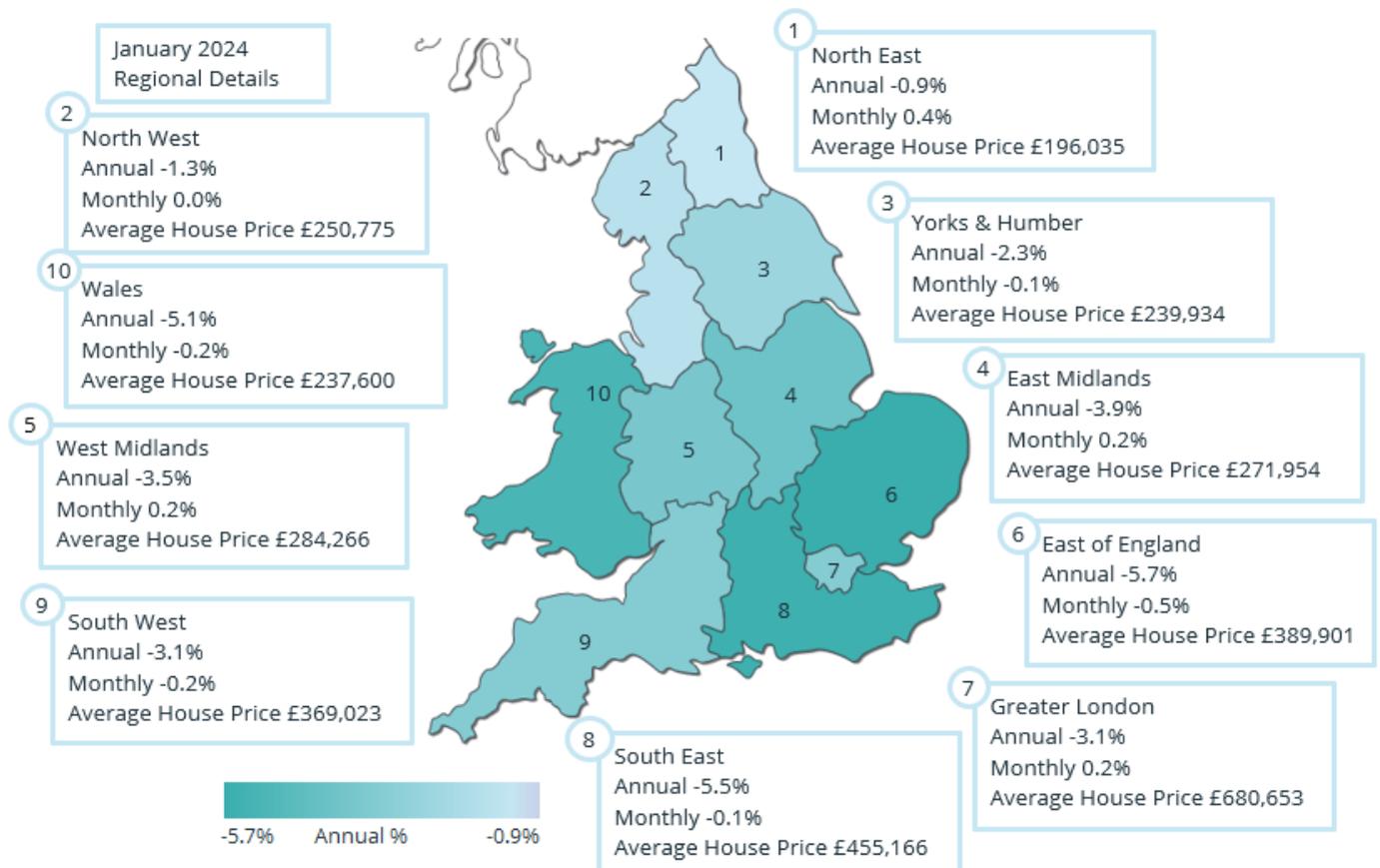
## England and Wales Regional Heat Map

These different trends are then evident in the Regional Heat Map shown below for **January 2024**.

