

## May 2023

### The UK's most comprehensive property price report

This report is to help give everyone – industry and consumers – a quick five-minute guide to what's happening in the property market, according to the property indices, along with property expert Kate Faulkner's comments.

#### Property price and market indices summary

##### Rightmove

##### ***First-time buyers face record prices as sales recover***

*"The average price of property coming to market rises by just 0.2% this month, lower than the average of 1.2% at this time of year, as new sellers heed their agents' advice to price cautiously and tempt Spring buyers. Despite the economic headwinds, first-time-buyer type properties hit a new record price of £224,963 this month."*

##### Home.co.uk

##### ***Firmly on the Road to Recovery***

*"Asking prices across England and Wales rose for a second consecutive month during March, by 0.2%, although the year-on-year growth slipped into the negative (-0.3%) for the first time since December 2019."*

##### RICS

##### ***Most indicators recover slightly from recent lows but sales market momentum remains weak***

*"National house price indicator still in negative territory although marginally less so than in prior months."*

##### Nationwide

##### ***House price growth shows signs of stabilisation in April***

*"While annual house price growth remained negative in April at -2.7%, there were tentative signs of a recovery with prices rising by 0.5% during the month (after taking account of seasonal effects). April's monthly increase follows seven consecutive declines and leaves prices 4% below their August 2022 peak."*

##### Halifax

##### ***UK house prices dipped in April, but market is more stable***

*"After three consecutive months of growth, the average UK house price fell in April, down by -0.3% or around £1,000 over the month. The rate of annual house price inflation also slowed further to +0.1%, from +1.6% in March, meaning average property prices are largely unchanged from this time last year."*

##### Zoopla

##### ***Are the worst of house price falls now behind us?***

*"Annual house price growth slows but the worst of the month-on-month price falls are now behind us."*

# What are the indices saying is happening to house prices today versus the past?

## National property price tracking

	High 2007/08	Low 2009	How much did prices fall?	Latest price vs 2007/08 high	Feb-23	Mar-23	Apr-23	Annual Change	Annual Average (05 - 23)		
Rightmove	£241,474	£213,570	13.1%	51.7%	£362,452	£365,357	£366,247	1.7%	3.7%	Asking prices	E & W
Home.co.uk	£258,531	£239,607	7.9%	36.1%	£350,246	£348,197	£351,848	-0.3%	n/a	Asking prices	E & W
Nationwide	£184,131	£147,746	24.6%	41.4%	£257,406	£257,122	£260,441	-2.7%	3.0%	Mortgaged only	UK
Halifax	£199,766	£157,767	26.6%	43.6%	£285,476	£287,880	£286,896	0.1%	3.2%	Mortgaged only , seasonally adjusted	UK
e.surv	£231,829	£197,145	17.6%	61.8%	£379,244	£379,309	£375,063	2.4%	3.9%	Actual prices, includes cash sales	E & W
Zoopla	£178,128	£153,449	16.1%	45.8%	£259,700	£259,700	n/a	3.0%	n/a	Sold prices, mortgage valuations and agreed sales	UK
UK HPI	£190,032	£154,452	23.0%	51.3%	£287,506	n/a	n/a	5.5%	3.7%	Sold prices, includes cash sales and new builds	UK

### Key points from the property market indices this month are:

#### Rightmove

- Agreed sales volumes are now just 1% behind March 2019.
- The first-time buyer sector (two-bedrooms and fewer) - achieved sales volumes in this sector are now 4% higher than in March 2019.
- Sectors with larger homes, the second-steppers and top-of-the-ladder sectors, are still 4% and 3% behind 2019 respectively.
- The average mortgage rate for a 5-year fixed, 15% deposit mortgage, is currently 4.46%, with the lowest rate for this mortgage type standing at 4.19%.

#### Home.co.uk

- The typical time on market for unsold property in England and Wales increased by four days during April to make the current median 81 days, in line with seasonal expectations.
- The total sales stock count for England and Wales increased again during April by 21,077 to reach 409,559 which is just under the 10-year average of 418,885.
- Looking across the last three highly eventful years, the mix-adjusted average has risen 14.8% since May 2020, despite the correction during the latter half of 2022.

#### RICS

- The average sales time (from listing to completion) has continued to lengthen taking close to 20 weeks to finalise at the national level, up from nearer to 17 weeks this time last year.
- Slight increase in the average number of properties on estate agents' books (36 homes compared to 35 in February and March).

#### Nationwide and Halifax

- Tentative signs of a recovery with prices rising by 0.5% during the month (after taking account of seasonal effects). April's monthly increase follows seven consecutive declines and leaves prices 4% below their August 2022 peak.
- We should expect some further downward pressure on house prices over course of this year.

