

### Confidence slowly returning to the market...

- ...74 authorities see rising prices in February
- Three northern regions top growth league table...
- ...but annual change still negative at -3.1%

**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)
£361,368	346.9	0.1	-3.1	-1.9

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

"Our analysis this month shows that the average sale price of completed home transactions using cash and/or mortgages rose by a minor £200 - or 0.1% - to £361,368, and is now at a level first seen in February 2022. It is also evident that the average price has hovered around the £361,000 mark for the last four months.

"While the movement is muted when we look at March's performance, there are reports of a market in slow recovery. Certainly the balance of purchase against re-financing appears to be changing.

"Our view is that the modest turn in fortune is in large part a result of solid wage growth and a belief that interest rates will ease over the coming months, and this is underpinning growing confidence. The chronic undersupply continues to support prices but there are now more products available to buyers than there have been for some months.

"Ultimately affordability pressures are expected to ease but buyers cannot afford to throw caution to the wind.

"Looking forward, we saw little to no help for the housing market in March, but in advance of a possible winter General Election, we may see another "fiscal" event that may give some further impetus to home buyers."

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

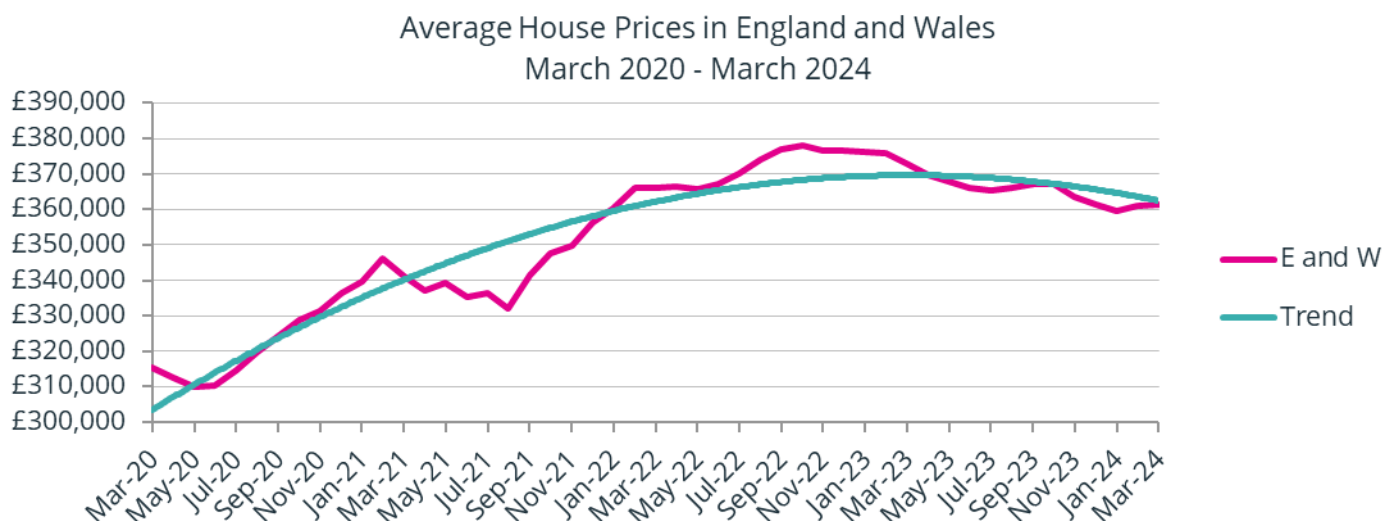
[Link to source Excel](#)

Month	Year	House Price	Index	Monthly Change %	Annual Change %
March	2023	£373,080	357.5	-0.7	1.9
April	2023	£369,835	354.4	-0.9	0.9
May	2023	£367,922	352.7	-0.5	0.6
June	2023	£366,065	351.0	-0.5	-0.3
July	2023	£365,537	350.7	-0.1	-1.2
August	2023	£366,022	351.2	0.1	-2.2
September	2023	£367,039	351.8	0.3	-2.6
October	2023	£367,042	351.5	0.0	-2.9
November	2023	£363,576	347.9	-0.9	-3.5
December	2023	£361,346	346.9	-0.6	-4.0
January	2024	£359,702	345.3	-0.5	-4.4
February	2024	£361,152	346.7	0.4	-3.9
March	2024	£361,368	346.9	0.1	-3.1

**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

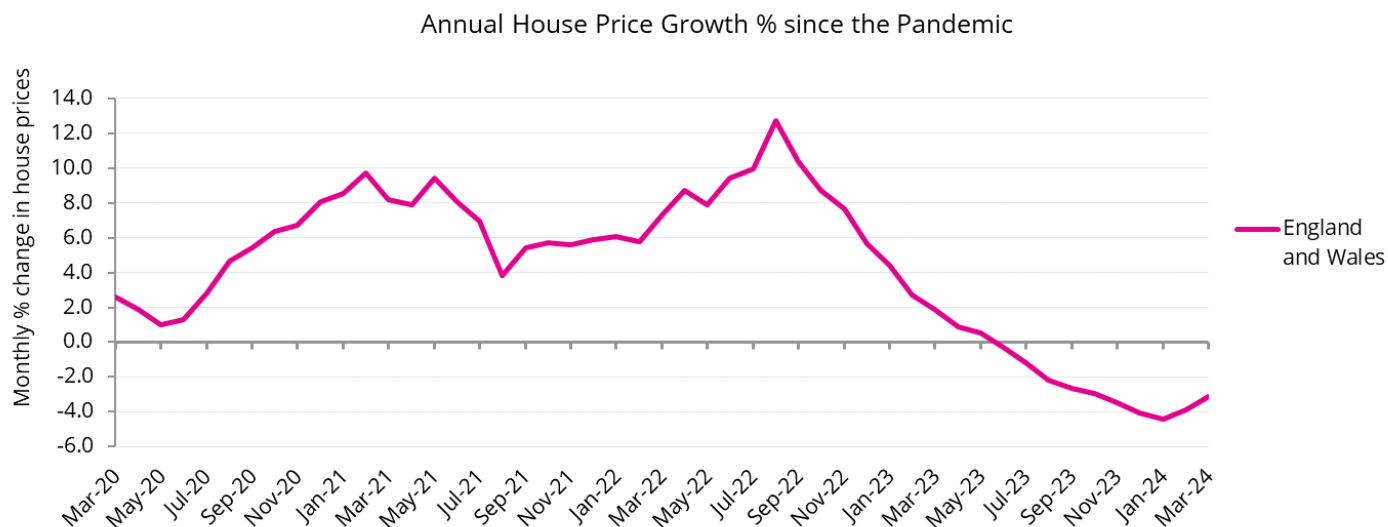
Figure 1. The average monthly house price in England and Wales, March 2020 – March 2024 [Link to source Excel](#)



In March 2024, the average sale price of completed home transactions using cash and/or mortgages in England and Wales rose by a minor £200 - or 0.1% - to £361,368, and as is shown in Figure 1 now stands at a level first seen in February 2022. It is also evident that the average price has hovered around the £361,000 mark for the last four months.

Figure 1 additionally demonstrates that the price in March 2024 is some £46,000 - or 15% - higher than at the start of the pandemic in March 2020, with a roller-coaster ride in prices having been experienced over the subsequent four years.

