

House Price Index

England and Wales

Under embargo until 00:01
Monday 18th June 2018

MAY
2018

Average House Price
in England and Wales

£305,654

AVERAGE MONTHLY CHANGE:

0.0%

AVERAGE ANNUAL CHANGE:

2.2%

New builds bolster London

- Annual growth rates rise for first time in a year
- Every region records growth
- Monmouthshire up 13.9% and Cardiff up 9.5%, as buyers rush to beat tax hike
- Transactions down by 6% year-to-date

Headline News

The UK housing market remained resilient showing a very slight rise in the annual house price rate in May [from 2.1% to 2.2%] following 11 months of falls. The positive performance in May means the market has narrowly avoided a full year of slowing house price growth. On a monthly basis prices were flat with no change on April.

The average house price in England and Wales is recorded at £305,654, up more than £6,000 on a year ago, when prices remained below the symbolic £300,000 mark. Transactions are down on the levels of last year, however, by 6% in the first five months compared to 2017.

Key Insights

Despite the lack of movement in prices, there is one big change in the market this month: London and the South East are no longer a brake on the market. Taking into account these two regions, there was a 2.2% annual price growth - taking them out of the equation, the growth rate is lower - at 2.1%. It reverses the trend of most of last year.

This is partly due to a change in methodology, which better captures sales of new build properties. These tend to cost more than existing homes and have a particularly strong impact on the average price in London. The change also reflects a recovery in the capital which has strengthened after months of declines - even if transaction levels remain substantially lower than last year. London is showing average annual growth higher than five regions in the UK [including the South East] and equal to the West Midlands (2.9%), putting it mid-table in England and Wales in terms of growth.

This also means that every region in the UK now shows positive annual price growth for the last 12 months.

Quick Quotes

**Oliver Blake,
Managing Director
of Your Move and
Reeds Rains estate
agents said:**

“Whilst the market may seem subdued, we should welcome the fact that every region in the UK is still growing and that the London market seems to be shaking off its malaise.”

Regional update

In the regions, Wales continues to top the tables for annual price growth, with prices up 5.2% over the year. In Monmouthshire prices have risen 13.9%, with a new peak average price of £291,344; likewise in the Vale of Glamorgan prices are up 11.6% to £269,609. The two are the most expensive areas in Wales, with prices well above the Welsh average of £184,348. Cardiff, which ranks third, also saw strong growth, up 9.5%.

Much of this is still down to the introduction of the new Land Transaction Tax introduced in April. Since the growth calculations are based on three-month averages, they include sales in March 2018 by buyers rushing to beat the added cost for higher priced

properties. Some cheaper areas have also seen good growth, though – notably Carmarthenshire, with prices up 12.6% to £163,633. Wales has also, however, seen price falls. In fact, of the 33 areas to see prices drop over the last year, outside London, eight are in Wales.

That still means that 75 of England and Wales' unitary authorities continued to see annual growth, however, as did all nine regions, in addition to London. After Wales, it's the North East that's the star performer, with prices up 4.5%, bolstered by strong performances in Northumberland (up 9.0%) and Tyne and Wear, up 6.1% and another of the 14 areas to record a new peak average price in the month.

Another strong performer was the

East Midlands, with prices up 2.6% annually. It is also the only region to see annual price increases in all its unitary authority areas, led by Rutland, up 9.3%, Northamptonshire (4.1%) and Leicestershire (up 3.4% to a new peak of £244,633).

At the other end of the scale, growth is weaker in Yorks & Humber, at 1.2% annually, and, particularly, in the South East, where prices are up just 0.6%. The latter is home to Windsor and Maidenhead, the highest priced authority outside London and also the one to see the biggest annual fall in prices: down 11.3%. Even in the South East there are bright spots, though, with the Isle of Wight, Medway and Oxfordshire all setting new peak average prices in April.

Average house prices by region April 2018 with monthly and annual % growth.



