

November house prices continue to fall

- Cash and mortgage data show average prices decline by an annual -4.6%
- But monthly trend is easing...
- ...and some hot spots – Merseyside, Lancashire and Cheshire East all reach new record price levels
- Transactions at lowest levels in last seventeen years

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)
£358,337	344.4	-0.7	-4.6	-4.4

Richard Sexton, Director at e.surv, comments:

“Our report uses both mortgage and cash data in its assessment of the England and Wales housing market. On an annual basis, the average sale price of completed home transactions using cash or mortgages in England and Wales in November 2023 fell by some £17,250, or -4.6%, and now stands at £358,337.

“This drop follows almost fifteen months of slow decline, from a peak growth rate of +12.7% in August 2022. But as with all averages the picture beneath headline figure is far more nuanced.

“The differing changes in price growth across England and Wales reflect the diverse nature of the property markets across both countries. When we look at what’s happening on a monthly basis, there were two of the ten government regions with price increases, namely the North West, +0.5%, and the North East, +0.3% and eight with price falls - the largest being Yorkshire and the Humber at -1.2%, with the East Midlands, the East of England, and the South East each at -1.1%.

“While we were ever hopeful last month, there was predictably little in the Autumn Statement for the market which needs more fundamental thinking than a short-term shot in the arm. The government is still keen to avoid fuelling inflation with housing giveaways but, given the possibility of an election in Spring next year, it’s likely measures short-term or otherwise have been held back till the March 2024 Budget.”

Table 1. Average House Prices in England and Wales for the period November 2022 – November 2023

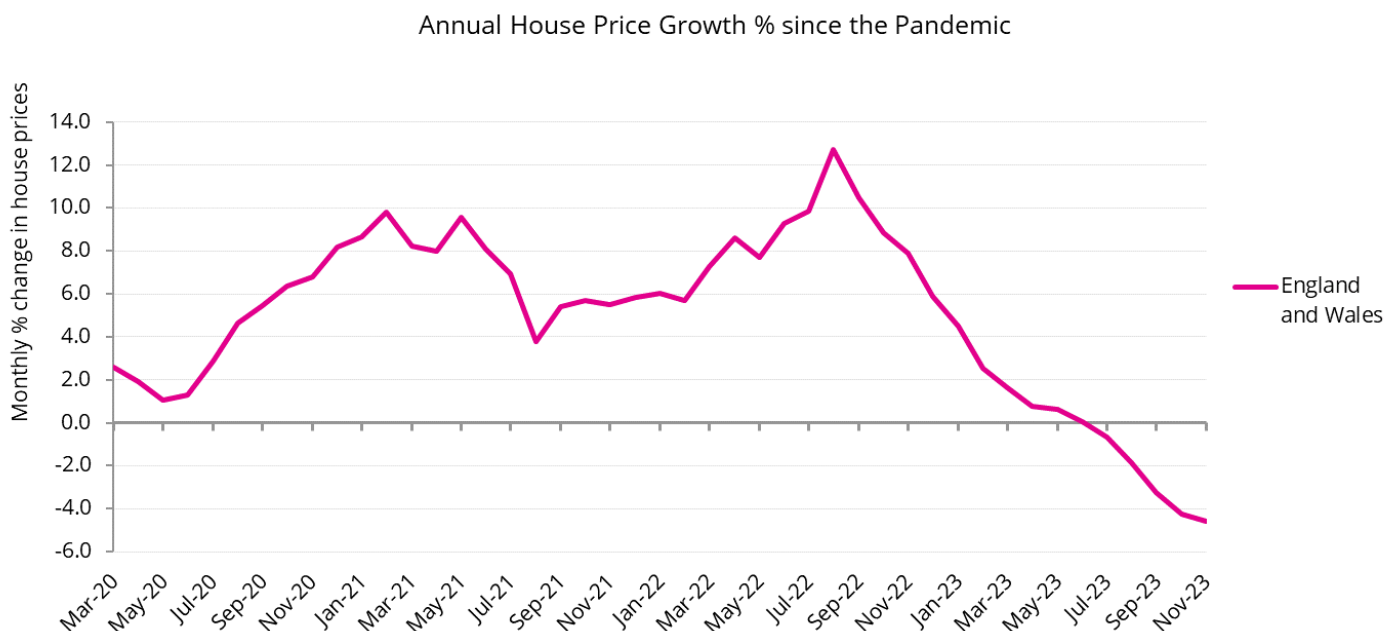
[Link to source Excel](#)