Figure 2. The annual rate of change in house prices in England and Wales, March 2020 – March 2024 [Link to source](#) [Excel](#)



In March 2024, the annual change in prices amounted to a fall of £11,700, or -3.1%, over the previous twelve months. Figure 2 shows that the annual rate of price growth has been falling since its peak in August 2022, when it reached a rate of +12.7%. This reduction in growth rates has been slowing since September 2023 (a flatter line), with an uptick in these rates in both February and March 2024. The decline in the growth rate in house prices largely corresponds to the period when mortgage interest rates in England and Wales were increasing on a near monthly basis.

## The housing market in March 2024

There are a myriad of different measures that are reported on in relation to the housing market. We focus on prices and transactions, but there are a range of supply, market sentiment and consumer demand and confidence measures. Sometimes these point in different directions, making it hard to draw conclusions as to where the market is going. Commentary in March 2024 is much more positive now than the expectations that were set out in late 2023, and generally there is a sense that the housing market has reached a turning point. Continued wage growth and a stronger sense that interest rates will edge down over the year have all helped buoy confidence and activity. There is still caution though, and interest rates are much higher than in the previous decade, so buyers need to think carefully about their offers.

As noted previously, the housing measures in the recent Budget were focussed on second homes and property taxation, which will have dampened some markets. We are advised there will be a further “fiscal” event in the run up to the General Election, and this seems likely to focus on helping households into home ownership.

## Average Annual English Regions and Wales House Prices

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

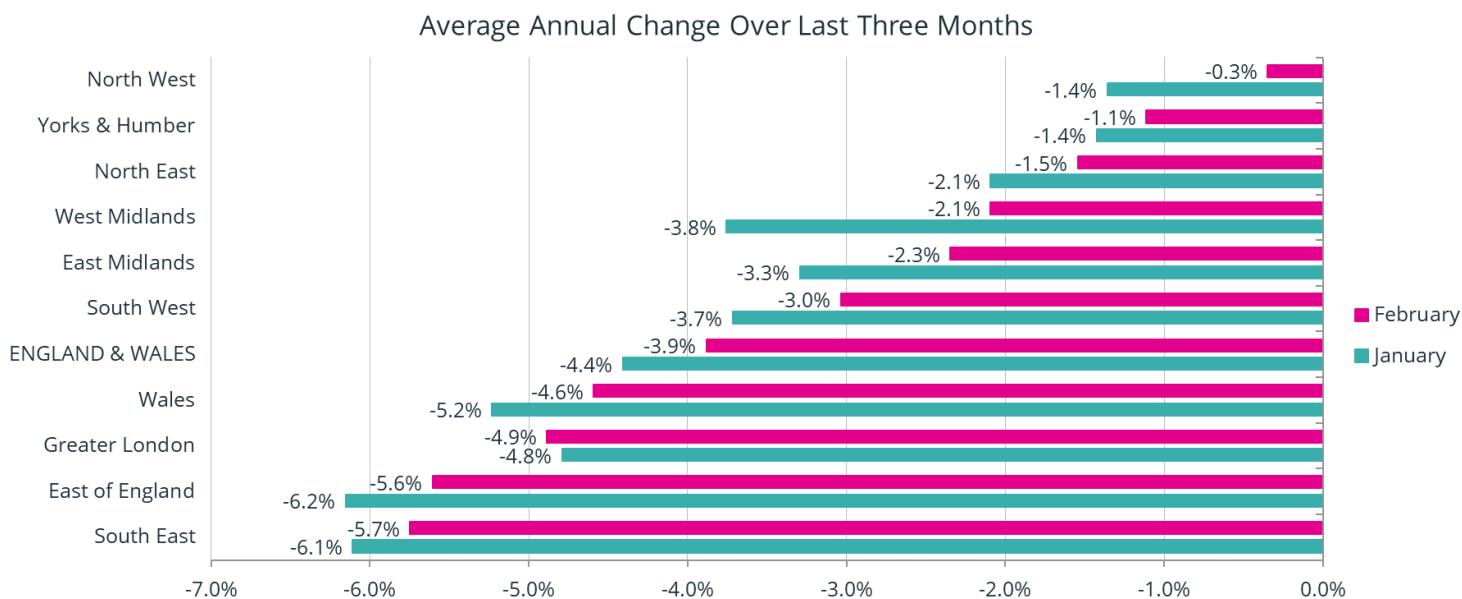


Figure 3 shows the percentage change in **annual** house prices on a regional basis in England and for Wales, **averaged over the three-month period of January to March 2024**, compared to the same three months in 2023. These figures are calculated on a rolling three-month basis to smooth out the minor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

The figure shows that in February 2024 all 10 GOR areas in England and Wales have experienced a negative movement in prices compared to twelve months earlier. The region with the lowest fall in prices in February was the North West, at -0.3%. This region has now been in one of the top five places in the Regional growth league (Figure 3) for the last nine months. In the North West, three of its eleven constituent areas are showing a positive movement in their annual prices, these being Cheshire East (+2.2%), Blackpool (+1.3%) and Lancashire (+0.4%), with these three areas accounting for some 28% of home sales in the region. Perhaps of relevance here is the fact that Blackpool is the authority with the lowest average house price of the 111 unitary authority/county areas in England and Wales – affordability being a key issue in the current housing market, with the demand for lower-priced homes being on the increase given affordability pressures.

In February 2024, second place in the league table is taken by Yorkshire and the Humber, at -1.1%. Yorkshire and the Humber is one of two regions to have been in one of the top five places in Figure 3 for all 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 North Yorkshire, where prices have increased by 2.0% over the last year. The North Yorkshire district became a unitary authority area on 1st April 2023, and is currently the largest local authority in England by area. It is also one of the five unitary authority areas that has reached a new record average price in the month.

In third place in the league table is the North East, at -1.5%. Similar to Yorkshire and the Humber, the North East is the other region to have been in one of the top five places in Figure 3 for all of the last twelve months. In the North East, two of its eight constituent areas have seen a positive movement in prices over the last twelve months, being Northumberland (+5.0%) and Middlesbrough (+0.5%), with both of these two authorities also reaching a new record average price in February. Middlesbrough is a unitary authority area in its own right, and forms part of the North East GOR region, but somewhat confusingly is also classified as being part of the “ceremonial” county of North Yorkshire.

As reported last month, it should not go unnoticed that the top three regions in Figure 3 are located in the north of England. With affordability currently 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 are attracting many purchasers, especially among first time buyers and buy-to-let landlords.

Last month we also reported that the reason why Wales was not benefitting from its relatively low average price is, in part, due to it having 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 Bridgend has seen an increase in the price of terraces and flats of £14k and £7k respectively over the last year - post-pandemic there are fewer large homes being sold, with a consequent impact on average prices across most parts of the country.

As Figure 3 shows, the change in price growth from January to February 2024 is varied, although 9 of the 10 GOR areas are showing an upward movement in their annual rates, with the largest change in the West Midlands, up by +1.7% on the previous month, from -3.8% to -2.1%. This is the first time that the number of regional areas with a smaller negative change in prices compared to the previous month has been in excess of five since August 2022, some eighteen months earlier – indicative of the increase in demand for housing that has been prevalent over the first few months of 2024, following a small fall in mortgage interest rates over this period.

The only GOR area with a fall in its price growth from January to February 2024 is Greater London, with a reduction of -0.1% to -4.9% 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 unlike last month, the boroughs with price rises are predominantly mid-value, having average prices in the range £550k to £690k. This month there appears to have been a relative lack of high value sales in the prime central London areas, compared to twelve months earlier.