#### Zoopla

- 3-bed homes remain the most in-demand property for FTB (40%) but there is a clear shift in FTB demand towards 2-bed flats.
- The housing market is more balanced than for some years and sales could exceed 1m over 2023 if current trends continue.

Overall, the news for the property market is the best it's been to date, and as a result, optimism is high, which is great news. However, I still think we need to be a little cautious as there are still a lot of people that need to re-mortgage and may realise that the new payments are tougher than they thought, and there will be others that will find it tough now to not only find the deposit but also afford the mortgage.

However, if lenders can begin to be far more innovative about supporting new buyers onto the ladder - such as the Skipton deposit free mortgage, then demand could hold up well this year and on-going. Although some are criticising this versus past issues 100% mortgages created, the details and caveats they have put in place seem sensible and as we have moved to repayment mortgages, getting on the ladder with no or lower rate deposits is a fantastic opportunity for those that can meet the criteria.

Let's hope that more lenders follow suit to support existing tenants to get on the ladder and relieve some of the pressure the PRS is under.

## Property prices by country

Property Prices - Countries	Land Registry latest data Feb 23/ Q4 22	Land Registry year on year change in price Feb 23/Q4 22	Land Registry annual average increase since 2005	Nationwide latest data Q1 23	Nationwide year on year change in price Q1 23
England	£308,365	6.0%	3.8%	£295,801	-0.7%
Wales	£215,343	6.4%	3.1%	£200,173	-0.7%
Scotland	£180,287	1.0%	3.7%	£172,676	-3.1%
Northern Ireland (Q4)	£175,234	10.2%	2.5%	£173,393	1.3%

Slowly but surely the Land Registry data is catching up with the reports from more timely indices eg the Nationwide. Double digit growth has pretty much disappeared now (bar NI), but the long term trend remains good, with England and Scotland showing property prices over time have increased in excess of inflation, while Wales is on a par and Northern Ireland is still underperforming having had quite the bubble back in the credit crunch.

As always though, what's happening in 'each country' differs, depending on where people live, increasing the reason that all buyers and sellers need to chat with the local agents to find out what's happening, rather than relying on 'averages'.

## Summary from the indices of the Welsh housing market

[Principality Building Society](#)

### **House prices subdued in Wales**

*"The average price of a home in Wales has fallen from a record high of just over £249,000 in Q4 2022 to just over £245,000 in Q1 2023.*

*"Quarterly prices decreased by 1.6% in Q1 – the first dip since the Covid pandemic - and this dragged annual price growth down to 5%, around half the rate of three months earlier.*

*"Property prices overall are higher in 20 of the 22 local authority areas compared with a year earlier. However, there are now just six authorities reporting annual price increases of 10% or more. Merthyr Tydfil - a more affordable area – heads the annual increase table, with a gain of 20%. At the other end of the spectrum, Gwynedd and Anglesey reported annual falls in nominal terms, whilst several other authorities – Flintshire, Monmouthshire, and Swansea in particular - reported only very modest increases.*

*"Whilst significant variation of reported price changes continues, the overall quarterly pattern reflects a marked shift from strong price increases to one of price reversals, as well as a more subdued market. Consistent with bearish market conditions, in Q1 more local authorities (14) reported price falls than increases (8) – an exact mirror image of the situation in Q4 2022."*

## Summary from the indices of the Scottish housing market

[e.surv](#)

### **January's downturn in prices continues into February**

*"The average house price in Scotland in February 2023 has increased by some £6,300 - or 3.0% - over the last twelve months. This annual rate of growth has decreased by -1.6% from January's 4.6%, which is a slightly smaller fall than the -1.9% reduction seen in January.*

*"However, in February 2023, 23 of the 32 local authority areas in Scotland were still seeing their average prices rise above the levels of twelve months earlier, three fewer than in January. The nine areas where values fell over the year were, in descending order: Inverclyde (-8.7%), Orkney Islands (-3.0%); Fife (-2.9%), Aberdeen City (-2.1%), Na h-Eileanan Siar (-2.0%), Glasgow City (-1.2%), Angus (-1.2%), Scottish Borders (-0.4%) and Dundee City (-0.2%).*

*“The area with the highest annual increase in average house prices in both January and February 2023 was Clackmannanshire, up by 25.0% and 29.3% respectively over the two months. However, there were only 27 transactions in Clackmannanshire in February 2023, with a small number of transactions frequently being associated with volatile movements in average prices.*