The first group follows the text above and includes the lighter greens of the three regions which make up the north of England, covering the North East, the North West and Yorkshire and the Humber, where the annual change in average prices range from the modest -0.9% to -2.3%.

The second group of the mid-greens includes those regions where the annual change in average prices range from the middling -3.1% to -3.9%. in which there are four members, Greater London, the South West and the East and West Midlands.

Finally, there is Wales and the two remaining regions in England, which are the South East and the East of England, where prices have been falling by -5.1%, 5.5% and -5.7% respectively.



## Annual Change in prices

The annual price change in England and Wales in February 2024, taking both mortgage and cash-based house purchases into account, was an arithmetic average of -2.9%. The rate of -2.9% in February is +0.9% higher than the revised rate of -3.8% for January 2024, and represents an upward movement in the annual rate of house prices, even while the annual rate itself remains negative. Direction is all important here.

The average house price now stands at £363,249, some £10,750 lower than a year earlier, and is close to the price first seen in February 2022, some two years earlier.

In January 2024, only 9 of the 111 Unitary Authority areas in England and Wales were recording house price gains over the previous twelve months, which is 2 fewer authorities with price rises over the year than in December 2023.

The area with the highest annual increase in prices in January 2024, for the second month running, is Gwynedd in North Wales, up by 7.9%. In Gwynedd, prices for both detached and semi-detached homes have increased over the last twelve months, with the most significant increase on a weight-adjusted basis being detached properties, up from an average £325k in January 2023 to £375k one year later.

By way of contrast, the area with the largest fall in prices over the last twelve months was Torfaen, in South Wales, where prices have fallen by -18.3% over the year, with the largest fall in average values being semi-detached properties, down from an average £230k in January 2023 to £190k one year later. However, Torfaen has the 7th lowest property count of the 111 Unitary Authorities in England and Wales, so movement in its average prices, when expressed in percentage terms, tends to be more volatile than most other areas.

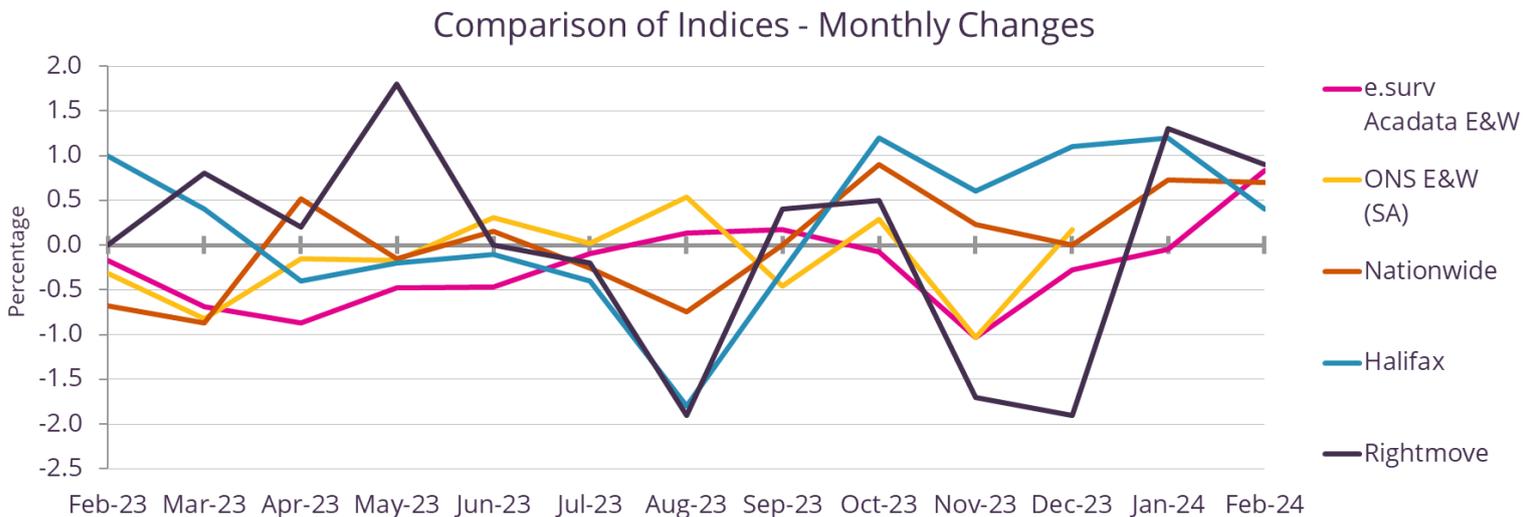
## Monthly Change in prices

Average house prices rose by some £3,000, or +0.8%, in February 2024. This was the largest increase in prices in a month since September 2022, some seventeen months earlier.

