

UK house prices rise to sixth consecutive record – but there are ‘signs of a slowdown’

Asking prices for UK homes have risen to a record high for the sixth consecutive month, according to a property website.

The average price being marketed is now £369,968, an increase of 0.4% or £1,354 in the past month, Rightmove said.

The monthly increase is slightly higher than May’s 0.3% rise, but well below April’s figure of 2.1%.

In the past year, [house prices](#) have grown by 9.3%, driven by low numbers of available properties and a continued desire to move, the website said.

This is a drop from the 9.7% year-on-year rise reported for the month of May.

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Demand is lower than this time last year – but still higher than before the pandemic in 2019.

Although there are more people selling their homes than there were a year ago, there are still 40% fewer properties available when compared with 2019.

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Due to the lack of supply, Rightmove has revised its forecast for 2022 prices, predicting an annual rise of 7% by the end of the year instead of 5%.

“With such an imbalance remaining between supply and demand, prices look underpinned, and we would therefore only expect typical smaller seasonal month-on-month falls, rather than more significant price falls in the second half of the year,” said Tim Bannister, of Rightmove.

Rightmove predicts that demand will probably drop to “more

normal” levels in the second half of the year as soaring living costs and rising interest rates make it harder for people to afford property.

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“Given the political and economic uncertainty at the moment, those who want to move this year, particularly first-time buyers, may seek some financial certainty by locking in longer fixed-rate mortgage terms now before their monthly outgoings increase again,” Mr Bannister added.

Kay Westgarth, head of sales at Standard Life Home Finance, said the data was a “further signal that UK house price growth is settling off”.

She said house prices are increasing, but at a “slower pace” than in the summer of 2020.

“Fear of a recession and five consecutive base rate rises are certainly putting the brakes on any further acceleration,” she said.

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A separate report from real estate and letting agent found that the rents in the UK have gone up by nearly £100 in the past year.

The average monthly rent in June was £1,163, compared with £1,069 the year before.

Aneisha Beveridge, head of research at Hamptons, said increases were caused by a shortage of properties and landlords passing on increased costs to their tenants – especially rising mortgage rates, more expensive insurance

premiums and maintenance bills.