*“On a weight-adjusted basis - which incorporates both the change in prices and the number of transactions involved - there were six local authority areas in February which accounted for 54% of the £6,300 increase in Scotland’s average house price over the year. The six areas in descending order of influence are: – Edinburgh (17%); Aberdeenshire (9%); South Lanarkshire (9%); North Lanarkshire (7%); East Renfrewshire (6%); and Clackmannanshire (6%).”*

## Regional property prices tracking

Property Prices - Regions	Land Registry Latest data Feb-23	Land Registry Year on year change in price Feb-23	Rightmove Latest data Apr-23	Rightmove Year on year change in price Apr-23	Home.co.uk Latest data Apr-23	Home.co.uk Year on year change in price Apr-23	Nationwide Latest data Q1 23	Nationwide Year on year change in price Q1 23
North East	£159,980	7.6%	£183,850	2.1%	£190,598	4.4%	£152,308	-0.5%
North West	£214,146	7.0%	£252,346	3.5%	£257,762	3.8%	£203,629	-0.4%
Yorkshire & The Humber	£207,220	5.5%	£244,078	3.9%	£245,185	3.8%	£196,300	-1.5%
East Midlands	£249,751	7.4%	£286,791	2.4%	£284,239	0.8%	£228,416	0.5%
West Midlands	£253,921	8.6%	£285,385	3.5%	£298,790	0.5%	£236,476	1.4%
South West	£326,616	5.8%	£387,415	2.0%	£379,032	0.1%	£302,451	0.5%
East	£357,697	5.6%	£423,472	1.2%	£398,293	-1.9%	£272,207	-1.8%
South East	£395,571	5.8%	£483,734	0.9%	£440,324	-2.6%	£331,919	-1.5%
London	£532,212	2.9%	£677,230	0.0%	£540,582	-2.5%	£511,293	-1.4%

Some interesting reports on a regional basis from the indices, with Rightmove reporting zero change for London year on year, while Yorkshire and Humber asking prices are up 2.9%. Home.co.uk are showing falls in areas where affordability is tough, including the East, South East and London, but growth in our most affordable region - North East, at +4.4%. Nationwide is showing a slightly more pessimistic picture, with six out of our nine regions showing falls, albeit small ones, while the Midlands and South West are in positive territory.

So, a mixed picture regionally, but so far, no sign of the 'Armageddon' that some have predicted and in fact some areas are holding up extremely well.

### Halifax

*"There's an increasingly mixed picture emerging for house prices across the UK. The four regions of southern England have seen average house prices fall over the last year, with the South East registering the largest dip (-0.6%, average house price of £387,469).*

*"Typically, it's these regions (including Greater London, Eastern England and the South West) where buyers face the most expensive average property prices, and therefore the biggest impact of higher borrowing costs. London continues to have the costliest homes of anywhere in the country at an average of £538,409 (annual rate of growth now -0.2%).*

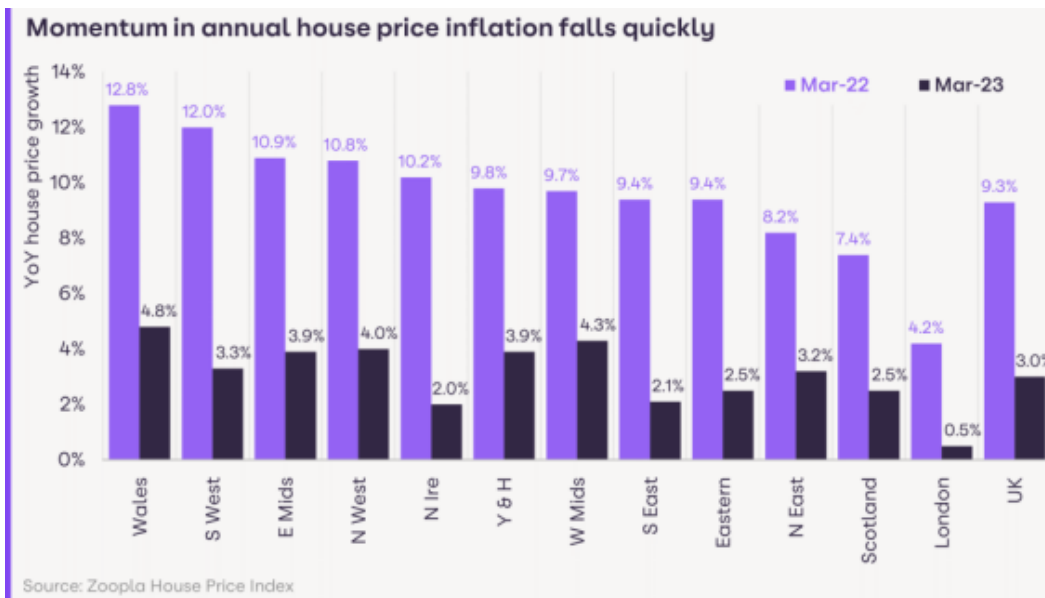
*"Elsewhere all other regions and nations across the UK saw the rate of annual property price inflation remain in positive territory during April. The West Midlands posted the strongest annual growth of +3.1% (average property price of £249,554). Northern Ireland (+2.7%, £186,846), Scotland (+2.2%, £201,489) and Wales (+1.0%, £216,559) have also seen average property prices increase year-on-year."*

