# Residential Property Review

*December 2024*

*Our monthly property market review is intended to provide background to recent developments in property markets as well as to give an indication of how some key issues could impact in the future.*

*We are not responsible or authorised to provide advice on investment decisions concerning property, only for the provision of mortgage advice. We hope you will find this review to be of interest.*

## Property market trends in 2024

*As we approach the new year, Zoopla has highlighted trends in the UK property market in 2024.*

It is expected that, by the end of the year, there will have been 1.1 million sales completed – 10% more than last year. Meanwhile, January was the busiest month for visitors to the Zoopla site, followed by March and February. Interestingly, 80% of potential buyers were looking at the floorplans of a property before the photos, highlighting that pictures aren't everything.

As for sellers, May was the most popular month to put a home up for sale – just in time for the summer, which is typically the busiest period for house moves. August saw 104,740 completions – the busiest month of the year according to HMRC. It took the average homeowner 33 days to sell – a slight reduction on 34 days in 2023. The most popular property type this year was a three-bedroom semi-detached house.

The top five fastest moving markets in the UK were all located in Scotland - Falkirk took the top spot with an average of 15 days to sell. In Scotland, properties are listed with a valuation and survey upfront, thus speeding up the sales process.

## Where has buyer demand increased?

*Comparison site GetAgent has revealed the levels of buyer demand in cities across Britain.*

The report highlighted the areas with the strongest growth in buyer activity this year. Out of 21 major cities, Sunderland came out on top; half of all homes on the market have currently found a buyer – 10% more than the start of the year. Leicester was second on the list with a 9% increase in buyer demand, followed by Liverpool (8%), Newcastle (7%) and Leeds (6%).

Aberdeen saw the lowest increase, with only a +0.2% change in buyer demand this year. London was also near the bottom of the list, with a 3.3% increase in activity. Although some increases were marginal, it is promising that every major UK city did see some growth in buyer demand in 2024.

## What's in store for residential property investment?

*2025 is expected to be a good year for residential property investment, despite recent policy changes.*

Labour's target to build 1.5 million new homes during this Parliament is likely to encourage investment in the residential property market. Capital Gains Tax on residential property remained unchanged in the Chancellor's Autumn Budget, which came as a relief for many. However, those buying a second home are now subject to a higher rate of Stamp Duty Land Tax.

Following the Budget, the Bank of England warned that inflation could rise again, causing interest rates to fall at a slower pace. There was concern that this could make the UK less appealing to European investors, who could play an important role in achieving the government's housing target. The impact remains to be seen; however, the Bank still hopes to reduce interest rates in 2025.

*Out of 21 major cities, Sunderland came out on top; half of all homes on the market have currently found a buyer – 10% more than the start of the year*

Quilter Financial Planning

## House prices
## Headline statistics

| | |
|---|---|
| House Price Index (Oct 2024) | 153.2 |
| Average House Price | £292,000 |
| Monthly Change | 0.2% |
| Annual Change | 3.4% |

**(Jan 2015 = 100)*

- Average house prices in the UK increased by *3.4%* in the year to October 2024

- House prices rose by *0.2%* between September and October

- The average price in London was *£519,579*.

*Source: The Land Registry*
*Release date: 18/12/24*
*Next data release: 15/01/2025*

## House prices
## Price change by region

| *Region* | *Monthly change (%)* | *Annual change (%)* | *Average price (£)* |
|---|---|---|---|
| England | 0.1% | 3.0% | **£308,781** |
| Northern Ireland (Quarter 3 - 2024) | 2.8% | 6.2% | **£190,553** |
| Scotland | 0.2% | 5.5% | **£197,451** |
| Wales | 2.0% | 4.0% | **£222,316** |
| East Midlands | 0.9% | 3.9% | **£250,605** |
| East of England | 0.7% | 2.7% | **£344,434** |
| London | -1.4% | 0.2% | **£519,579** |
| North East | -1.6% | 4.7% | **£167,132** |
| North West | 0.2% | 4.4% | **£225,360** |
| South East | -0.3% | 1.7% | **£381,566** |
| South West | 1.5% | 2.7% | **£324,709** |
| West Midlands Region | -0.3% | 3.7% | **£256,384** |
| Yorkshire and The Humber | 0.7% | 4.6% | **£217,146** |

## Average monthly price by property type – October 2024

| *Property Type* | *Annual Increase* |
|---|---|
| Detached £443,974 | 3.2% |
| Semi-detached £283,778 | 3.8% |
| Terraced £242,411 | 3.8% |
| Flat / maisonette £238,304 | 2.7% |

*Source: The Land Registry*
*Release date: 18/12/24*

## Housing market outlook

*"As we move towards the end of the year and into 2025, positive employment figures and anticipated decreases in interest rates are expected to continue supporting demand. This should underpin further house price growth, albeit at a modest pace as borrowing costs remain above the average of a few years ago."*

*Amanda Bryden, Head of Mortgages, Halifax*
*Source: Halifax, December 2024*

*Contains HM Land Registry data © Crown copyright and database right. This data is licensed under the Open Government Licence v3.0.*

**All details are correct at the time of writing (18 December 2024)**

It is important to take professional advice before making any decision relating to your personal finances. Information within this document is based on our current understanding and can be subject to change without notice and the accuracy and completeness of the information cannot be guaranteed. It does not provide individual tailored investment advice and is for guidance only. Some rules may vary in different parts of the UK.