

# House prices plateau but rises still expected for this year

The housing market is “finding its feet” with a slight increase in prices, particularly for flats, according to analysis from part of the UK’s biggest mortgage lender.

Average house prices rose by 0.1% in April after falling 0.9% in March but on an annual basis grew 1.1% annually, up from 0.4% growth last month, Halifax’s house price index said.

[Money latest: Average house price will be £61,500 by 2028, analysis suggests](#)

A typical UK home costs £288,949 in April, just slightly up compared to £288,781 in March, it said.

“The reality is that average house prices have largely plateaued in the early part of 2024”, said Amanda Bryden, head of mortgages at Halifax.

“This reflects a housing market finding its feet in an era of higher interest rates.”

Interest rates are likely to remain high for at least the next few months in an effort to bring [inflation](#) down. The rate-setters at the [Bank of England](#) are expected to keep rates at 5.25% when they meet on Thursday.

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### More expensive flats

As part of the market growing accustomed to higher borrowing costs, there's been a rise in demand for flats and smaller homes, Ms Bryden said.

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"Buyers are adjusting their expectations, with first-time buyers in particular compensating for higher borrowing costs

by targeting smaller properties.

“We see this reflected in property prices for the first few months of this year, with the value of flats rising most sharply, closing the ‘growth gap’ on bigger properties that’s existed for most of the last four years.

### **Overall rises still expected**

Market observers had in previous months been expecting an interest rate cut in May but this may not come until August.

High interest rates have led average mortgage rates to be even higher, something that has kept a lid of property prices.

Despite this, Halifax is still forecasting house prices to tick up in 2024.

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“If, as is still expected, downward moves in Bank rate come into play later this year, fixed mortgage rates should fall.

Combined with the resilience displayed by the housing market over recent months, we now expect property prices to rise modestly over the course of 2024," Ms Bryden said.