### Zoopla

#### **Worst of the monthly house price falls now behind us**

*"Annual house price growth has slowed to +3% with prices continuing to register modest quarter-on-quarter price falls of up to -0.7% across all regions and countries of the UK. There are early signs that the level of monthly price reductions are now reducing and the main adjustment in pricing is behind us. Our UK index is likely to register low negative annual growth by the summer and end the year at -1%.*

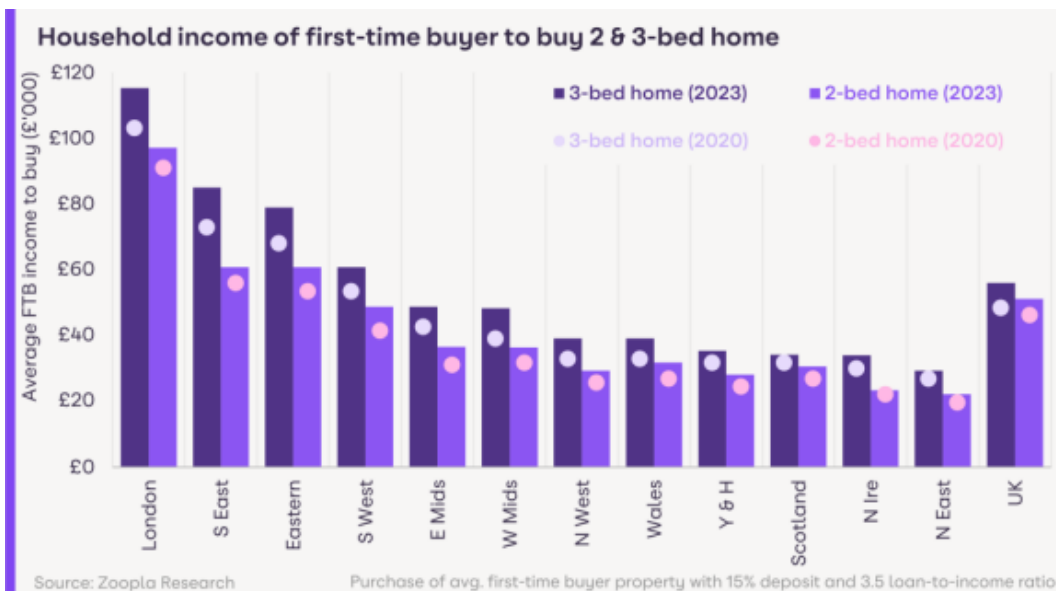
*"Current annual growth ranges from +4.8% in Wales to +0.5% in London, less than a third of the levels recorded this time last year. At a localised level we are recording modest year-on-year price falls of up to -2.1% across 6 local authorities in inner London and Aberdeenshire. All other areas continue to register positive annual growth rates but at a much slower rate than a year ago as a modest repricing process continues to run its course."*



### FTB affordability worsens most in southern England

“The impact of higher house prices on FTB affordability is not uniform and depends upon the level of house prices and how much they have changed over the last 3 years. FTBs have faced bigger price increases in southern regions more than northern regions. The chart below compares the income to buy for a 2 and 3-bed first-time buyer home in 2023 and 2020 revealing a wide disparity in affordability.

“In higher-value markets such as London and the South East, the income needed to buy a home has increased by up to £12,150 for 3-bed homes since 2020. The greatest increase in the income needed to buy a 2-bed home is £7,300 in the South-West and East of England. In lower value markets the increase has been more modest as the pricing of FTB homes is generally lower. It is no surprise that market activity is holding up better across the north of England, Wales and Scotland where housing is more affordable than southern England.”



## City/town property indices price tracking

For city/town tracking, we use Land Registry (government data) and Zoopla/Hometrack. The Land Registry data is useful because we can analyse how property prices have changed over time and this helps us to put today's price information into context.

The Zoopla/Hometrack data is useful as they take into account the change in mix of property transactions during the pandemic to houses away from flats. This has meant the likes of the Land Registry and other indices have over exaggerated price increases year on year.

