

# THE PROPERTY MARKET

A REVIEW OF THE KEY TRENDS IN THE  
NATIONAL AND LOCAL HOUSING MARKET.

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**HERTFORDSHIRE, BEDFORDSHIRE AND CAMBRIDGESHIRE**

Analysis by Dataloft | Spring 2024

# GREEN SHOOTS

## SALES



↓ **1.4%**

UK House prices

**£288,744** December 2022 vs  
**£284,691** December 2023



↓ **11.9%**

Property sales

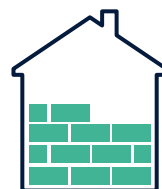
**93,080** January 2023 vs  
**82,000** January 2024



↑ **40.2%**

Mortgage approvals

**39,382** January 2023 vs  
**55,227** January 2024



↓ **8.7%**

New private homes completions

**68,643** Q4 2022 vs  
**62,688** Q4 2023



↓ **25.6%**

Gross mortgage lending

**£22.8bn\*** January 2023 vs  
**£16.9bn\*** January 2024

Source: Dataloft, ONS, HMRC, Bank of England, DLUHC, HomeLet  
\*Figures rounded to nearest £0.1bn

Signs of green shoots are appearing in the property market. More buyers are returning to the market, supported by falling mortgage rates, wage growth outstripping inflation, and a strong labour market.

### Economic backdrop

With the Bank of England holding the interest rate at 5.25%, the consensus is that we are at the top of the rate rise cycle. Interest rate expectations in the monthly consensus forecasts have been improving over recent months as the economic outlook brightens (HM Treasury Average of Independent Forecasts). Rates are predicted to start falling in the second half of the year, reaching 4.4% by the end of 2024. With inflation under control and forecast to fall to 2.2% by the end of the year (HM Treasury Average of Independent Forecasts), confidence in the housing market is improving.

### First-time buyers

The average value of a first-time buyer purchase is 8% below the market average (Zoopla). Biding their time during 2023, more first-time buyers are expected to enter the market through the year, encouraged by the dual drivers of earnings growth and reduced mortgage rates improving affordability. The average two-year and five-year fixed-rate deals have now been falling for six consecutive months. The availability of deals at the 95% loan-to-value tier has increased to 274 deals, its highest level since 2022, demonstrating that lenders are still keen to support borrowers with smaller deposits (Moneyfacts).

### Growing activity

The start of 2024 has seen an upswing of new buyers, with agreed sales in the first six weeks of 2024 16% higher than the same period last year and 3% higher than in 2019 (Rightmove). Average asking prices rose 0.1% year-on-year in February, the first annual increase since August 2023, an indication of growing market momentum. The number of mortgage approvals rose for the fourth consecutive month to 55,227 in January, the highest level since October 2022 (Bank of England). The Chancellor announced in the Spring Budget that property gains tax is to be reduced to 24%, which may encourage landlords to sell, boosting transactions.

# LETTINGS



↑ **7.4%**

Average rents

February 2023 vs  
February 2024



**£1,262**

Average monthly  
rent across the UK

February 2024

**75%**

of landlords would not increase the rent if they were happy with the existing renter

Dataloft, Property Academy  
Landlord Survey 2023

## Slower pace

In the year to February, average rents across the UK rose by 7.4% to £1,262. Average rents increased by 0.2% January to February, with all regions seeing a monthly rise except for the South East, Yorkshire and the Humber, Wales, Northern Ireland and London (HomeLet). Rents are still forecast to rise in 2024 but at a slightly slower pace. However, 75% of landlords say they would maintain a rent level if they were happy with the existing renter, rather than take a new renter who would pay more (Dataloft, Property Academy Landlord Survey 2023). The Chancellor has abolished the furnished holiday lettings tax regime, which should help to level up the buy-to-let sector and unlock more full-time tenancy stock in major cities, tourist hotspots and coastal communities.

Analysis by Dataloft



The property market has started 2024 with more optimism than has been felt in a while. There has been a rise in activity as a wave of prospective buyers who have previously been biding their time start their search for a new home.

