

### Downward price pressures continue to ease across the board ...

- ... but prices are still 3.3% lower than a year ago
- North East the first region to move out of negative territory
- South East has a lot of catching up to do

House Price	Index*	Monthly Change %	Annual Change %	Annual % (excluding London and the SE)
£356,014	362.5	-0.2	-3.3	-1.6

- see Footnote 5 at end of this report

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

"This month, the average sale price of a home in England and Wales in May fell by just over £600 (0.2%) to £356,014 which is about £12,000, or 3.3%, lower than a year ago. Prices are now £23,000 (6.1%) below the peak reached in October 2022, but they still remain some £40,000 (13%) higher than at the start of the pandemic in March 2020.

"The pushing back of previously expected interest rate cuts by the Bank of England and the subsequent upward repricing of mortgage rates by lenders, has meant any anticipated help for borrowers has been short-lived. Less buyers, of course, has an impact on prices which we can clearly see being played out at a regional level.

"A real north south divide has opened up. London, the South East, and East of England are the regions with the weakest price trends and continue to struggle, reflecting the much higher house price levels, affordability challenges and greater reliance on mortgage finance in these regions - factors that really impact first-time buyers whose prospects of buying have been facing headwinds for years now.

"Much of this may change after the coming election as political parties are already promising action to support the first-time buyer market."

## The housing market in May 2024

Table 1. Average House Prices in England and Wales for the year to May 2024

Month	Year	Property Price	Index*	Monthly % change	Annual % change
May	2023	£368,049	374.8	-0.5	0.5
Jun	2023	£365,881	372.6	-0.6	-0.3
Jul	2023	£365,229	371.9	-0.2	-1.3
Aug	2023	£365,534	372.2	0.1	-2.4
Sep	2023	£366,600	373.3	0.3	-3.0
Oct	2023	£366,567	373.3	0.0	-3.3
Nov	2023	£363,526	370.2	-0.8	-3.7
Dec	2023	£362,485	369.1	-0.3	-3.8
Jan	2024	£361,125	367.7	-0.4	-4.1
Feb	2024	£361,279	367.9	0.0	-3.9
Mar	2024	£358,285	364.8	-0.8	-4.1
Apr	2024	£356,646	363.2	-0.5	-3.6
May	2024	£356,014	362.5	-0.2	-3.3

• see Footnote 5 at end of this report

Figure 1. The average monthly house price in England and Wales

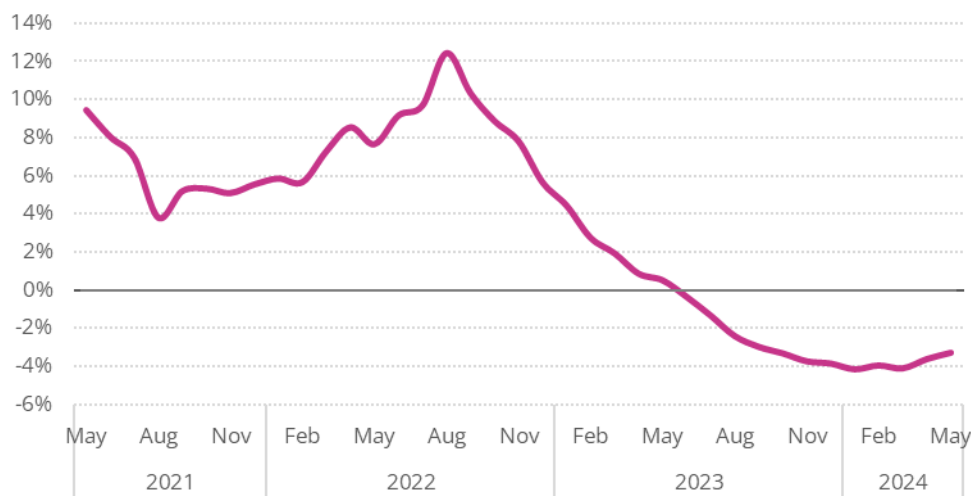
### E&W prices, last 5 years



In May 2024, the average sale price of a home in England and Wales edged down by just over £600 (0.2%) to £356,014. This is about £12,000, or 3.3%, lower than a year ago. Prices are now £23,000 (6.1%) below the peak reached in October 2022, but they still remain some £40,000 (13%) higher than at the start of the pandemic in March 2020.