Month	Year	House Price	Index	Monthly Change %	Annual Change %
November	2022	£375,597	360.1	-0.3	7.9
December	2022	£375,478	360.9	0.0	5.9
January	2023	£374,633	360.1	-0.2	4.5
February	2023	£373,298	358.8	-0.4	2.5
March	2023	£370,272	355.9	-0.8	1.6
April	2023	£367,442	353.2	-0.8	0.7
May	2023	£366,306	352.1	-0.3	0.6
June	2023	£365,297	351.1	-0.3	0.1
July	2023	£365,434	351.2	0.0	-0.7
August	2023	£365,369	351.2	0.0	-1.9
September	2023	£363,224	349.1	-0.6	-3.3
October	2023	£360,809	346.8	-0.7	-4.3
November	2023	£358,337	344.4	-0.7	-4.6

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

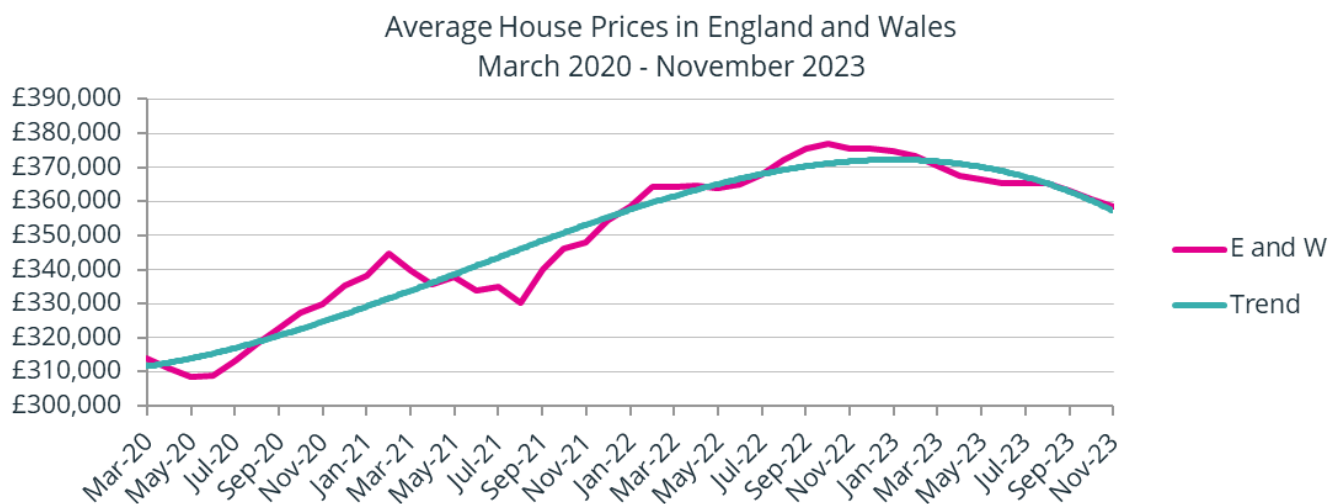
Figure 1. The annual rate of change in house prices in England and Wales, March 2020 – November 2023 [Link to source Excel](#)



On an annual basis, the average sale price of completed home transactions using cash or mortgages in England and Wales in November 2023 fell by some £17,250, or -4.6%, and now stands at £358,337. This is the largest annual fall in house prices since August 2009, when the housing market was recovering from the aftermath of the banking crisis of 2007/2010. This drop follows almost fifteen months of slow decline, from a peak growth rate of +12.7% in August 2022.

