# UK housing market experiences regional divergence amid rising asking prices and falling annual growth



The UK housing market showed modest movement in September 2023, with average asking prices increasing by 0.4% to £366,281 according to Rightmove’s House Price Index. This rise was slightly below the usual 0.6% typically seen for this month. However, despite this incremental increase, annual price growth turned negative, declining by 0.4%—the largest annual fall since March 2019. The South of England, including London, was identified as a significant factor behind this slight annual price dip as sellers faced intensified competition and longer times to secure buyers, reflecting broader regional pressures.

The subdued market conditions leading to this performance were attributed largely to ongoing interest rate hikes and the summer holiday season, which dampened buyer activity. Price reductions became prominent, with a 36.3% reduction rate recorded—the highest since January 2011—as sellers adjusted prices to attract cautious buyers. The market was also marked by slower sales; the number of sales agreed in August was 18% lower than the same month in 2019, indicating ongoing buyer wariness. The average time to sell a property in September reached 57 days, the longest for this month since 2012. Notably, while the South of England saw a dip in prices, the volume of homes sold remained higher than the previous year, suggesting that buyers remained active when properties were competitively priced.

In terms of buyer demographics, first-time buyers, who typically target two-bedroom properties or fewer, also appeared more cautious, with sales agreed down 13% compared to August 2019. On a more positive note, mortgage rates have shown some relief; the average five-year fixed rate declined from 6.11% in July to 5.67% in September. This easing may gradually improve affordability and buyer sentiment, as evidenced by a 12% increase in new properties coming to market in early September compared to August, hinting at a potential uptick in market activity despite current challenges.

Comparatively, national data from other sources offers a more nuanced picture. Halifax reported that in September 2024, the average UK house price had nearly reached a record high, standing at £293,399, just £108 below the peak set in June 2022. This marked a 0.3% monthly increase and a healthy 4.7% rise year-on-year, reflecting market resilience amid broader economic pressures. London prices notably grew by 2.6% over the previous year, suggesting that while some southern areas are experiencing price dips, others like London are still witnessing growth. This divergence highlights the complex and regionalised nature of the UK housing market.

Looking back over recent years adds further context. Earlier reports in 2023 indicated that stronger market segments, particularly higher-end homes, saw more robust price growth, with some areas like Sandbanks in Dorset experiencing exceptional demand and a 20% increase in asking prices year-on-year. Meanwhile, a trend of renters moving away from cities towards more affordable and available homes outside urban centres has been observed, influencing the dynamics of both the rental and sales markets. Meanwhile, market sensitivity remains a defining feature, with different sectors and locations operating at varied speeds depending on factors such as mortgage availability, buyer affordability, and local demand conditions.

Overall, while September’s slight price rise and annual dip reflect a cautious and competitive market, ongoing mortgage rate easing and regional demand suggest pockets of opportunity for buyers and sellers alike. The nuanced interplay of interest rates, regional differences, and buyer behaviour continues to shape the UK housing landscape in a period marked by economic uncertainty and shifting priorities.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.standard.co.uk/news/politics/rightmove-britain-london-hamptons-matt-smith-b1247715.html), [[2]](https://www.hamptons.co.uk/articles/september-2023-market-update), [[3]](https://www.rightmove.co.uk/press-centre/house-price-index/september-2023/)
* Paragraph 2 – [[2]](https://www.hamptons.co.uk/articles/september-2023-market-update), [[3]](https://www.rightmove.co.uk/press-centre/house-price-index/september-2023/)
* Paragraph 3 – [[3]](https://www.rightmove.co.uk/press-centre/house-price-index/september-2023/)
* Paragraph 4 – [[4]](https://www.standard.co.uk/homesandproperty/property-news/average-uk-house-price-just-shy-of-record-high-in-september-b1186259.html)
* Paragraph 5 – [[6]](https://www.rightmove.co.uk/press-centre/2023-review-sandbanks-is-price-hotspot-and-renters-leave-the-city/), [[3]](https://www.rightmove.co.uk/press-centre/house-price-index/september-2023/), [[2]](https://www.hamptons.co.uk/articles/september-2023-market-update), [[5]](https://www.rightmove.co.uk/press-centre/spring-activity-boost-pushes-asking-prices-close-to-new-record/)