Figure 2. Year-on-year price movements start to improve

**E&W annual price changes, last 3 years**

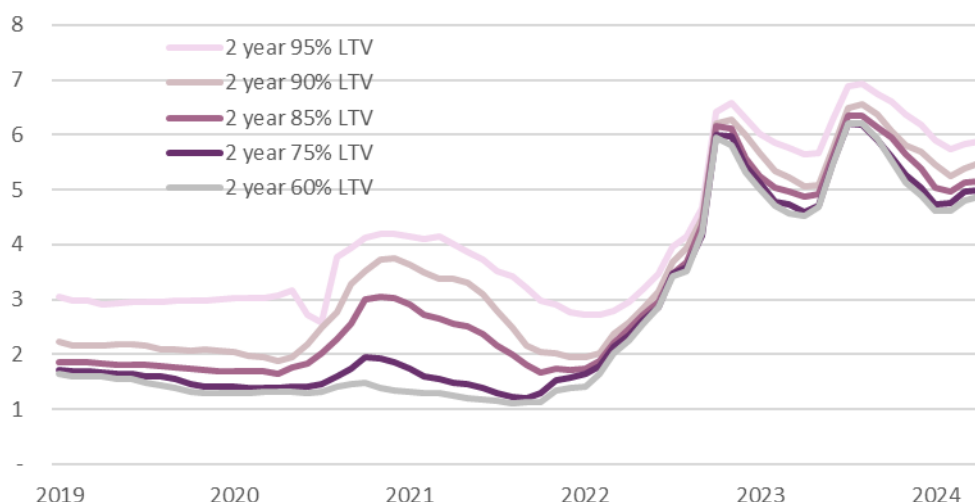


As Figure 2 shows, the annual rate of price change has been falling since its peak of 12.4% in August 2022. The timing of the peak closely corresponds to the period of rapidly rising mortgage rates in late 2022 and early 2023, as we can see in Figure 3.

House price inflation turned negative last June, with the largest annual percentage falls seen in the opening months of 2024. Although prices have continued to soften month on month – 0.2% lower in May – there has been a modest improvement in year-on-year comparisons. May’s 3.3% decline on a year ago is in fact the strongest performance since last Autumn.

Figure 3. Higher mortgage rates continue to influence the market

**Quoted mortgage rates**



Source: Bank of England

Over the past month there has been a mix of good news and less good news. The picture on inflation was less positive than expectations and this pushed back the expected date for the start of reductions in the Bank rate. This was then reflected in some slight hardening in mortgage rates. At the same time