On a monthly basis house prices have fallen by some -£2,500, or -0.7%, in November 2023. The current average house price has now dropped to levels last seen in January 2022.

Figure 2. The average monthly house price growth in England and Wales, March 2020 – November 2023 [Link to source Excel](#)



However - as Figure 2 illustrates and as previously stressed - in terms of actual (nominal) prices, the fall in price of a not insubstantial £18,500 since its peak in October 2022 must be viewed against the cumulative £44,500, or 14%, rise in prices since the start of the pandemic in March 2020. Many home owners will therefore have gained considerable equity in their property over the period, though there will be some who bought more recently and who will not have built up such a cushion.

The housing market in November 2023

The Autumn statement came and went with little of the anticipated housing market measures featuring - just the guarantee scheme being extended for 18 months. It is now possible that other measures have been held back till the March 2024 Budget, which might then lead into a snap election. As this suggests, political pressures are becoming ever more intense as a General Election approaches sometime in 2024 or early 2025.

In the meantime, the market is without doubt benefitting from the clear sense that further base rate rises are not now anticipated, and this in turn has allowed some lenders to begin to cut mortgage rates (partly in order to meet their annual lending targets in what has been a “slow” year). This has fed through into slightly more positive views of the housing market, with some evidence of both more sellers and buyers returning. More activity then drives tighter pricing so there is less capacity to negotiate prices down - which may in turn be reflected in price indices. With more real term increases in wages feeding into the equation, alongside slightly better - though still historically elevated - mortgage rates and some slowing in monthly price falls, there is the basis for a degree of more positivity (or lower negativity) in the housing market. We will await the publication of the different price forecasts, but a number of analysts have already taken a slightly more positive view of the outlook which might then flow into their final estimates for 2024.