### Commentary on towns and cities

Overall, out of 30 cities, since 2005, property prices have risen above inflation in all bar three – Belfast, Aberdeen and Newcastle upon Tyne. Even with the price growth seen during the pandemic, what this shows is that, in real terms, especially for those that own outright the property they have isn't necessarily delivering from an investment perspective.

#### Topping the price growth charts according to Land Registry and Hometrack:-

Land Registry's top 5 performers:	YoY	Hometrack's top 5 performers:	YoY
Nottingham	11.8%	Gloucester	6.5%
Reading	10.4%	Peterborough	5.7%
Birmingham	10.0%	Nottingham	5.2%
Peterborough	9.7%	Bradford	5.1%
Liverpool	9.4%	Birmingham	4.8%

#### Lowest performers are:

Land Registry's lowest 5 performers:	YoY	Hometrack's lowest 5 performers:	YoY
Aberdeen	-6.6%	Aberdeen	-2.2%
Oxford	0.4%	Oxford	0.3%
Glasgow	0.5%	London	0.5%
Edinburgh	2.5%	Belfast (Q4)	1.0%
London	2.9%	Glasgow	1.0%

As always, we continue to see a huge difference in property performance at an individual city level and indeed Hometrack and Land Registry are seeing different high and low performers, although this is possibly the best match we have seen to date this year.

Doing well, according to both indices include Nottingham, Peterborough and Birmingham, while suffering falls or very low growth, the only difference is Edinburgh - according to the Land Registry versus Belfast for Hometrack.

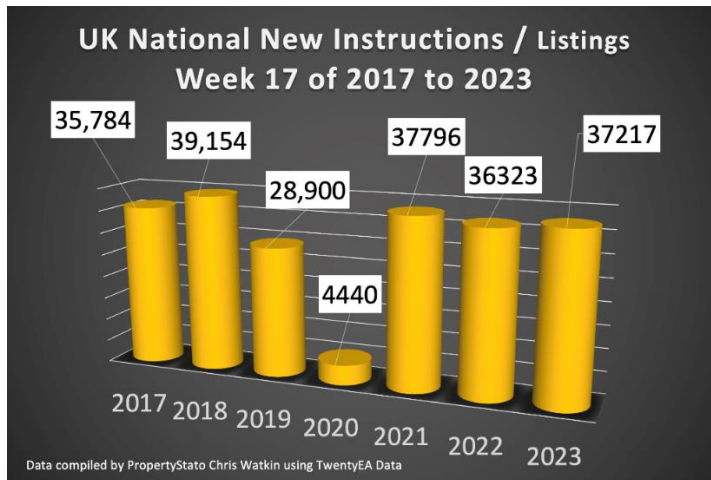
And the differences are pretty stark, with Hometrack reporting -2.2% falls for Aberdeen, through to a rise of 6.5% in Gloucester. Of those that are performing well, they are typically cities that have the best affordability, whereas the likes of London and Oxford are tougher now to afford with the impact of the mortgage rate rises.