In January 2024, prices rose, on a monthly basis, in 54 of the 111 Unitary Authority areas, which is 21 more than in December. The area with the biggest increase in prices in January was Merthyr Tydfil, up by 4.3%, although Merthyr has the second lowest transaction count of the 111 Unitary Authority areas, which results in exaggerated movements in average prices. In second place is Rutland with a 4% increase in prices, but Rutland has the lowest transaction count of all areas. In third place is Flintshire, with a 3.3% increase in prices in the month. Flintshire has a more reasonable number of property sales in the month (there are currently 31 sales recorded at Land Registry for January 2024). In Flintshire all property types saw an increase in price in the month (although Flintshire has very few flats), with its detached average price increasing from £325k in December 2023 to £340k in January 2024. Although not influencing detached prices, Flintshire's January sales included the highest-priced semi-detached home of the last eighteen months, a 3-bedroom property, located in the village of Broughton, which sold for £560,050. This sale helped the county establish a new record average price of £246,090 in January 2024, being the only local authority area to have done so in the month.

## Comparison of Indices

Figure 4. The monthly change in house prices February 2023 – February 2024 [Link to source Excel](#)



This month, Figure 4 compares the **monthly** rate of change in home prices as measured by the five different index providers (as listed to the right of the graph), for the period February 2023 to February 2024. The monthly index chart typically shows more volatility than the annual chart which was featured last month, and this month is no exception. Although, for once, the four indices that have reported results for February 2024 show near unanimity, with the range between the highest and lowest monthly rates only amounting to 0.5% - the second lowest figure of the last thirteen months.

Rightmove is the first index to publish its results for the month, indicating that its monthly rate showed that sellers' asking prices had increased by +0.9% in February. Rightmove suggests that this rise in price may in part be due to the increase in the number of transactions that has taken place in the first six weeks of 2024 - which is 16% higher than the same period in 2023 - reflecting an upturn in confidence in the market, among both buyers and sellers. However, Rightmove also advises that activity levels among first time buyers are lagging behind the general market as mortgage rates stay elevated, and saving for a deposit remains challenging.