The two regions at the bottom of Figure 3 are the East of England (-5.6%) and the South East (-5.7%). Both areas have had slowing rates of growth for the last seventeen months, with rates turning negative from June 2023. Demand for high-value properties in these two GOR areas continues to fall, with all eleven of the constituent unitary authorities in the East of England seeing price falls over the past twelve months, and seventeen of the nineteen areas in the South East doing the same. The largest fall in the East of England is Essex, down -8.9% over the year, while in the South East Oxfordshire prices are down by -10.2%.

Estate Agents are reporting that “first-time-buyers” form the most active part of the current market at present, which will generally mean that it is the smaller-sized homes in lower-priced segments of the

market that are experiencing the strongest demand and most competitive pricing, while there is less competition for larger and more highly priced homes.

On a more upbeat note, looking at the Regional monthly – as opposed to annual – rates, 8 GOR areas in February saw price rises, the highest being in the North East at +1.6%, while Greater London had zero change in its monthly price, with the South East being the only region to see a price fall of -0.2%. The last time that there was only one region with a negative monthly rate was in September 2022, when the housing market in England and Wales was close to its peak.

## England and Wales Regional Heat Map

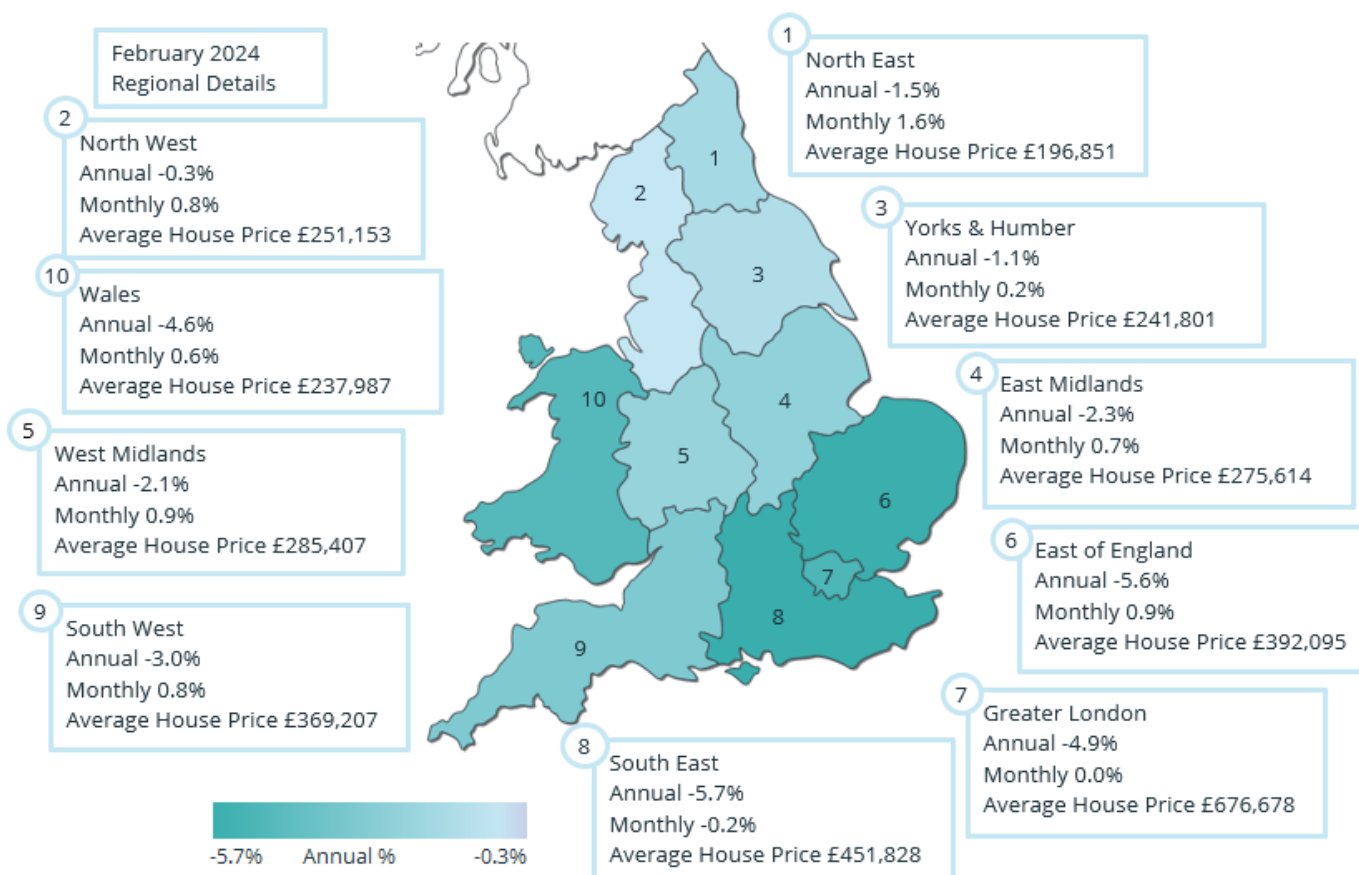
These different trends are then evident in the Regional Heat Map shown below for **February 2024**.

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, Yorkshire and the Humber, and the North West, where the annual change in average prices range from a modest -0.3% to -1.5%.

The second group of the mid-greens includes those regions where the annual change in average prices ranges from the middling -2.1% to -3.0%, in which there are three members, the East and West Midlands and the South West.

Finally, there is Wales and the three remaining regions in England, which are Greater London, the East of England and the South East, where prices have been falling by -4.9%, -5.6% and -5.7% respectively.

### Annual Change in prices



The annual price change in England and Wales in March 2024, taking both mortgage and cash-based house purchases into account, was an arithmetic average of -3.1%. The rate of -3.1% in March is +0.8% higher than the revised rate of -3.9% for February 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 £361,368, some £11,700 lower than a year earlier, and is close to the price first seen in February 2022, some two years earlier.

In February 2024, 18 of the 111 Unitary Authority areas in England and Wales were recording price gains over the previous twelve months, which is 9 more authorities with price rises over the year than in January 2024, providing further evidence of the increase in demand for housing that has been prevalent during February 2024.

The area with the highest annual increase in prices in February 2024 is Rutland, up by 20%, but since Rutland has the smallest number of houses sold in England and Wales in any month, it tends to have volatile movements in average price. In second place is Flintshire, in Wales, with annual growth of 9.6%. In Flintshire, all property types have seen an increase in prices over the last twelve months, with the most significant in detached properties, assisted by the sale of a recently built 6-bedroom home in Gwaenysgor, Rhyl, for £2.15 million – the most expensive property to have been sold in Flintshire over the last five years.

By way of contrast, the area with the largest fall in prices over the last twelve months was The Vale of Glamorgan, also in Wales, where prices have fallen by -17.5% over the year. The prime reason for this fall is that a detached property had sold for £2.6 million in February 2023, but with no similar value home having been purchased in 2024, average prices fell in The Vale by £60k across the two years – a classic example of how the lack of high value sales in Wales in 2024 compared to 2023 is resulting in the decline in average property prices in Wales, despite the one-off sale in Flintshire described above.