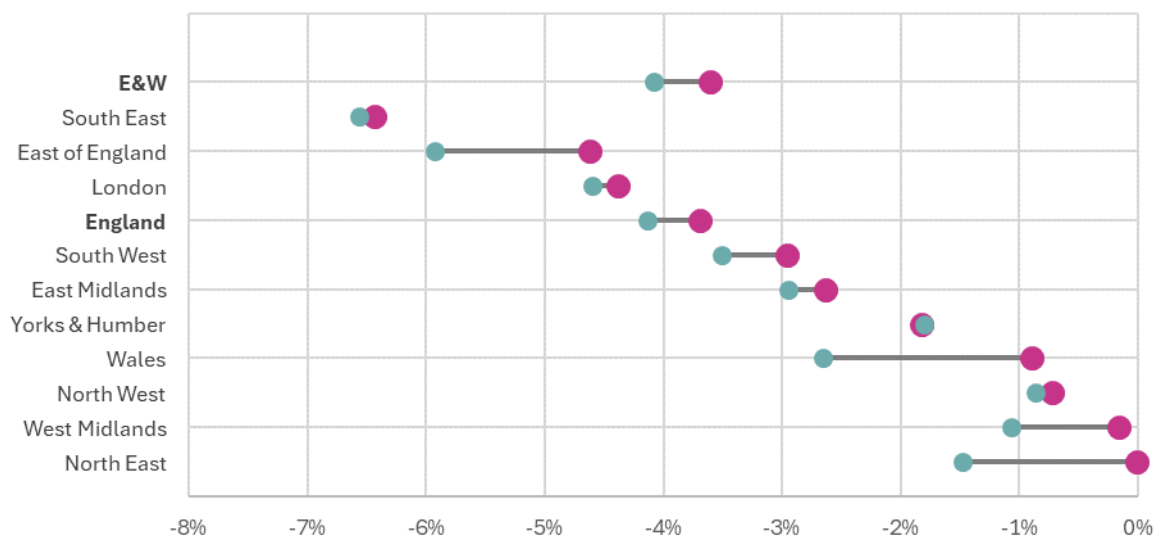
underlying sentiment in the residential market remained positive and listings of homes for sale were rising. Consumer confidence was up and seasonally adjusted transactions (UK) also rose in April. In the round there is a general consensus that the housing market is continuing to recover albeit still subject to “monthly buffeting”.

Moreover, this mantra clearly varies by region and country and also by type of buyer. First-time buyers still remain under intense pressure as a recent BSA report on this subject has highlighted. Over the last 50 years the average number of first time buyers with a mortgage in any year has been around 389,000. Last year there were 287,000 first time buyers according to UK Finance. Indeed overall there were some 580,000 mortgaged home purchases in 2023, continuing a downward trend that has been evident for much of this century.

The e.surv index underlines the reality that the housing market, as measured by both mortgaged and cash based transactions continues to be fragile, and this will likely remain the case until the Bank of England begins to actually lower interest rates and we move beyond the General Election.

## The English Regions and Wales

Figure 4. How annual price comparisons changed between March and April



Note: Figures are calculated on a rolling three-month basis centred on the middle month, compared with year-earlier periods.

Figure 4 shows the percentage change in **annual** house prices for England and its regions and Wales in April 2024 (pink circles) and a month earlier in March 2024 (blue circles).

In April the English regions and Wales continued to record lower prices compared with a year earlier, but this pattern – strongly in evidence since last Autumn – has shown real signs of dissipating as price weakness abates across virtually all parts of England and Wales.

In the North East the decrease in prices had been negligible even in absolute terms (reflecting the sustained demand in one of the lower priced markets), and prices in the North West, West Midlands and Wales were less than 1% below year-earlier levels. In all four areas, more than a third of unitary authorities and counties reported higher prices year-on-year, and whilst conditions are the firmest in the North East there are early signs that other regions may turn positive in May.

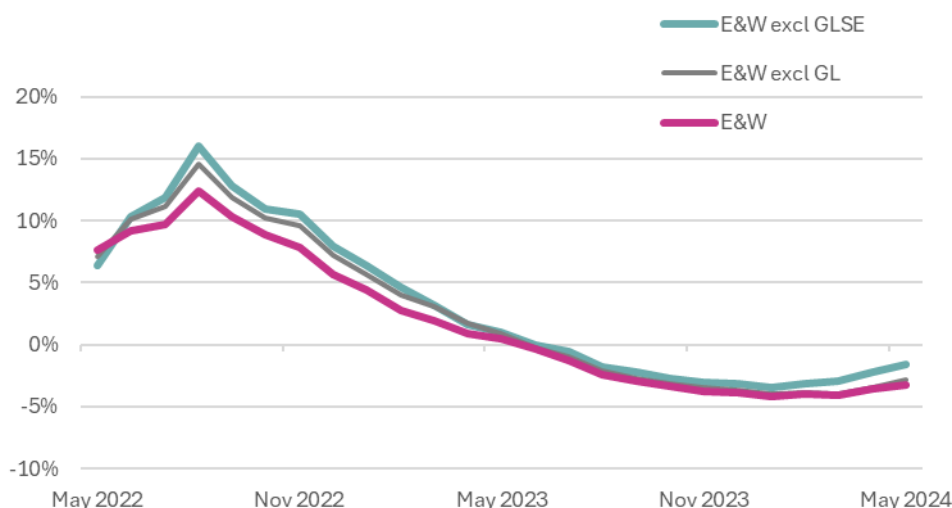
Table 2. Prices in the English regions and Wales, April 2024