IAIN MCKENZIE  
CEO, THE GUILD OF PROPERTY  
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# APPEALING TO BUYERS

## Added value



Increase in value:

**Up to 5%**

A garden room

**Up to 10%**

Improved kerb appeal

**Up to 16%**

Increased energy efficiency

### Garden rooms

A quality garden room can boost your home's value by up to 5% (The Motley Fool). Most garden rooms can incorporate full insulation, double glazing, electrical and internet connectivity to enable year-round usage, all without requiring planning permission. A small extension could add more value to your home; each square metre of property space is worth, on average, £2,907 (ONS).

### Energy efficiency

Energy-efficient features can enhance a home's resale value by up to 16%, potentially adding £40,000 to an average UK home (Rightmove). Additionally, 81% of home movers said that the Energy Performance Certificate (EPC) is important when searching for a home to buy.\* Energy-efficient windows, insulation, solar panels, a smart thermostat or a tankless water heater all increase appeal to potential buyers.

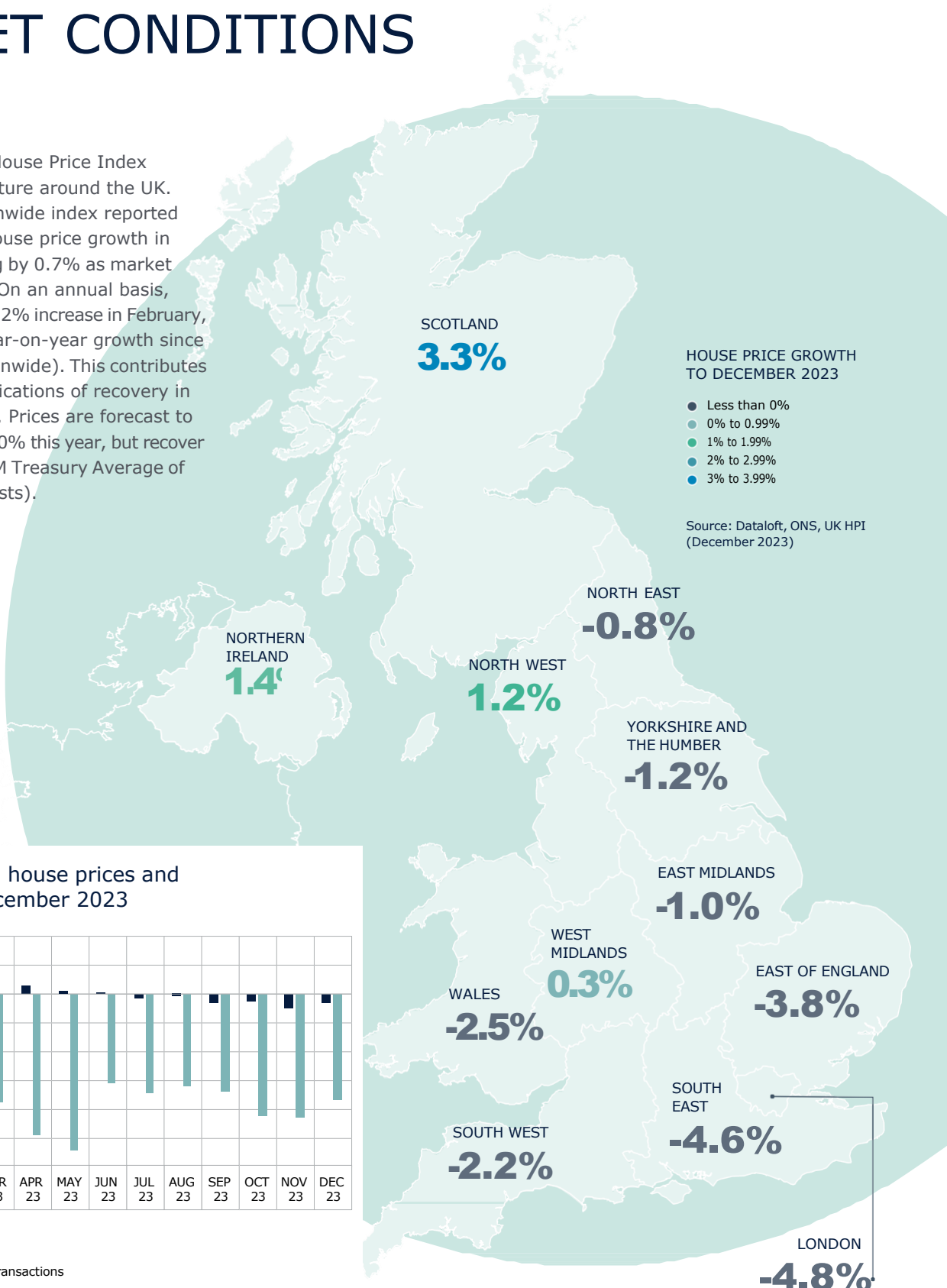
### Kerb appeal

First impressions count when it comes to prospective buyers seeing your home. Improving kerb appeal can increase values by as much as 10%, according to a study by the Royal Institution of Chartered Surveyors (RICS). Simple DIY tasks like applying a fresh coat of paint, planting flowers, replacing outdoor lighting or revitalising the garden can significantly elevate the attractiveness of your property before potential buyers even step inside.