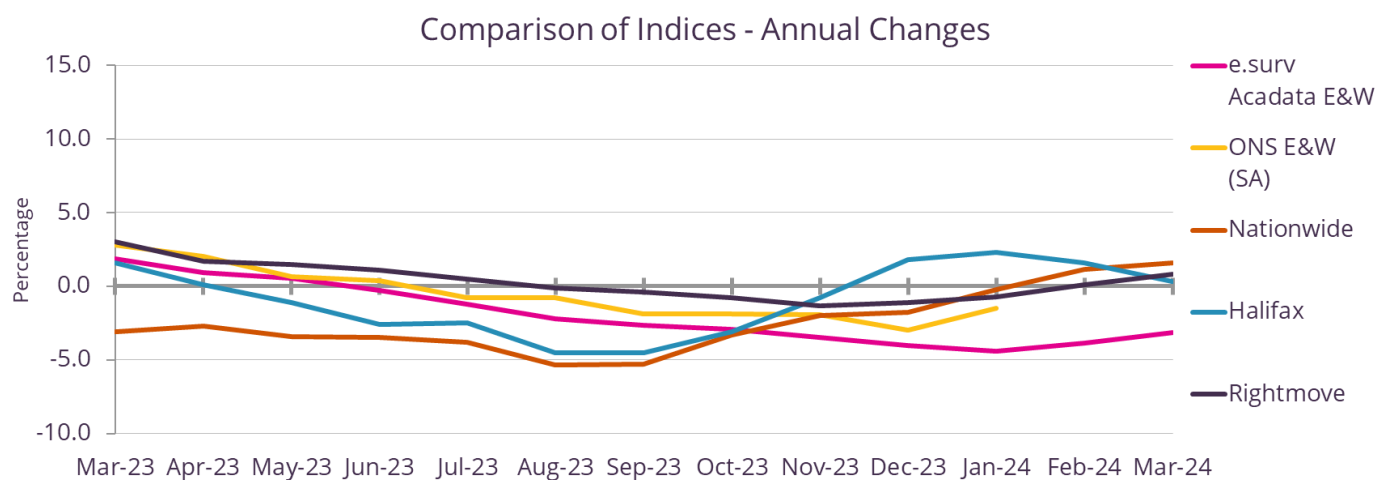
## Monthly Change in prices

Average house prices rose by some £200, or +0.1%, in March 2024. This was 0.3% lower than the £1,450 increase in house prices seen in February 2024.

In February 2024, prices rose, on a monthly basis, in 74 of the 111 Unitary Authority areas, which is 20 more than in January, with over half of all Unitary Authorities showing an increase in prices in the month. The area with the biggest increase in prices in February was Rutland, at 11.3%, but as mentioned above, Rutland has a very small number of sales in each month. In second place is Bath and North East Somerset. In Bath all property types saw an increase in prices in the month, with the highest increase being in detached properties, up from an average £800k in January 2024 to £826k one month later, assisted by the sale of a 7-bedroom home in Bloomfield Park, less than a mile from Bath's city centre, for £1.65 million. Bath has the fourth highest average property prices of the 111 unitary authorities in England and Wales, outside of Greater London.

## Comparison of Indices

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



This month, Figure 4 compares the **annual** 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 March 2023 to March 2024. The annual index chart typically shows more unanimity than the monthly chart as featured last month, and this month is no exception. The general direction of travel in all five indices is broadly similar, but as discussed below it is mainly timing differences that cause the apparent discrepancies in rates.

The range for March 2024 between the highest rate, quoted by Nationwide at +1.6%, and the lowest rate quoted by e.surv Acadata at -3.1%, amounts to 4.7%, against an overall average range for the thirteen months displayed of 4.8% - ie March was close to 'normal' for the period. The smallest range occurred in October 2023, at 2.5%, when the two mortgage-based indices of Nationwide and Halifax crossed the paths of the other three indices, which were still tracking downwards.

Rightmove is the first index to publish its results in the month, indicating that its annual rate showed that sellers' asking prices had increased by +0.8% in March compared to one year earlier, which was up by +0.7% compared to February. However, Rightmove cautioned that the average time to find a buyer is now 71 days, the longest at this time of year since 2019.

Nationwide is the second to publish, reporting an annual increase of +1.6% in prices in March 2024 compared to a rise of +1.2% in February. Nationwide comment that "With cost-of-living pressures easing as inflation moves back towards target, consumer sentiment is improving. Moreover, with income growth continuing to outpace price growth by a healthy margin, housing affordability is improving, albeit gradually."

Third to publish is Halifax, which is the only index to report a downward movement in the annual rate of price growth, from +1.6% in February to +0.3% in March. Halifax comment that "Financial markets have become less optimistic about the degree and timing of Base Rate cuts, as core inflation proves stickier than generally expected. This has stalled the decline in mortgage rates that had helped to drive market activity around the turn of the year."

Lastly, e.surv Acadata show that the change in average prices in March 2024 compared to March 2023 remains negative at -3.1%, although this is a smaller decline than February's -3.9%. The e.surv Acadata



Index uses the Land Registry as its data source, who define the sale date as being the completion date, when the change in title to a property officially takes place. On average, properties are taking some 3 to 4 months from mortgage approval (Halifax and Nationwide) to contractual completion (Land Registry). The e.surv Acadata index is consequently trailing the two lender indices by this time span. This means that the e.surv Acadata uptick in annual prices that took place in February 2024 needs to be compared with Nationwide and Halifax's upward movements in rates that started in October 2023.

## Housing transactions per month

Figure 5. The total number of housing transactions per month, January 2019 – November 2023 [Link to source Excel](#)

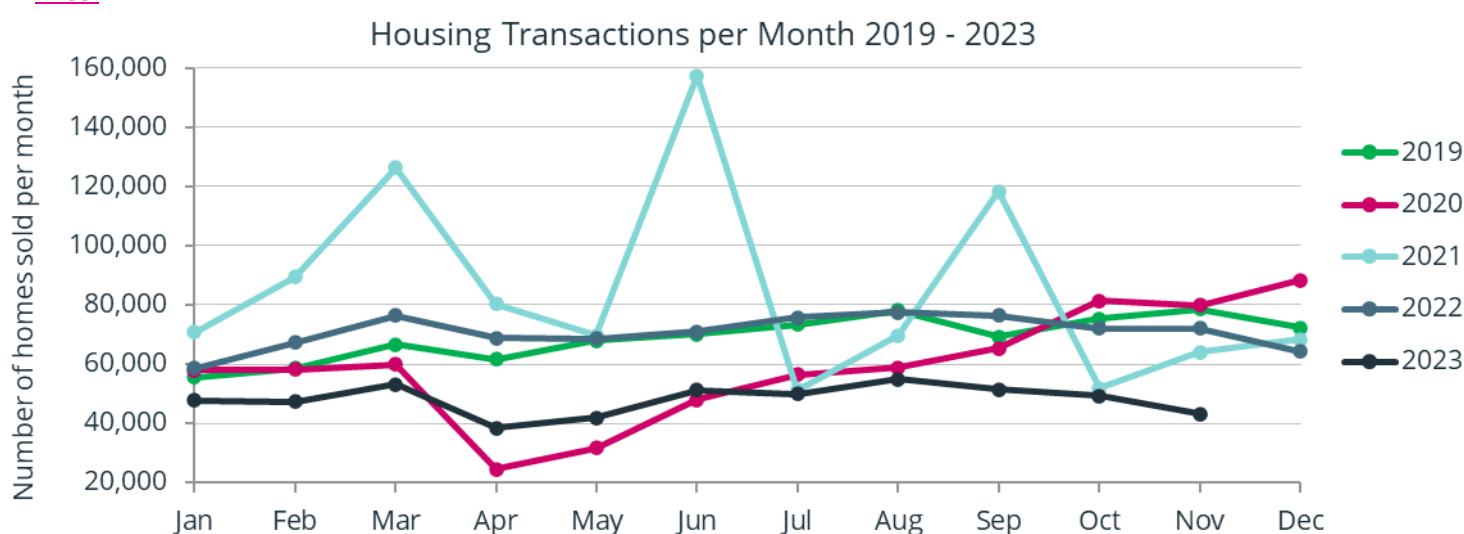


Figure 5 above shows the number of transactions recorded by Land Registry for the period from January 2019 to November 2023. The chart covers the period from pre-Covid 2019, the Covid years of 2020 and 2021 and the post-Covid years of 2022 and 2023.