Geography	Apr 2023	Mar 2024	Apr 2024	Monthly % change	Annual % change
East Midlands	£277,862	£273,121	£270,538	-0.9%	-2.6%
East of England	£407,671	£388,189	£388,815	0.2%	-4.6%
London	£697,727	£672,188	£667,112	-0.8%	-4.4%
North East	£195,800	£196,905	£195,780	-0.6%	0.0%
North West	£248,752	£248,474	£246,961	-0.6%	-0.7%
South East	£476,634	£447,993	£445,985	-0.4%	-6.4%
South West	£374,786	£364,210	£363,715	-0.1%	-3.0%
West Midlands	£283,807	£284,357	£283,342	-0.4%	-0.2%
Yorkshire and The Humber	£243,038	£240,617	£238,610	-0.8%	-1.8%
England	£376,966	£364,739	£363,037	-0.5%	-3.7%
Wales	£240,344	£238,665	£238,189	-0.2%	-0.9%
<b>E&amp;W</b>	<b>£369,972</b>	<b>£358,285</b>	<b>£356,646</b>	<b>-0.5%</b>	<b>-3.6%</b>

Looking at Figure 4, there are clear signs of a north-south (in essence an expensive v less expensive) divide, with London the South East and East of England showing the weakest price trends and struggling to recover. This reflects the much higher house price levels, stretched affordability and greater reliance on debt finance in these regions. They are also the regions where the battle over home working versus office working is being played out most intensely.

Figure 5. Weakness in South East pulls England & Wales lower

Annual % change in prices



As the table at the start of this report highlights, the year-on-year decrease in house prices across England and Wales in April would halve if we excluded London and the South East. Over much of the past year it is the South East region rather than the capital that has been the most significant drag on the overall market (see Figure 5). Within the South East, much of the downward pressure centres on Surrey, Hampshire, West Sussex and Kent.

## About the e.surv Acadata House Price Index

1. The e.surv Acadata House Price Index is produced by Acadata, a consultancy specialising in house price data.
2. The index is based on the **actual** prices at which residential properties in England and Wales are transacted, including prices for properties bought with cash. Based upon HM Land Registry reporting, such data typically represents the vast majority of all relevant transactions. As such, our figures stand out from those based on mortgage-based sales only, asking prices or prices based upon smaller samples.
3. The initial e.surv Acadata House Price Index for each month, employs an academic “index of indices” model, custom-built at Cambridge, to address smaller but still material sampling levels.
4. Our property prices and indices are calculated on a seasonal- and mix-adjusted basis. All e.surv Acadata House Price Index results are subject to change, for example when HM Land Registry publishes updated figures.
5. In June 2024 we made extensive one-off revisions to our entire dataset of Index figures so that they are now fully consistent with our published house price data. The cumulative nature of these revisions means that for April 2024 our revised Index figure is 6% higher than previously reported. Our methodology for estimating house prices has not changed.
6. Our indices reflect our best endeavours and are issued in good faith without any claim as to precision, accuracy or fitness for any purpose. They may not be used for commercial purposes without written permission from Acadata.
7. The [longer time series](#) of the data highlighted in this report and the [interactive table comparing national and regional price metrics](#) over time, are both available on [Acadata's](#) website.

## 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.

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

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