Average Annual English Regions and Wales House Prices

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

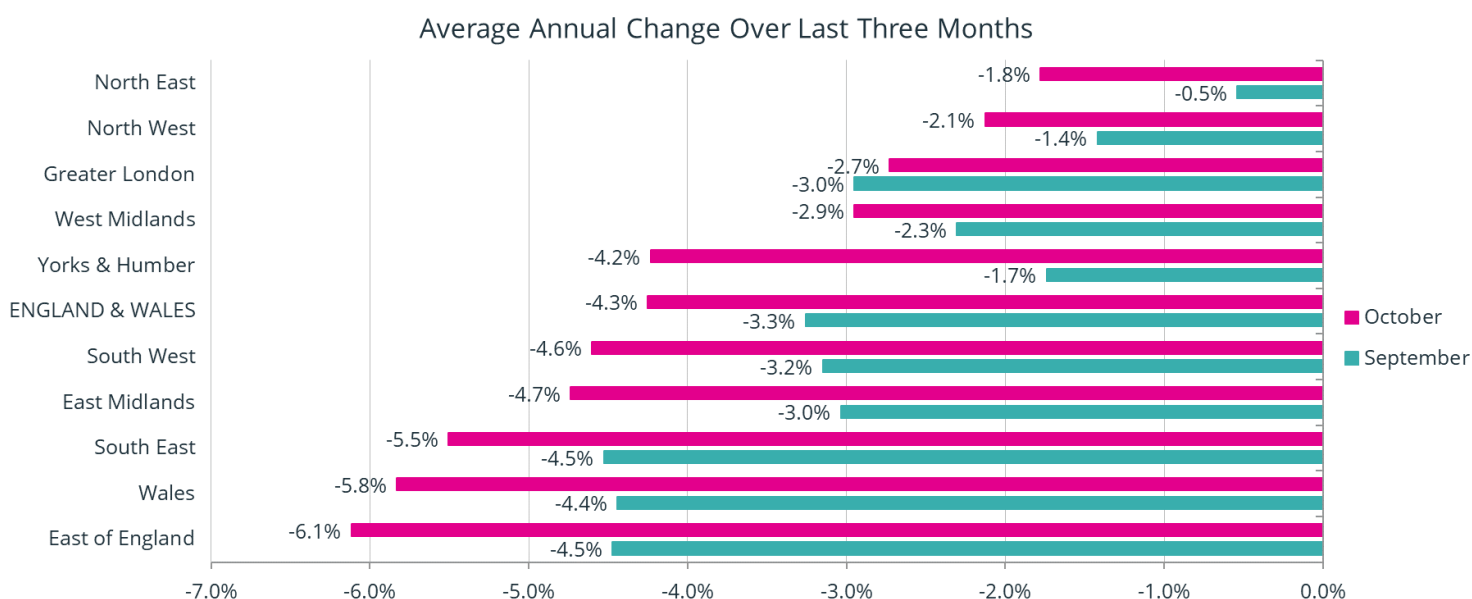


Figure 3 shows the percentage change in **annual** house prices on a regional basis in England and for Wales, **averaged over the three-month period of September to November 2023**, compared to the same three months in 2022. These figures are calculated on a rolling three-month basis to smooth out the minor changes in price which almost inevitably arise, and are centred on October 2023 (pink line), with Figure 2 also showing the similarly averaged figures for September 2023, one month earlier (blue line). The Acadata prices are also adjusted for seasonal variation. Figure 3 shows very clearly the accelerated decline that has taken place over that averaged period, with only Greater London recording a slightly better performance, and other regions such as Yorks and Humberside recording declines of over 2%.

In October, for the second month in succession, all Countries and Regions are showing a negative movement in their rates of change. As reported last month, the previous time that all ten areas had a negative rate was in June 2011, some twelve years earlier, when stamp duty had just been increased on homes over £1 million and mortgage finance was in short supply.

Also, for the second month in succession, it is the North East that is reporting the smallest fall in prices over the last twelve months, at -1.8%. In fact, the North East has been in one of the top three places in Figure 3 above for six of the last seven months. In the North East, Tyne and Wear has seen a 2.3% increase in prices over the year, which has partly offset the falls in six of the seven other constituent areas in the region. Detached, semis and terraces recorded an increase in prices of 3.6%, 4.1% and 3.7% respectively, while flats have seen price falls. Tyne and Wear is one of the three unitary authorities / metropolitan counties in England that is currently (October) witnessing a record average house price of £213,818, being 1.6% ahead of its September average value.

In second place in Figure 3 above is the North West, with a fall of -2.1% in prices over the last twelve months. The North West has also been in one of the top five places in Figure 3 for six of the last seven

months. In the North West area there are three Unitary Authorities / Counties with rising prices over the previous twelve months, being Cheshire East, +3.6%, Merseyside +2.6% and Lancashire +0.8% - with Merseyside and Lancashire also setting record average prices in the month of £230,101 and £231,470 respectively – and Cheshire East being only £450 short of its own record level of £375,065.

Bottom place in the annual changes shown in Figure 3 above is the East of England, with the largest fall in rates over the year of -6.1%. The last time that any of the ten GOR areas had a fall of this magnitude in their annual rate of growth was in October 2011, when the North East saw a negative rate of -6.8%. There are three constituent areas in the East of England with annual price falls larger than -7.0%, being Central Bedfordshire -10.6%, Essex -9.2% and Norfolk -7.3%. In these three areas, all four property type prices fell over the last twelve months, with the largest falls being seen in detached homes.

In Greater London, which currently stands in third place in October in Figure 3, prices have fallen by an average -2.7% over the previous twelve months, compared to -3.0% one month earlier. In October, 8 of the 33 London boroughs have experienced price rises over the previous twelve months, with six of these eight boroughs in the top seven when ranked by property price. Consequently, these six high-priced areas have largely offset the reduction in prices in the 25 boroughs with price falls. The three boroughs with the highest price rises are the City of London, +35.9%, the City of Westminster, +9.3% and Richmond upon Thames, +7.4%. At the other end of the scale, the three boroughs with the largest falls over the last twelve months are Lambeth, -9.9%, Brent, -12.9% and Tower Hamlets, -15.1%. Tower Hamlets has the second-highest % of flat sales of the 33 London Boroughs, following the City of London, which is in first place.