2019 (the green line) is shown as being closest to a 'normal' pre-Covid year for housing transactions on the graph. There was a total of 827,450 domestic transactions in England and Wales in the year, an average of 69,000 sales per month.

In 2020 (the red line) the first Covid lockdown was announced in March, which had the effect of more than halving the number of transactions recorded in April and May of that year. However, house sales slowly built back up, and in the second half of the year exceeded the monthly totals seen in 2019, in part due to a "catch-up" of the lost sales experienced earlier in the year, and in part due to the tax-holidays that were introduced in England and Wales from July 2020. There was a total of 710,577 domestic transactions in England and Wales in the year, an average of 59,200 sales per month.

In 2021 (the light blue line) sales continued at the relatively high levels seen during the latter months of 2020, with the three peaks occurring the month before changes took place to the tax-holidays that were then in place. There was a total of 1,017,552 domestic transactions in England and Wales in the year, an average of 84,800 sales per month, the highest level recorded since 2007.

In 2022 (the dark blue line) transaction levels proved to be far more stable but subdued compared to 2021, with the first nine months returning an average 71,000 sales per month. 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. There was a total of 848,544 domestic transactions in England and Wales in the year, an average of 70,700 sales per month.

During 2023 (the black line) 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 48,000 per month to the end of November – the lowest level of transactions over these eleven months since records began in 1995.

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. We have deliberately not shown the number of transactions recorded to date this year on the graph, as they do not represent the total sales that will have been recorded at Land Registry.

## Reweighting

This month we have undertaken our annual change to the “weights” which we use to calculate the value of the average price paid for a home in England and Wales. This is the House Price Index equivalent of changing the basket of goods that make up the calculations for the Retail Price Index. The purpose in updating the weights is to ensure that our average prices continue to reflect the circumstances that exist across all parts of the England and Wales housing markets.

The weights that we use are based on the number of transactions that have taken place over the previous four years, analysed by property type and unitary authority / county area. We then keep this mix of type and location of transactions at a constant value over the year, to enable a comparison of prices to take place irrespective of the actual volume and type of sales that occur in any one month. The reweighting has been applied to all our current and historic data.

It is helpful to compare the transactions that occurred in the latest four-year period (2020 - 2023) with those of the previous four years (2019 - 2022) to obtain an indication of the change in emphasis, if any, between the property types and locations of sales that have taken place across the regions. We have provided a graphic illustration of the main changes to the weights that have taken place between the property types and regions on pages 12 -16 of this news release.

In summary, the main changes observed in calculating the average house price are as follows:-

- i) The three regions with the largest upward movement in their share of the England and Wales housing market are Greater London (+0.2%), the South East (+0.1%) and the North East (+0.1%). Greater London and the South East have gained market share as the ethos of “working from home” and the “race for space”, associated with the Covid pandemic and the movement away from city centres has continued to wane, with the government and employers expecting their employees to spend more time working from the office. This process is continuing into 2024.

The three boroughs with the largest increase in market share within Greater London are Wandsworth, Brent and Ealing. All three boroughs have relatively easy commutes into central London, with Brent and Ealing ranked in 15th and 16th place out of the 33 boroughs in terms of average house price values.

In the South East, the two areas with the highest increase in market share are Oxfordshire and Surrey. In both Oxfordshire and Surrey flats have seen an increase in the proportion of total sales in the two areas at the expense of detached properties in Oxfordshire, and semi-detached and terraced properties in Surrey.

In the North East, the area with the highest increase in market share is Northumberland. In Northumberland there is a similar story to that of the South East, with an increase in flat sales and a decrease in the sale of all other property types.

The two regions with the largest fall in market share are the West Midlands and the North West.

The overall movement towards Greater London and the South East and away from the West Midlands and the North West will have the effect of raising the overall average house price in England and Wales.

- ii) In terms of property types, the market share of detached, semi-detached and terraced homes have decreased by -0.2%, -0.1% and -0.04% respectively, while flats have seen a +0.3% increase in market share – this is associated with a fall in demand for larger properties associated with the affordability squeeze which began to have an effect towards the end of 2022. However, the region with the largest increase in flat sales is Greater London, which has the highest average price for such properties. These two factors may therefore cancel each other out in terms of movements in the average house price.
- iii) Overall and taken together, these weighting changes have resulted in an upward movement in the average house price of +0.43%. As noted earlier, all the data used in this release dating back to January 2005 has been updated, so real comparisons with the past can be made on a consistent basis.