Property Prices Towns/Cities <i>England, Wales, Scotland &amp; NI</i>	Highest average house price pre-credit crunch 2007/08	Lowest average house price during recession 2009	Land Registry latest data Feb 23/Q4 22	How much higher/ lower are latest prices vs height in 2007/8	Land Registry Year on year change in price Feb 23/Q4 22	Annual average increase since 2005	Hometrack latest data Mar-23	Hometrack Year on year change in price Mar-23
Belfast (Q4)	£213,626	£87,890	£160,798	-24.7%	8.5%	2.4%	£165,900	1.0%
Glasgow	£130,473	£96,139	£166,713	27.8%	0.5%	3.1%	£141,900	1.0%
Edinburgh	£225,750	£183,029	£319,723	41.6%	2.5%	3.8%	£267,200	2.6%
Aberdeen	£171,220	£146,598	£131,603	-23.1%	-6.6%	2.4%	£139,100	-2.2%
Cardiff	£170,496	£139,651	£266,159	56.1%	7.4%	3.3%	£253,500	4.2%
Newcastle upon Tyne	£164,935	£133,086	£194,421	17.9%	7.0%	1.9%	£148,900	3.6%
Bradford	£139,640	£111,109	£174,506	25.0%	8.6%	3.2%	£153,800	5.1%
Liverpool	£130,249	£103,705	£181,278	39.2%	9.4%	3.1%	£155,300	4.1%
Leeds	£161,439	£130,128	£237,043	46.8%	6.1%	3.2%	£207,300	4.3%
Sheffield	£144,875	£120,193	£217,187	49.9%	8.3%	3.6%	£170,300	4.2%
Manchester	£140,431	£111,679	£231,110	64.6%	7.0%	5.2%	£219,000	4.7%
Lincoln	£128,707	£106,017	£186,637	45.0%	5.0%	3.2%	n/a	n/a
Nottingham	£119,010	£93,696	£194,589	63.5%	11.8%	3.2%	£201,200	5.2%
Norwich	£166,498	£123,698	£249,506	49.9%	8.5%	3.8%	£266,400	3.8%
Peterborough	£156,264	£123,752	£247,937	58.7%	9.7%	3.6%	£218,700	5.7%
Birmingham	£148,578	£122,773	£236,820	59.4%	10.0%	3.3%	£205,700	4.8%
Leicester	£135,317	£110,071	£234,839	73.5%	8.4%	3.9%	£225,000	4.0%
Milton Keynes	£194,666	£147,827	£322,283	65.6%	7.5%	4.1%	£309,900	3.9%
Gloucester	£169,008	£129,203	£251,644	48.9%	8.1%	3.2%	£232,600	6.5%
Oxford	£289,855	£223,319	£459,991	58.7%	0.4%	3.9%	£452,500	0.3%
Cambridge	£283,241	£224,469	£517,621	82.7%	4.7%	4.9%	£465,000	1.5%
Bournemouth, Christchurch	£206,227	£163,937	£350,505	70.0%	8.1%	3.8%	£344,500	2.5%
Southampton	£168,795	£134,665	£254,515	50.8%	8.9%	3.1%	£261,300	2.8%
Portsmouth	£169,633	£130,868	£258,439	52.4%	8.0%	3.3%	£285,200	3.4%
Brighton and Hove	£257,108	£202,054	£446,582	73.7%	6.8%	4.5%	£425,400	4.1%
Reading	£216,724	£176,087	£334,745	54.5%	10.4%	3.7%	£409,600	2.4%
Croydon	£248,005	£199,415	£425,364	71.5%	5.2%	4.1%	n/a	n/a
Tunbridge Wells	£279,413	£217,421	£463,927	66.0%	6.3%	3.9%	n/a	n/a
Bristol	£195,196	£153,648	£358,706	83.8%	7.8%	4.8%	£334,700	2.9%
London	£298,596	£245,351	£532,212	78.2%	2.9%	4.7%	£521,700	0.5%

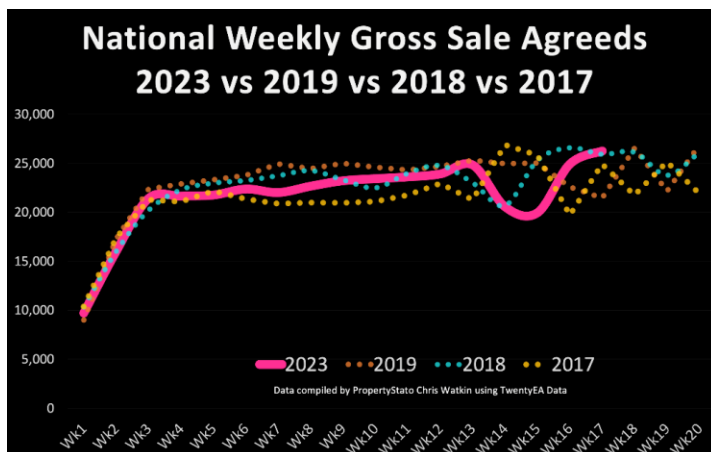
## Demand and supply

Fantastic timely data from Chris Watkin and TwentyEA, showing that instructions so far this year are actually better than 2022, but certainly performing as well as pre the pandemic.

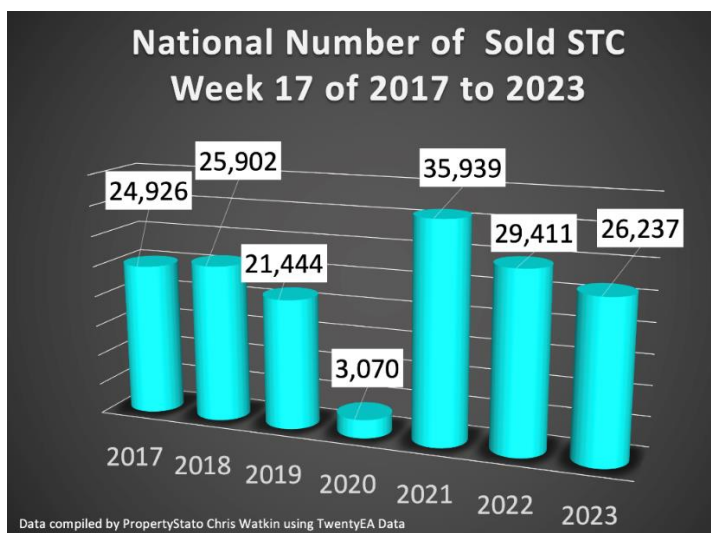


Data from Chris Watkin and TwentyEA

Even better news is that sales agreed are doing as well as any previous years - and even better in some cases, a result that even the most optimistic forecasters weren't suggesting for this year!