On a monthly - as opposed to annual - basis, looking at the movement in the 10 GOR areas in October, there were two areas with price increases, being the North West, +0.5%, and the North East, +0.3% - as discussed above - and eight with price falls. The largest faller in the month was Yorkshire and the Humber, -1.2%, with three GOR areas at -1.1%, being the East Midlands, the East of England, and the South East. The various changes in price growth across England and Wales thus reflect the diverse nature of the property markets across both countries.

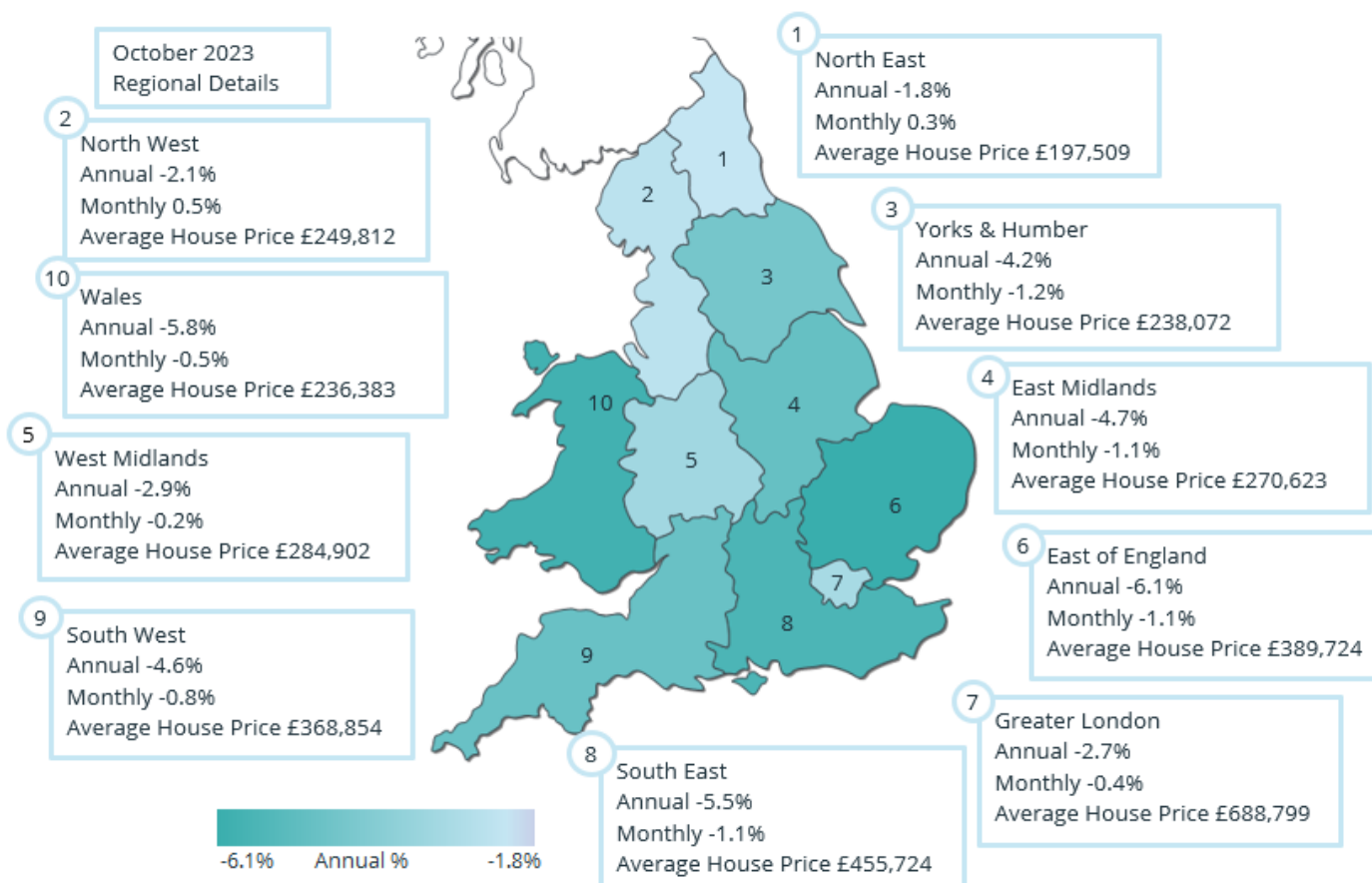
England and Wales Regional Heat Map

These different trends are then evident in the Regional Heat Map shown below for **October 2023**.