## 13 Graphs illustrating the change in weights between 2023 and 2024

Figure 6

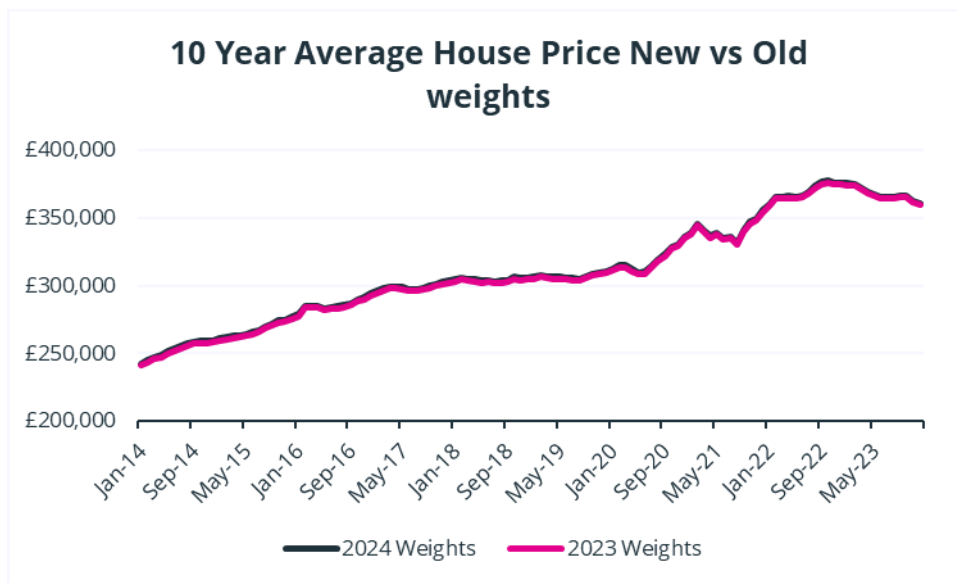


Figure 7

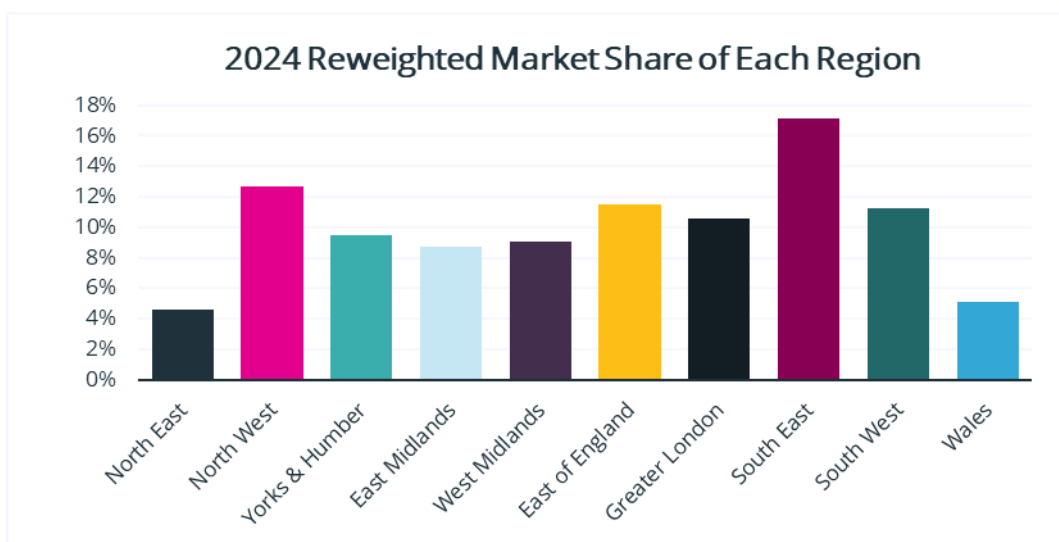


Figure 8

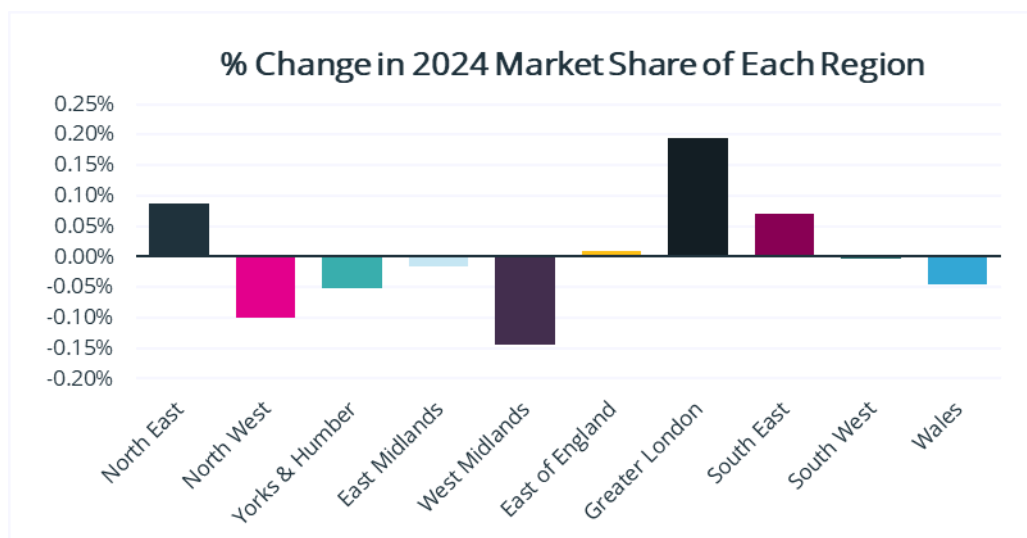


Figure 9

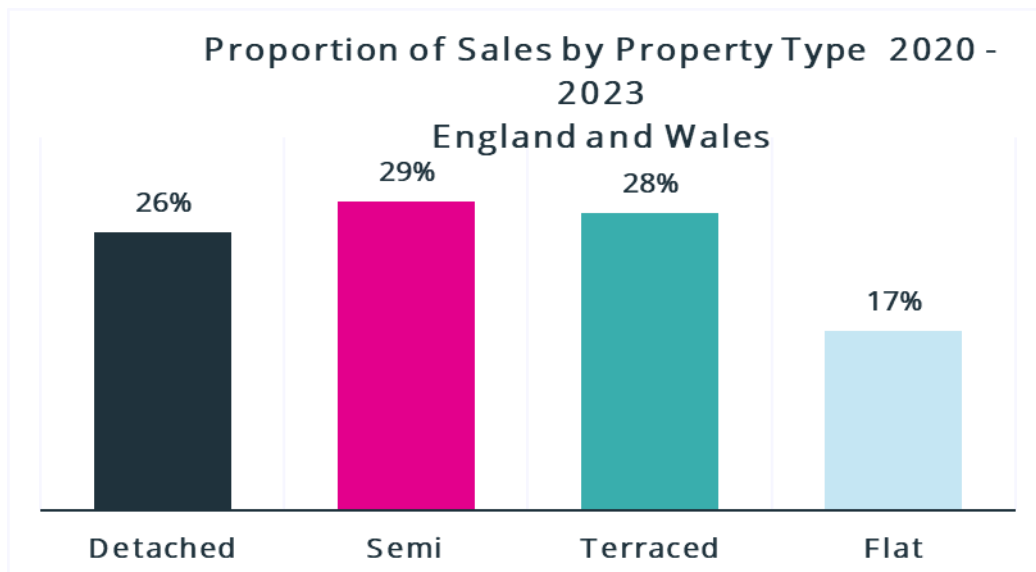


Figure 10