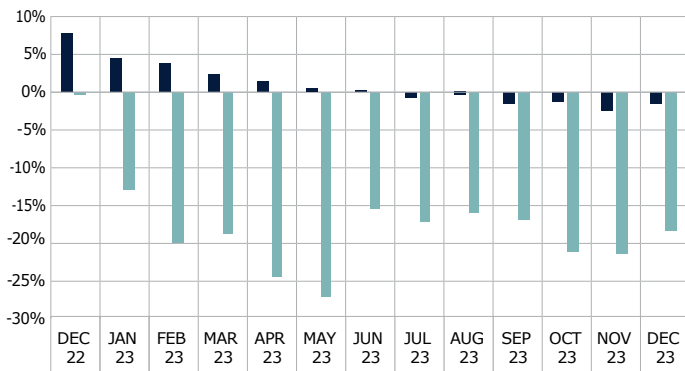
\*Dataloft, Property Academy Home Moving Trends Survey 2023

# NATIONAL MARKET CONDITIONS

The December UK House Price Index showed a mixed picture around the UK. However, the Nationwide index reported month-on-month house price growth in February, increasing by 0.7% as market momentum grows. On an annual basis, house prices saw a 1.2% increase in February, the first positive year-on-year growth since January 2023 (Nationwide). This contributes to the emerging indications of recovery in the housing market. Prices are forecast to soften slightly, by -1.0% this year, but recover by 0.8% in 2025 (HM Treasury Average of Independent Forecasts).



Annual change in house prices and transactions, December 2023



● House prices ● Transactions

Source: Dataloft, HMRC, ONS, UK HPI (December 2023)

# REGIONAL ACTIVITY

## HERTFORDSHIRE, BEDFORDSHIRE AND CAMBRIDGESHIRE

Early signs for the market in 2024 are increasingly positive, with metrics for buyer demand, sales and new instructions all turning positive (RICS). Choice for buyers is on the rise, with available homes for sale 20% higher than a year ago (Zoopla). Improved market conditions are boosting the chances of a sale, although sellers must continue to present their property well and at a reasonable price if they are serious about moving in 2024. Half of agents

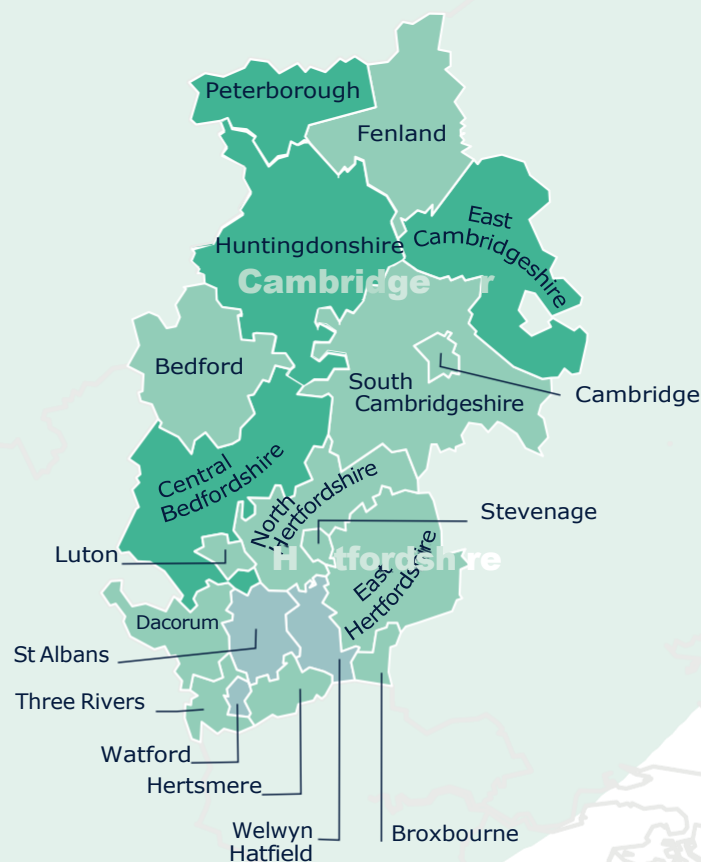
say offers are currently being accepted up to 5% below initial asking price; however, 15% report this level or higher (Dataloft Inform Poll of Subscribers).