The first group relates to the light green areas where the **annual** price falls are no lower than -3.0%, being the North East, the North West, the West Midlands and Greater London. It is perhaps no surprise to find the North East and the North West as two of the GOR areas with the lowest reduction in prices, since affordability is a major factor in the current housing market. London is of course at the opposite end of this scale but, as discussed above, it is mostly the top-end of the market in London that is seeing price growth – and as noted last month, London’s high-value areas tend to be a law unto themselves in the UK’s property market, given the scale of foreign purchasers.

Then come the mid-green areas of Yorkshire and the Humber, the South West and the East Midlands, where price falls range between -4.0% and -5.0%.

Finally, the remaining English regions and Wales are all shaded in dark green, with prices falling by -5.5% or more, with the English regions being based to the south-east of the country.



Annual Change in prices

The annual price change in England and Wales in November 2023, for both mortgage and cash-based house purchases, was an arithmetic average of -4.6%. The rate at -4.6% in November is -0.3% below the revised rate of -4.3% for October 2023, and represents the fifteenth month in succession in which the annual rate of house price growth has declined from the peak of +12.7% in August 2022.

However, the change in the rate of growth from the previous month, of -0.3%, is the second smallest difference in rates of the last fifteen months, so although the market is still subject to a falling rate, it is at a gradually slowing pace. The average house price now stands at £358,337, which is close to the price in January 2022, some twenty-two months earlier.

In October 2023, only 10 of the 111 Unitary Authority areas in England and Wales were recording house price gains over the previous twelve months. This contrasts with the 14 authorities in September 2023 with price rises over the previous year.

The area with the highest annual increase in prices in October 2023, for the third month running, is Rutland, but at 4.5% this month, compared to 5.0% growth last month – the average price being augmented by the sale of a five-bedroom detached property in Oakham, for £945,000, in what is otherwise a quiet market.

By way of contrast, the Unitary Authority area with the largest fall in prices over the last twelve months is Blaenau Gwent in Wales, at -15.5%. All property types in Blaenau Gwent have seen price falls over the year, with the largest fall being in semi-detached homes, down from an average £172k in October 2022, to £136k twelve months later. However, Blaenau Gwent has one of the lowest transaction counts of all the Local Authorities in Wales, so movements in average prices will be unduly impacted by individual transactions, especially when expressed in percentage terms.

Monthly Change in prices

Average house prices fell by some £2,500, or -0.7%, in November 2023, close to the decline in prices one month earlier in October 2023. This was the tenth month in 2023 in which prices have fallen, the one exception to this trend being July 2023, when average prices rose by £137. The fall in prices in November makes the total reduction in 2023 some -£17,500. However, this total needs to be contrasted with the near £44,500 increase in prices that has taken place since the first pandemic lockdown in March 2020 – most homeowners are therefore still likely to have gained considerable equity in their property over this period, despite the recent price falls.

In October 2023, prices rose on a monthly basis in 33 of the 111 Unitary Authority areas, which is 5 fewer than in September, reflecting the continuing slowing of prices across most of England and Wales. The area with the biggest increase in prices in October was Gwynedd, in Wales, up by 3.7% in the month. All property types in the area saw prices rise in the month, with the largest rise being in terraced properties, with the average price of these rising from £170k in September 2023 to an average £175k in October.