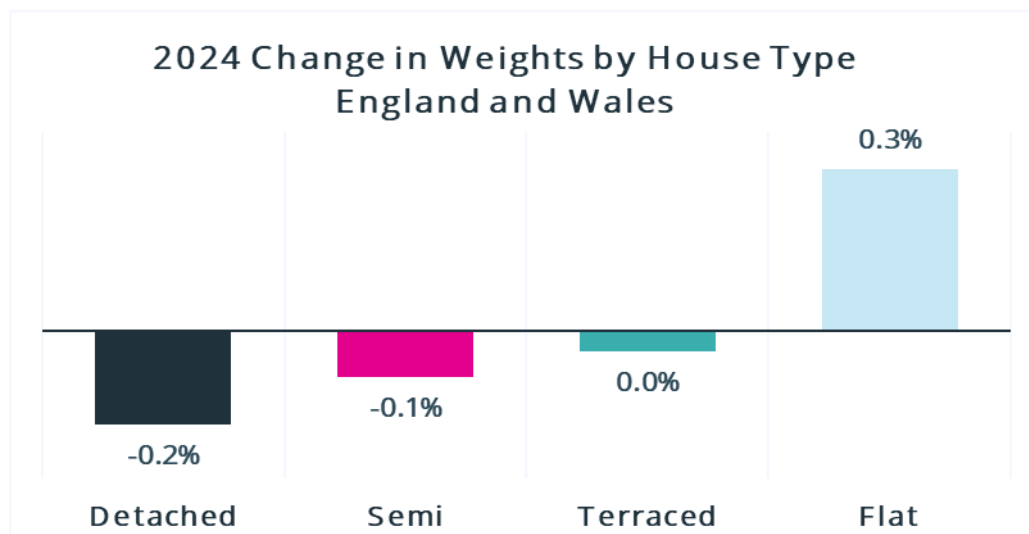


Figure 11

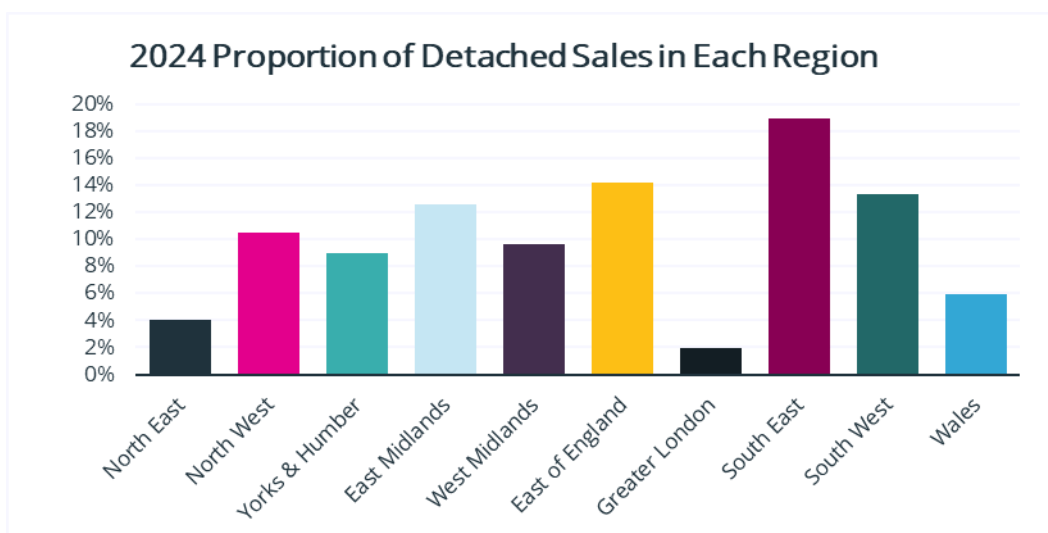


Figure 12

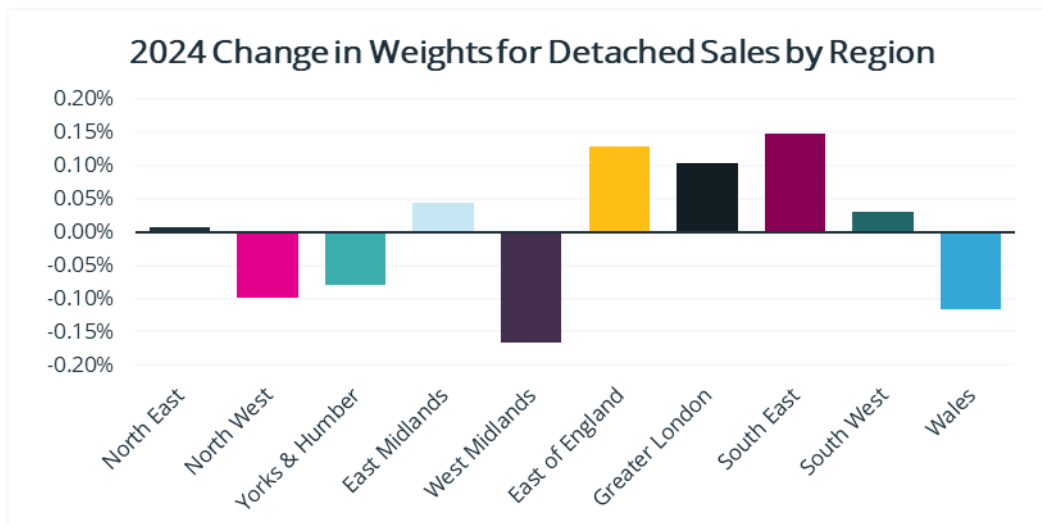


Figure 13

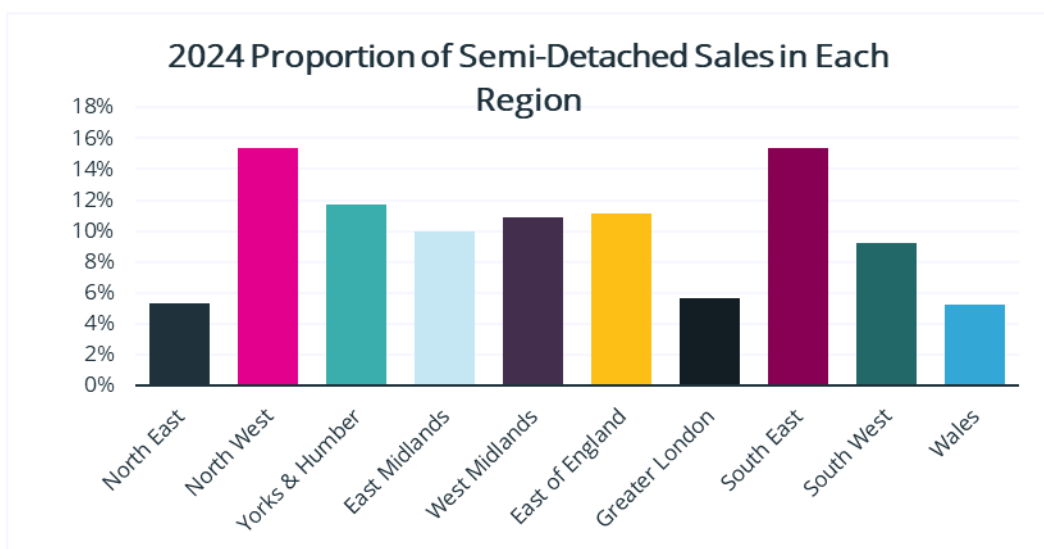


Figure 14

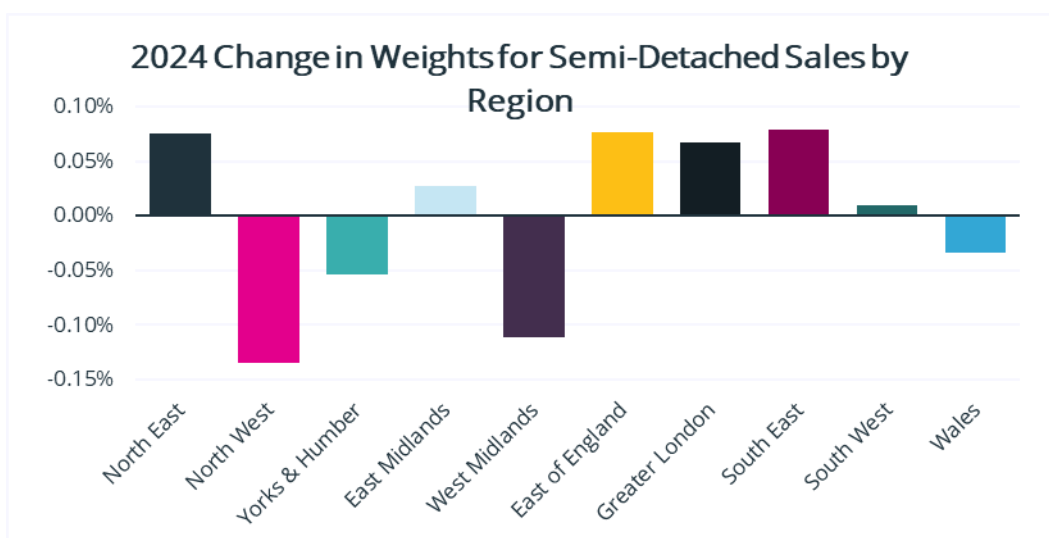


Figure 15

