# UK House Prices Rebound Modestly in May 2024 Despite Supply Surge



In May 2024, UK house prices experienced a modest rebound following two consecutive months of decline, as reported by Nationwide Building Society. Property prices rose 0.4% month-on-month, reversing the previous month's 0.4% decline. This increase brought the average house price to £264,249. Additionally, the annual house price growth rate more than doubled to 1.3% in May, up from 0.6% in April.

Robert Gardner, Nationwide’s chief economist, attributed this resilience to improved consumer confidence, supported by solid wage gains and lower inflation. Despite the recent rise in longer-term interest rates affecting affordability, the market showed signs of robustness.

Mortgage rates have seen slight increases since the beginning of the year, contributing to the housing market's slowdown in March and April. According to Moneyfacts, the average two-year fixed-rate mortgage rose from 5.56% in January to 5.92% by May.

Nationwide's research suggests that the upcoming General Election in July is unlikely to significantly impact house prices. Historically, broader economic trends have overshadowed election-related impacts on the housing market. Experts forecast potential interest rate cuts by the Bank of England in the coming months, which could further support market stability.

A separate index by Zoopla indicated that the supply of homes for sale in the UK is at its highest in eight years, potentially limiting further house price rises for the rest of 2024.