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## Bibliography

1. <https://www.standard.co.uk/news/politics/rightmove-britain-london-hamptons-matt-smith-b1247715.html> - Please view link - unable to able to access data
2. <https://www.hamptons.co.uk/articles/september-2023-market-update> - In September 2023, the property market experienced a modest 0.4% increase in average asking prices, reaching £366,281. This rise was slightly below the typical 0.6% increase for this period. The annual price change dropped to -0.4%, marking the largest decline since March 2019. The market was subdued due to interest rate hikes and summer holidays, leading to a 36.3% price reduction rate, the highest since January 2011. Despite these challenges, the number of sales agreed in August was 18% lower than in August 2019, indicating a cautious market sentiment. Additionally, the average time to sell a property in September was 57 days, the longest for a September since 2012. The South of England, particularly London, was identified as a key driver of the slight annual price dip, with sellers in these regions facing increased competition and longer times to secure buyers. However, the number of homes sold in the South remained higher than the previous year, suggesting that buyers were still active when properties were priced appropriately. The report highlighted that the market's sensitivity to price and the varying speeds of different sectors were influenced by factors such as mortgage rates and buyer affordability.
3. <https://www.rightmove.co.uk/press-centre/house-price-index/september-2023/> - Rightmove's September 2023 House Price Index reported a 0.4% increase in average new seller asking prices, reaching £366,281, slightly below the typical 0.6% rise for this time of year. The annual price change fell to -0.4%, the largest drop since March 2019. The subdued market activity was attributed to interest rate hikes and summer holidays, leading to a 36.3% price reduction rate, the highest since January 2011. The number of sales agreed in August was 18% lower than in August 2019, indicating a cautious market sentiment. The first-time buyer sector, comprising properties with two bedrooms or fewer, saw sales agreed down by 13% compared to August 2019. Mortgage rates continued to decline, with the average five-year fixed rate at 5.67%, down from 6.11% in July, potentially improving buyer affordability. The report emphasized that while the market was subdued, there were signs of activity picking up, with new properties coming to market up by 12% in the first week of September compared to August.
4. <https://www.standard.co.uk/homesandproperty/property-news/average-uk-house-price-just-shy-of-record-high-in-september-b1186259.html> - In September 2024, the average UK house price was £293,399, just £108 below the record high of £293,507 set in June 2022, according to Halifax's latest house price index. This marked a 0.3% month-on-month increase and a 4.7% year-on-year growth. The average London house price reached £539,238, a 2.6% increase from the previous year. The report highlighted that the typical UK property value had risen by around £13,000 over the past year, indicating a resilient market despite economic pressures. The data also suggested that the housing market was experiencing a period of stability and gradual growth, with positive trends in both national and London-specific property values.
5. <https://www.rightmove.co.uk/press-centre/spring-activity-boost-pushes-asking-prices-close-to-new-record/> - Rightmove's report highlighted a 1.1% increase in average asking prices, reaching £372,324, just £570 short of the record set in May 2023. The annual rate of price growth rose to 1.7%, the highest level in 12 months. The top-of-the-ladder sector, comprising larger homes, experienced its strongest start to the year for price growth since 2014. The number of new sellers entering the market was up by 12% compared to the same time the previous year, and the number of sales being agreed was up by 13%, indicating a rebound from the previous year's subdued spring market. The report also noted that while the market was showing signs of recovery, it remained price-sensitive, with different sectors operating at varying speeds.
6. <https://www.rightmove.co.uk/press-centre/2023-review-sandbanks-is-price-hotspot-and-renters-leave-the-city/> - Rightmove's 2023 review identified Sandbanks in Dorset as the price hotspot, with average asking prices increasing by 20% compared to 2022, from £1,586,349 to £1,909,943. The report also noted that renters were increasingly leaving the city in search of more affordable and widely available homes. London remained the most searched-for location, while searches for Cornwall declined. The review highlighted that a garage topped the priority list for buyers searching for their next home, while renters were most concerned about whether the home allowed pets or included bills. These trends reflect shifting preferences and priorities in the property market during 2023.
7. <https://www.rightmove.co.uk/news/articles/property-news/biggest-september-rise-for-13-years-to-new-record-high-benefits-property-rich/> - In September 2015, the average price of property coming to market rose by 0.9% to £294,834, setting a new national record. This increase was the largest seen in September since 2002, driven by a 1.2% rise in family-home sectors. The report noted that the top 15 highest-priced counties all saw price rises this month, averaging 1.8%, double the national average. These counties were all in the higher-priced southern regions, indicating that property-rich areas were benefiting more from the market's upward trend. The report also highlighted that the lower-priced northern regions experienced price declines, reducing sellers' ability to raise adequate funds to move and exacerbating supply shortages.