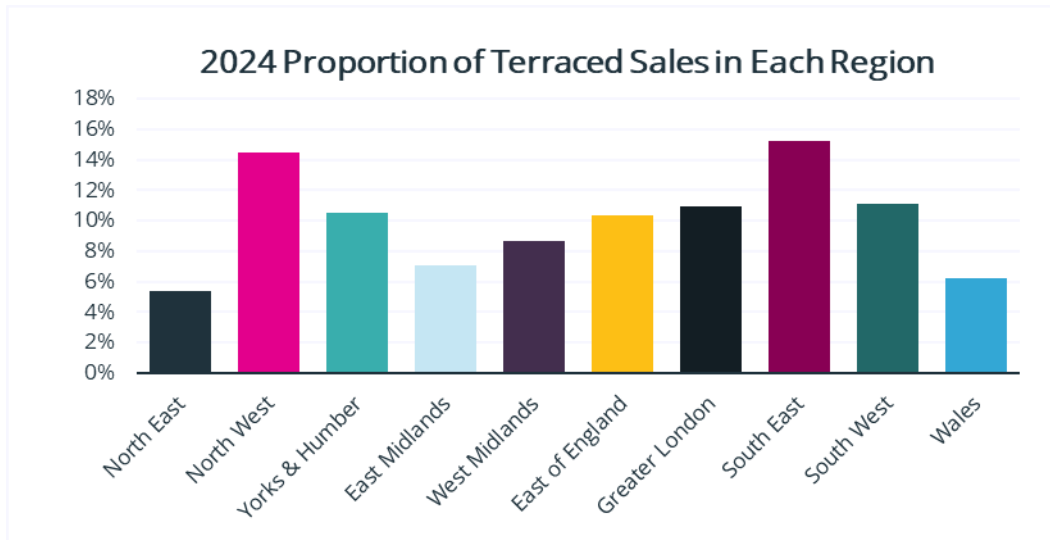


Figure 16

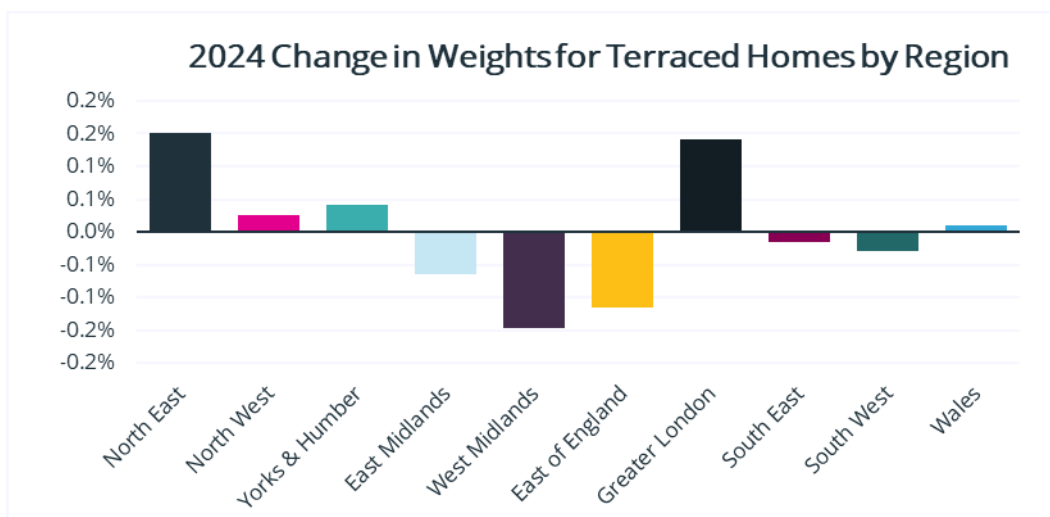


Figure 17

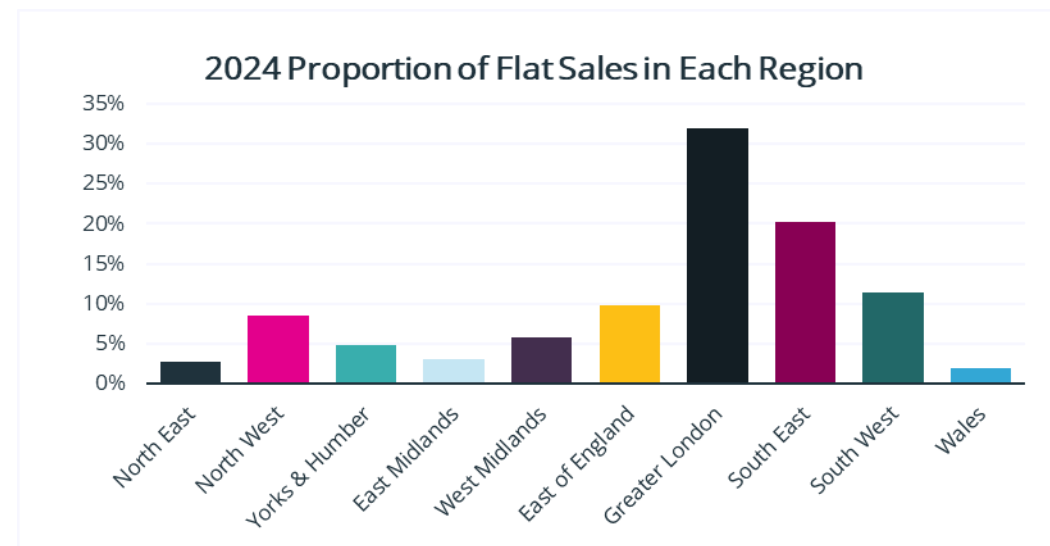
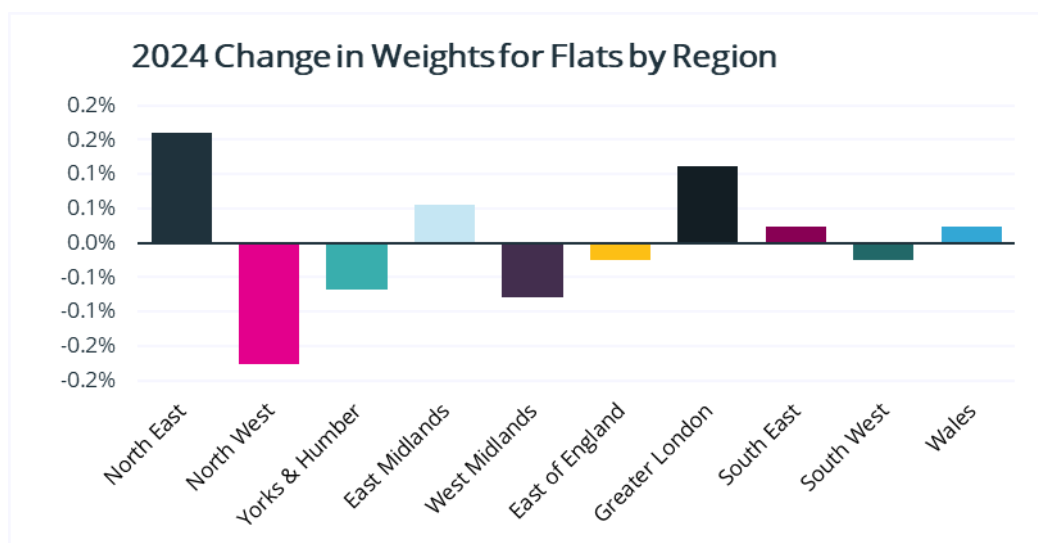


Figure 18



## 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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