Sun Mortgage and Protection Ltd

The Porter Building
1 Brunel Way
Slough
Berkshire
SL1 1FQ
07388 116879
info@sunmap.co.uk
www.sunmap.co.uk

Residential Property Review August 2024

First cut in Bank Rate in over four years

The Bank of England has reduced Bank Rate for the first time in more than four years.

The rate is now 5%, having been held at 5.25% since August 2023, after 14 consecutive increases. The Monetary Policy Committee (MPC) marginally voted in favour of reducing Bank Rate, by 5 votes to 4. Many major mortgage lenders had already reduced their rates in anticipation of the cut and more are expected to follow suit. Despite this, the reduction is not expected to make a significant difference to mortgage affordability overall, however it is hoped to be the first of more cuts which should alleviate some of the financial pressures on homebuyers.

Matt Smith, Rightmove's mortgage expert, commented, *"While those looking to take out a mortgage soon shouldn't expect to see drastically lower mortgage rates, we would expect the downward trend we've started to see continue."*

Renters' Rights Bill – what's in it

The government has released notes on what to expect in the Renters' Rights Bill, which is due to introduced in the autumn.

As promised in Labour's manifesto, the Bill will include the end of 'no fault' evictions but will have clear possession grounds for landlords needing to reclaim their properties. Renters will also have improved rights enabling them to challenge rent increases. Plus, the government plans to end 'bidding wars' on rental properties, although property experts Rightmove commented that this may be difficult as there are currently 15 prospective tenants for every rented property.

Tenants will gain the right to request a pet, which the landlord must consider and cannot unreasonably refuse, however they can request appropriate insurance is purchased to cover any accidental damage. A Decent Homes Standard is also expected to be applied to the Private Rented Sector to improve the quality of rental properties.

The UK's fastest selling homes

Research by Zoopla has revealed the homes that sell the fastest in the UK.

In England and Wales, almost half (49%) of homes find a buyer within 30 days of going on the market. This figure increases to 75% in Scotland where properties are valued and surveyed upfront, thus speeding up the homebuying process.

In Q2 of this year, the fastest-selling property type on Zoopla was two-bed terraced houses, which took an average of 27 days to sell. It then usually takes another four months for the transaction to be completed. These properties appeal to a range of buyers, from first-time buyers to empty-nesters looking to downsize. Notably, there is also more competition for this kind of home due to limited supply, as they made up only 7% of new properties listed in the last three months.

Interestingly, the slowest-selling properties are detached homes with at least four bedrooms, taking an average of 40 days before a sale is agreed. This is probably due to associated higher mortgage costs combined with a spike in supply of larger homes.

House prices headline statistics

House Price Index (June 2024)	151.0
Average House Price	£288,000
Monthly Change	0.50%
Annual Change	2.70%

*(Jan 2015 = 100)

- Average house prices in the UK increased by **2.7%** in the year to June 2024
- On a non-seasonally adjusted basis, average UK house prices increased by **0.5%** between May 2024 and June 2024
- The average price in London was **£523,134**.

Source: The Land Registry
Release date: 14/08/24
Next data release: 18/09/24

House prices Price change by region

Region	Monthly change (%)	Annual change (%)	Average price (£)
England	0.6%	2.4%	£305,370
Northern Ireland (Quarter 1 - 2024)	3.6%	6.4%	£185,025
Scotland	0.0%	4.3%	£192,488
Wales	0.3%	1.8%	£215,518
East Midlands	-0.5%	1.6%	£245,232
East of England	0.1%	1.2%	£339,440
London	1.2%	0.6%	£523,134
North East	1.5%	4.2%	£164,886
North West	0.3%	3.7%	£220,441
South East	1.0%	2.0%	£382,522
South West	-1.0%	2.0%	£317,529
West Midlands Region	0.7%	3.1%	£253,245
Yorkshire and The Humber	2.7%	4.7%	£215,347

Average monthly price by property type – August 2024

Property Type	Annual Increase
Detached £439,974	2.8%
Semi-detached £280,895	4.0%
Terraced £239,000	3.1%
Flat / maisonette £232,436	0.5%

Source: The Land Registry
Release date: 14/08/24

Housing market outlook

"The Bank of England's Base Rate cut, which follows recent reductions in mortgage rates, is encouraging for those looking to remortgage, purchase a first home or move along the housing ladder. However, affordability constraints and the lack of available properties continue to pose challenges for prospective homeowners. Against the backdrop of lower mortgage rates and potential further Base Rate reductions, we anticipate house prices to continue a modest upward trend throughout the remainder of this year."

Amanda Bryden, Head of Mortgages, Halifax

Source: Halifax, August 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 (19 August 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. We cannot assume legal liability for any errors or omissions it might contain. Levels and bases of, and reliefs from, taxation are those currently applying or proposed and are subject to change; their value depends on the individual circumstances of the investor. No part of this document may be reproduced in any manner without prior permission.