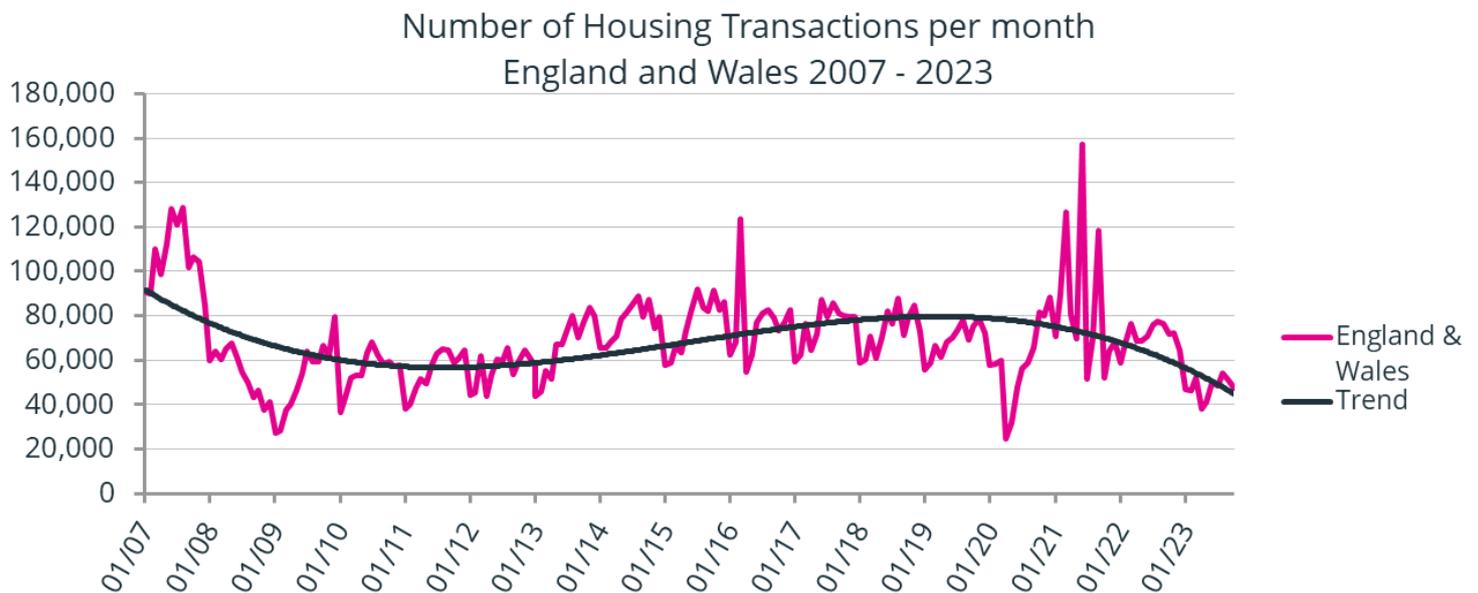
Nationwide is the second to publish, reporting an increase of +0.7% in prices in February. Nationwide comment that "The decline in borrowing costs around the turn of the year appears to have prompted an uptick in the housing market. Indeed, industry sources point to a noticeable increase in mortgage applications at the start of the year, while surveyors also reported a rise in new buyer enquiries."

Third to publish is Halifax, who report the lowest increase, of +0.4%, in February, having recorded the highest monthly increases from November to December 2023. Halifax comment that "While it is encouraging that we've seen growth in recent months, what happens next remains uncertain. Although lower mortgage rates, alongside expectations of Bank of England interest rate cuts this year, should help buyer confidence in the short term, the downward trend on rates is showing signs of fading."

Lastly, e.surv Acadata show that average prices in February 2024 have increased by +0.8%. Acadata reports that 54 of the 111 Unitary Authorities in England and Wales were witnessing price increases in January, compared to a total of 33 Unitary Authorities with price increases in December 2023.

## Housing transactions per month

Figure 5. The total number of housing transactions per month, January 2007 – October 2023 [Link to source Excel](#)



HMRC, in its latest UK property transactions commentary (29 Feb 2024), advise that “Non-seasonally adjusted residential transactions fell by 20% in January 2024 relative to December 2023. This decline is typical for January, where monthly falls tend to be between 20% and 30%. In contrast, seasonally adjusted residential transactions in January showed the first month-on-month increase since August 2023. Despite the month-on-month increase, this is the lowest level of seasonally adjusted residential transactions in January since 2013.”

As Figure 5 shows, in 2007 transactions in England and Wales reached an average 106,000 per month. However, during 2008 and into 2009 the number of monthly housing transactions declined as the “credit crunch” deepened, reaching a low of 27,500 sales in January 2009. The market slowly recovered, although sales in 2009 only reached an average 52,000 per month, but by 2015 average sales had climbed back to 75,000 per month.

The pattern of sales can be clearly seen in its various forms from 2011 to 2019. Typically, the year starts with two low sales months in January and February – the troughs on the graph – coinciding with the period of restricted daylight hours and the week-long break taken over the Christmas period. March typically sees a “spring bounce” as the market opens back up, followed by quieter months in April and May, until the summer months, starting in June and typically peaking in August, prior to the end of the school holidays. Sales tend to decline slightly towards the year end, as buyers work to be in their “new homes” prior to the start of the next year. The peak in sales in March 2016 in Figure 5 is particularly striking, being the last month in which purchasers were able to buy a second home, without incurring an additional 3% stamp duty on the property.