Average property values in the East of England are 18% above 2019 levels, equivalent to a rise of £51,920 (UK HPI December 2023). Price growth since before the pandemic is strongest in East Cambridgeshire and Peterborough.

### PRICE GROWTH SINCE 2019 (%)

- Less than 0%
- 0% to 9.99%
- 10.0% to 19.99%
- 20.0% to 29.99%
- 30.0 to 39.99%
- Over 40.0%

Dataloft, ONS, UK HPI  
(December 2023 v December 2019)  
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### Post-Covid growth

# 3.1%

St Albans

## % of private stock turnover

Source: Dataloft, DLUHC, ONS, UK HPI (December 2023)

### Most active housing markets across the region

RANK		% OF PRIVATE STOCK TURNOVER	AVERAGE HOUSE PRICE
1	ST ALBANS	3.1%	£553,372
2	CENTRAL BEDFORDSHIRE	3.0%	£367,064
3	DACORUM	3.0%	£458,877
4	NORTH HERTFORDSHIRE	3.0%	£374,084
5	FENLAND	2.9%	£224,704
6	EAST HERTFORDSHIRE	2.9%	£429,874
7	HUNTINGDONSHIRE	2.9%	£319,718
8	SOUTH CAMBRIDGESHIRE	2.8%	£437,446
9	EAST CAMBRIDGESHIRE	2.8%	£357,263
10	STEVENAGE	2.7%	£318,143
11	BEDFORD	2.7%	£343,755
12	BROXBORNE	2.6%	£389,233
13	CITY OF PETERBOROUGH	2.6%	£244,305
14	WELWYN HATFIELD	2.5%	£399,510
15	THREE RIVERS	2.5%	£582,969
16	HERTSMERE	2.4%	£502,613
17	WATFORD	2.4%	£371,851
18	CAMBRIDGE	2.4%	£515,041
19	LUTON	2.1%	£271,790

Source: Dataloft, DLUHC, ONS, UK HPI (December 2023)

### Housebuilding

Just shy of 240,000 new builds were completed in 2023, the numbers holding up relatively well in a slower sales market, but still short of the government's 300,000-per-year target. In most UK regions there were fewer completions in 2023 than 2022, overall down by -8.6%. This may be underpinning house prices in many areas of the UK. Completions varied, with the East Midlands maintaining its 2022 level while rising in Yorkshire and the Humber (Dataloft, DLUHC, Energy Performance Certificates for Buildings Register for England and Wales).

# 29,619

New builds were completed in the East of England in 2023

Source: Dataloft, DLUHC, Energy Performance Certificates for Buildings Register for England and Wales

### Time on the market

The average time to sell in the UK has slowed compared to the same time last year (Rightmove). However, with brighter days beckoning, momentum is likely to be injected into the market. Over the last five years (excluding the Covid year of 2020), properties have taken 10 days less to sell in spring than winter, meaning this could be an ideal time to put your home on the market (Dataloft, Rightmove).

# 51 days

Average time to sell in spring over the last five years (excluding 2020 due to Covid), 10 days less than winter

Source: Dataloft, Rightmove, spring defined as March, April, May



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