# Average Asking Price for Homes in Britain Hits Record High in May at £375,131



In May, the average asking price for homes in Britain reached a new record high of £375,131, according to property website Rightmove. This marks a 0.8% increase, or £2,807, from April, continuing a five-month trend of rising prices. Despite these gains, current prices are only 0.6% higher than in May 2023 due to earlier price declines.

The market has seen a resurgence in buyer activity. Many potential buyers who had paused their plans in the previous year due to rising mortgage rates have returned, fueling increased home sales. In the first four months of 2024, the number of sales agreed upon was 17% higher than the same period last year.

Mortgage rates remain a significant factor, though recent rate reductions by lenders like Barclays, HSBC, and TSB might signal a positive shift. Tim Bannister, Rightmove’s director of property science, attributes the current price pressures to the momentum of the spring selling season.

Average time to complete a sale has been lengthy, with a total process time averaging more than seven months, from listing to legal completion. This extended timeline suggests that sellers aiming to move by Christmas should consider listing soon.

Regionally, the South East saw the largest monthly price rise at 1.4%, while the North East experienced the biggest annual increase at 5.8%. The North East remains the most affordable region with an average house price of £190,158.

Family homes have led the market in price increases, with large family homes seeing a 1.6% rise to £682,661. First-time buyers experienced a more modest increase of 0.4%, bringing average prices to £228,003.

Rental markets have also been affected, with tenants renewing leases facing an 8.3% average rent increase over the past year, outpacing the 6.4% growth seen in new rentals. The gap between market rates and current rents has grown, disincentivizing tenant movement unless absolutely necessary.

These developments underline the ongoing challenges and dynamics within the UK's housing market amidst fluctuating mortgage rates and pent-up buyer demand.