And it's a similar picture for actual sales, which are actually up, albeit slightly, versus 2017, 18 and 19. Of course, this is very regionalised and depends on how much stock a home moving company has with regards to first time buyers who are the surprising driver of 2023's market.



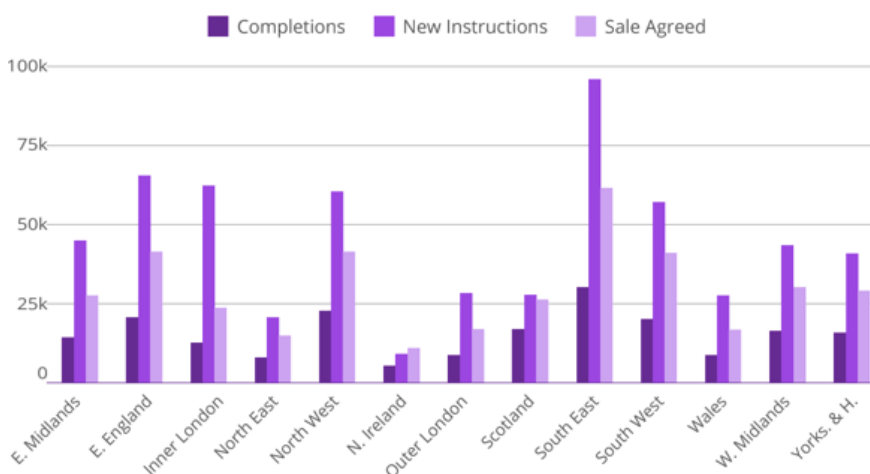
### The current state of the owner-occupied housing market: May 2023

“583,612 properties are currently on the market across the UK. This is 3,993 less than highlighted in our April Pulse. However, there were 6,872 more properties sold subject to contract than in April (381,152 compared to 374,280) and 2,692 more properties have been exchanged (199,937 compared to 197,245 in April).

“Below, the key stages of the home buying process have been broken down by stages and region.

### Completions\*, New Instructions & Sale Agreed

(by Region, \*Last 3 Months)



“In April 2023, the South East had the highest number of new instructions so far in 2023. In May, the region broke the record again, with 95,947 new properties coming onto the market.

“The region with the second highest volume of new instructions was the East of England, with 65,182 new properties coming onto the market.”

The [National Association of Estate Agents](#) are reporting “Supply of new homes up for sale per member branch remained steady at 11 per branch in March. At the same time, the average number of sales agreed per member branch held at 8, which is the same as the pre-pandemic average (2014–2019). Total stock of properties available per member branch continued to edge up in March and now stands at 35 on average per member branch. Total properties on the market is slowly returning to the pre-pandemic average of 39 (2019).”

### Zoopla

#### Soft landing for sales market continues to play out

“Our leading indicators of housing market activity and pricing show a steady and sustained recovery in demand and continued growth in the number of new sales agreed. House price inflation continues to slow but a major price re-correction remains a very low probability.

“Demand for homes reached its highest level this year after the Easter break and is 14% higher than 2019 levels but still 42% down on this time last year. The stock of homes for sale continues to expand and is now 66% higher than a year ago. Greater availability of homes for sale is boosting choice and the number of new sales being agreed is 6% up on 2019 but in line with the 5-year average. The market remains on track for 500,000 sales in H1 2023.

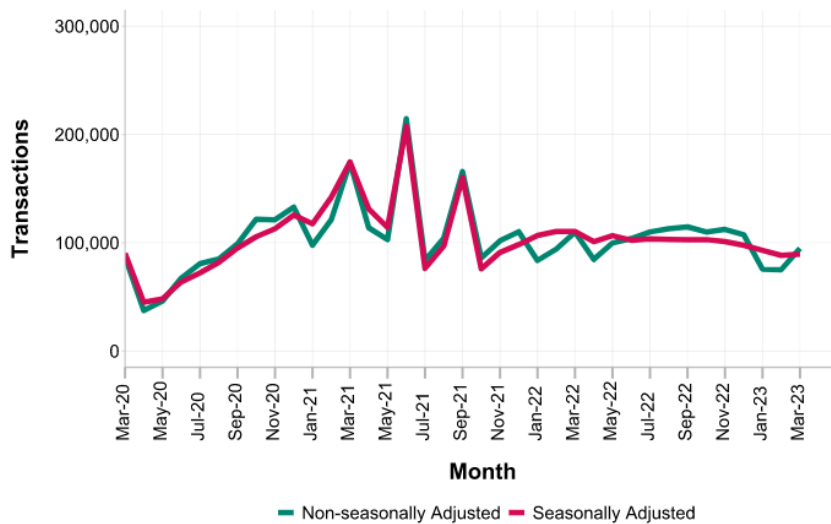
“The number of new sales agreed is strongest in Scotland, the North East and London. This reflects more attractive affordability levels in the former areas and with London having recorded weak price inflation over the last 6 years which has improved affordability.”

