

# Housing market demand surges

The housing market experienced a surge in activity following the Bank of England's recent decision to cut interest rates, according to a leading property website.

Estate agents reported a 19% jump in enquiries about properties for sale after 1 August, when compared with the same period last year, research by Rightmove found.

It came after the Bank cut rates for the [first time in more than four years](#) from 5.25% to 5%.

Rightmove's Tim Bannister said it was clear that the Bank's decision had "sparked a welcome late summer boost in buyer activity".

He added: "While [mortgage](#) rates aren't yet substantially lower since the rate cut, the fact that the long-hoped-for first cut has finally arrived, and mortgage rates are heading downwards, is positive for home-mover sentiment.

"As the summer holiday season comes to an end, the conditions are there for a more active autumn market."

Rightmove said that while the housing market had been slow in 2023 due to high rates, August's figures were still significant and came after an 11% rise in enquiries in July.

It said the average interest rate on a five-year fixed-rate mortgage was now 4.8%, down from 5.82% a year ago when the [Bank raised rates to 5.25%](#).

The research also found that average asking prices fell by 1.5% to £367,785 – a £5,708 monthly drop – between 7 July and 10 August.

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However, the Rightmove said the fall was seasonal, and had

happened for the last 18 years, because sellers typically put house moving plans on hold during the summer to go on holiday.

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The report found asking prices were 0.8% higher than a year earlier, compared with a rise of 0.4% the month before.

Nathan Emerson, chief executive of estate agent body Propertymark, said: "What the housing market urgently needs is a confidence boost following three years in 2020-23 of economic disruption.

"If inflation continues to fall next month, it would be positive for the [Bank of England](#) to use this as an opportunity to cut interest rates further, especially as the recent cut in interest rates spurred some activity in the housing market."

Rightmove also said it had revised its house price forecast for the year, and now predicts they will rise by 1% due to “positive market data and trends compared to the much more subdued 2023”.

The property website previously said it expected prices to fall by 1% during 2024.

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Bailey rules out rapid rate cuts

Financial markets predict there is a 31% chance of the Bank cutting [interest rates](#) again at its next meeting in September, according to London Stock Exchange data on Monday morning.

However, markets have priced in an 82% chance of a cut in November.

It comes after the official rate of inflation [crept up to 2.2%](#) in July – the first rise in the pace of price rises for six months.