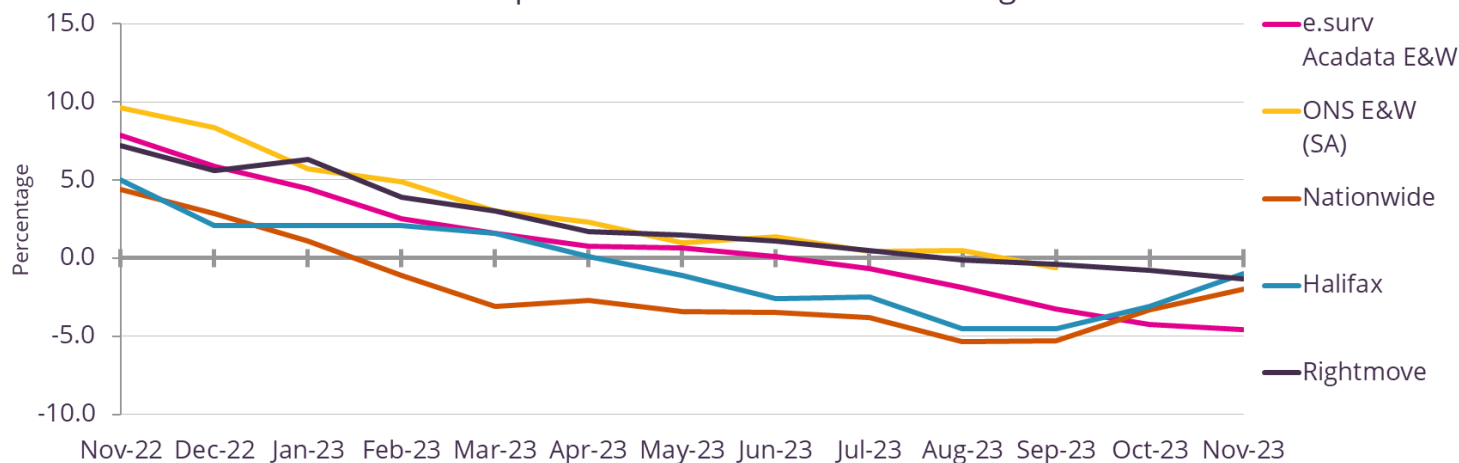
At the other end of the scale, the authority with the largest fall in prices in October was Yns Mon (Isle of Anglesey), where prices fell by -6.8%. All property types saw a reduction in their average prices

during October, particularly detached, with the average price of a detached home in Yns Mon falling from £400k to £375k in the month.

Comparison of Indices

Figure 4. The annual change in house prices November 2022 – November 2023 [Link to source Excel](#)

Comparison of Indices - Annual Changes



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 November 2022 to November 2023. The monthly index chart is considerably more volatile than the equivalent annual index chart.

In Figure 4, the minimum difference between the five indices was in July 2023, with the ONS reporting the highest monthly gain of 0.2%, while Halifax reported the largest decline of -0.4%, a range of 0.6%. However, in August 2023, Halifax and Rightmove reported falls of -1.8% and -1.9% respectively, while ONS reported a 0.6% upward movement in prices, causing the variance between the five indices to widen to 2.5%, the largest range seen on the chart.

So why the differences between the indices? As reported on several occasions, there is a timing difference between the indices – the lender indices of the Halifax and Nationwide report a “sale” at the time of making a mortgage offer to their clients, while the ONS and the e.surv Acadata indices use the “deed date” recorded by the Land Registry, which is when title to the property is transferred to the new owner. Meanwhile Rightmove reflects seller sentiment at the time of putting the property on to the market. There can be at least four to five months difference in the timing of these activities.

Looking at the movement in the monthly indices in November 2023, Rightmove advise that their index normally falls in November due to sellers wishing to get their properties “noticed” by potential buyers, at a time that is typically quiet before Christmas, although they acknowledge in their property blog that the November fall this year is the largest in five years. Given the timing issues mentioned above, it can be anticipated that the ONS and e.surv Acadata indices will pick up over the next few months, following the rise in prices seen by the lenders in September and October. It can also be expected that the Nationwide and Halifax indices will show an increase in their prices, following the Bank of England’s MPC decision to leave interest rates on hold for the second month running, leading to an expectation/hope among many observers that the next movement in the base rate is likely to be downward.