## Transactions – actuals

### HMRC

“UK residential transactions have declined in recent months but in March there was a slight increase in provisional property transactions this month.”

**Figure 1: Non-seasonally adjusted and seasonally adjusted UK residential property transactions by month between March 2020 and March 2023.**



## What are the current hottest and coldest postcodes?

The Advisory track current market conditions so buyers and sellers can gain an independent view of how easy it would be to buy and sell their home in their area. This makes it easier for good agents that are honest about market conditions to value and manage expectations. For example, in BS7 (Bristol) 75% of the properties on the market are under offer, in contrast, EC2 in London is one of the worst performers according to this index, with only 12% of properties on the market are under offer, showing that ‘average property prices’ can mislead buyers and sellers.

From PropCast’s perspective, the hot markets at postcode level don’t necessarily track the overall increases and decreases seen even at town and city levels, with Bristol, Sheffield and Plymouth having some of the busiest markets, and London, Liverpool and Birmingham (B12) having some of the slower ones.

To find out what’s happening in your postcode visit the [House Selling Weather Forecast here](#).

### Top 10 hot markets - buyer demand

Postcode	%	May 23
BS7	75	Bristol
BS5	74	Bristol
S6	70	Sheffield
PL6	70	Plymouth
S8	69	Sheffield
BS6	68	Bristol
M33	68	Sale
CV21	68	Rugby
BS15	67	Bristol
CB1	67	Cambridge

### Top 10 cold markets - buyer demand

Postcode	%	May 23
EC2	12	London
L2	13	Liverpool
W1	13	London
NW8	14	London
WC2	15	London
L1	15	Liverpool
SW7	16	London
NW4	17	London
B12	17	Birmingham
W2	17	London

Source: [TheAdvisory](#)

## Where is the market going?

Well at the moment, it's very much a Spring Bounce – depending on which location you are operating in. It's likely that we will see this 'flurry' continue for at least throughout May and may be June, but I do wonder if we will end up with a bit of quiet summer - which sometimes happened prior to the pandemic.

For now though, with sales matching pre-pandemic levels, that's the best result anyone in the housing market could have wished for and if this continues, 2023 will end up being a much better year than everyone had feared.

### RICS

*“Going forward, near-term house price expectations are signalling further falls over the next few months across the UK in aggregate. However, the twelve-month expectations series continues to move up from the lows hit during the end of last year.”*

### Nationwide

*“Recent Bank of England data suggests that housing market activity remained subdued in the opening months of 2023, with the number of mortgages approved for house purchase in February nearly 40% below the level prevailing a year ago, and around a third lower than pre-pandemic levels. However, in recent months industry data on mortgage applications point to signs of a pickup.*

*“This also chimes with the recent shifts in consumer sentiment. While confidence remains subdued by historic standards, people's views of their own financial position over the next twelve months, and general economic conditions in the year ahead, have both improved markedly in recent months. If inflation falls sharply in the second half of the year, as most analysts expect, this would likely further bolster sentiment, especially if labour market conditions remain strong.*

*“This, in turn, would also be likely to support a modest recovery in housing market activity. But any upturn is likely to remain fairly pedestrian, as it will take time for household finances to recover, since average earnings have been failing to keep pace with inflation, and by a wide margin over the last few years. Mortgage interest rates are also likely to act as a headwind. While they are well below the highs seen in the wake of the mini-Budget last year, rates are still more than double the level prevailing a year ago.”*

### Zoopla

*“The worst of the pricing adjustment in response to higher mortgage rates appears to be behind us. House price growth will slow further over 2023 and dip into negative territory. More important is the fact that transaction volumes continue to grow. The housing market is arguably more balanced between supply and demand than it has been for some years. It's clear that there is a range of demographic and social factors continuing to motivate households to move home. If sellers continue to be realistic on pricing, then there is a chance for up to 1.1m sales in 2023 which would be a very positive outcome.”*