As can be seen, the period from the start of the pandemic in March 2020 until the end of 2022 has been far from normal in terms of property transactions. At the start of the pandemic, when households were instructed to remain at home (if not employed in an essential service), the number of property transactions slumped. Although property sales slowly increased during the remainder of 2020, the recovery was prolonged.

During 2021, the housing market was transformed, in part due to the tax-holidays in force in both England and Wales, and in part owing to the change in attitude brought about by working from home coupled with the desire for more space. Three spikes are clearly visible in March, June and September 2021, which were all tax-holiday related.

2022 proved to be a far more stable but subdued year compared to 2021, with the first nine months returning an average 71,000 sales per month – the same as seen in 2018. However, with the arrival of a new Prime Minister on 6th September 2022, there was an increase in the bank rate on 22nd September 2022 to 2.25%. Mrs Truss departed on 25th October 2022, with the bank rate being further increased twice in 2022, ending the year at 3.5%. Housing sales in December 2022 totalled some 64,250 – the lowest level for the month since ten years earlier.

During 2023 the bank rate rose a further five times, and at the time of writing stands at 5.25%. This has reduced the number of transactions during 2023, with an average sales total of 47,500 sales per month to the end of October – the lowest level of transactions over these ten months of the last ten years.

The Land Registry is currently (March 2024) increasing its use of automation in its application processing – this has caused a temporary reduction in the number of current transactions being recorded – but will in the medium-to-long term enable higher monthly volumes to be processed. This reduction in transactions recorded represents the number of registrations that are available at the time of calculating the e.surv Acadata HPI, and not the number of transactions that have taken place.

## About the e.surv Acadata House Price Index

1. The e.surv Acadata House Price Index was formerly the LSL Acadata House Price Index (e.surv is part of the LSL Property Services group) and is produced by Acadata. Content and methodology are unchanged.
2. The e.surv Acadata House Price Index (England and Wales):
  - ✓ uses the **actual** price at which every property in England and Wales was transacted, including prices for properties bought with cash, based upon the factual Land Registry data as opposed to mortgage-based prices, asking prices or prices based upon samples
  - ✓ is updated monthly so that prices of **all reported** relevant transactions are employed in our latest Acadata England and Wales House Price Index release
  - ✓ provides the arithmetic average of prices paid for houses, different from the geometric average prices used in the ONS UK House Price Index
3. The initial e.surv Acadata House Price Index for each month, employs an academic “index of indices” model, custom-built at Cambridge, pending release of further transacted prices from the Land Registry which are reflected in our monthly index updates.
4. All e.surv Acadata House Price Index numbers, published prior to receipt of all transaction data, are subject to change; we publish the precise numbers that result from our calculations but these numbers reflect our mix adjustment and seasonal adjustment methodologies and, initially, our index of indices model. Our indices also reflect our best endeavours and are issued in good faith without any claim as to precision, accuracy or fitness for any purpose. For more detail see [www.acadata.co.uk](http://www.acadata.co.uk).

5. The Acadata website enables comparisons of selected indices over selected timescales to be undertaken [here](#) with ease and provides historic results and other information.

For further footnotes and a description of the methodology used in the e.surv Acadata Index please click [here](#).

## About Acadata

1. Acadata is an independent privately owned consultancy specialising in house price data. Our associated company MIAC Acadametrics Limited is an independent asset valuation service provider, specialising in behavioural modelling, stress testing and collateral valuation for the financial services industry.

2. The e.surv Acadata House Price Index may not be used for commercial purposes without written permission from Acadata. Specifically, it may not be used to measure the performance of investments or to determine the price at which investments may be bought or sold or for collateral valuation concerning which enquiries should be directed to MIAC Acadametrics.

## About e.surv Chartered Surveyors

e.surv is the UK's largest valuation provider, directly employing over 600 residential surveyors across the UK, supported by a network of consultant valuers.

The business is appointed as Panel Manager for more than 20 mortgage lenders and other entities with interests in residential property, and also provides a number of private survey products direct to the home-buying public.

e.surv is part of [LSL Property Services](#) plc which includes household names Your Move, Reeds Rains and PRIMIS.

For further information, please visit our website: [www.esurv.co.uk](http://www.esurv.co.uk)

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