Housing transactions per month

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

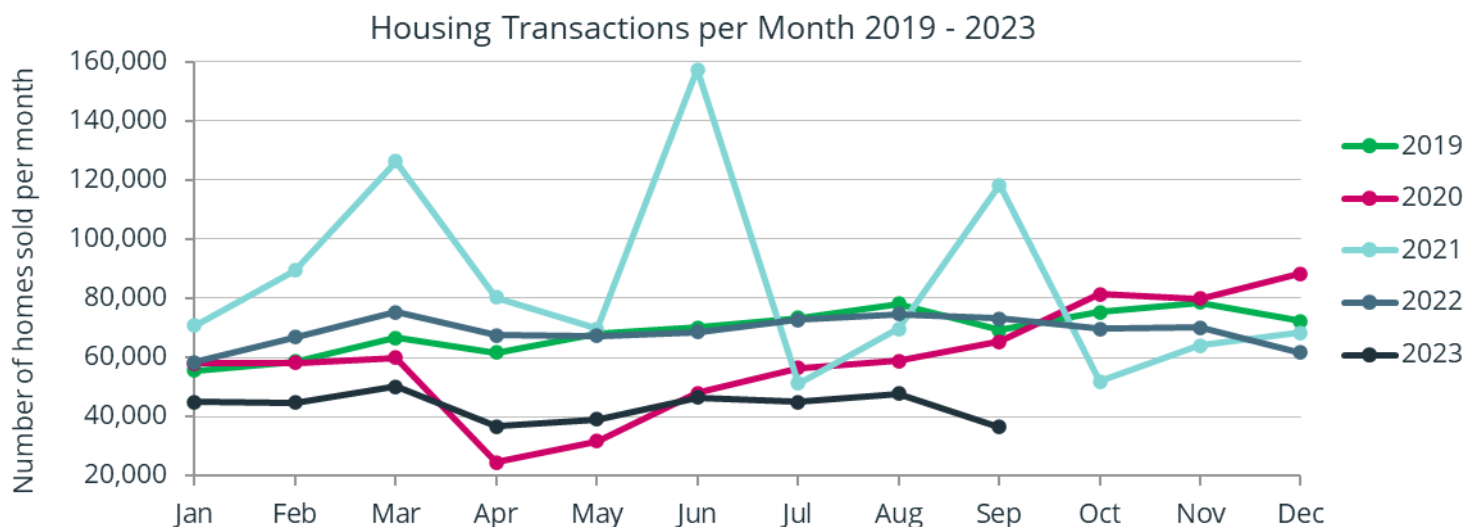


Figure 5 shows the total number of domestic property transactions per month recorded at the Land Registry for England and Wales, covering the period from January 2019 to September 2023.

This month the comments are focused on the current year of 2023, the black line. The year started with the base interest rate at 3.5%, which at the time was the highest rate seen in the UK since November 2008. The relatively high rate of 3.5% had an adverse effect on property transactions, with only 44,875 sales for January 2023 being recorded by the Land Registry to date – the lowest January total since 2013, when strict lending criteria were limiting the number of mortgages made available.

The base bank rate then increased a further five times during 2023, and at the time of writing stands at 5.25%. This has resulted in a reduced number of property purchases during 2023, with an average sales total of 43,500 sales per month to the end of September – the lowest level of transactions over these nine months of the last seventeen years.

The low level of transactions in September 2023 has also been reported by the Bank of England in its data on monthly approvals for house purchase to individuals, at 43,675 for the month – the lowest September level of the last ten years.

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.
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

Press contacts

Matt Beasley
Full Circle (PR agency for e.surv)
mbeasley@fullcirclecomms.co.uk
020 7265 7887

e.surv
communications@esurv.co.uk
07775 544 834

Richard Sumner
Acadata
richard.sumner@acadata.co.uk
020 8392 9082