

February 2014 Latest Property Price Summary

On a monthly basis we analyse the monthly property prices reports. Our analysis summarises what's happening according to the property analysts and [Kate Faulkner's, our Property Analyst and MD](#) explains in plain English what the impact of these reports is on the public, the industry, market and economy.

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Report Headlines:-

- [Rightmove](#) *"Strongest ever start to a new year."*
- [Home.co.uk](#) *"Calm Before the Storm: A Property Market in Crisis."*
- [Hometrack](#) *"House prices increase 0.3% in January. Market underpinned by largest supply/demand imbalance since 2009."*
- [Nationwide](#) *"House prices continued to rise in January."*
- [Halifax](#) *"House prices in the latest three months (November 2013-January 2014) were 1.9% higher than in the preceding three months (August 2013-October 2013)."*
- [Land Registry](#) *"The December data shows a monthly price change of 1.1 per cent."*

Kate Faulkner comments on Report Headlines:

"Overall, a positive start to the year and it looks like we may have a full 12 months of 'good news' in the property market from a price perspective. One thing that will be interesting to see this year, is 2013 showed how much 'pent up' demand there was after six years of the market being in the doldrums. Will 2014 be the year the 'frustrated seller' comes back into the market – or are we in for years of continued low transactions due to a lack of people moving?"

Regional Property Price Differences

[Home.co.uk](#)

“The Greater London property market continues to be the major force driving average prices upwards, recording inflation of 21.2% over the past five years, with 14.7% in the last twelve months alone. This is welcome news for property owners, but affordability issues are forcing increasing numbers of buyers to remain in the rental market. Elsewhere in the UK, prices were unchanged or fell back marginally in December 2013. Annual price changes in most regions of England and Wales remain positive, although in the North of England and Scotland, house prices are still in decline, reflecting the poorer economic outlook in these areas. (January 14)”

[Hometrack](#)

“Market conditions remain strongest in London and southern England where price increases were highest in January (London +0.6%, South West and East Anglia +0.4%). These regions have also seen the greatest declines in the supply of housing for sale in recent months. While London has been the engine for house price growth in recent years, the survey shows the rate of growth increasing in other markets as confidence spreads. Dorset (0.9%), Cambridgeshire (0.7%), Northamptonshire (0.7%), Devon (0.6%) and Essex (0.6%) all registered above average growth in January. (January 14)”

[Land Registry](#)

“The region with the most significant annual price increase is London with a movement of 11.2 per cent. The only region with an annual price fall is the North East with a movement of -0.1 per cent. London also saw the greatest monthly price rise with a movement of 2.6 per cent. Yorkshire & The Humber saw the most significant monthly price fall with a movement of -1.2 per cent. (December 13)”

Kate Faulkner comments on Regional Price Differences:

“Hopefully there are now signs - as Hometrack has pointed out - price rises aren't just London centric. However, there are far too many inaccurate and 'scaremongering' headlines and comments from the media, MPs and economists who don't bother to look outside London or even their own Borough for the true picture of what's happening to the housing market. Locally, agents and surveyors need to clearly explain what's happening in their region or to their type of property to help balance the 'London centric' reporting to help avoid confusion and frustration in the market.”

Demand for Property

Nationwide

“First time buyers are the lifeblood of the housing market. As well as accounting for a significant proportion of housing transactions (historically around 40% of transactions involving a mortgage), they also play an important role in the wider market, for example in helping to complete chains, enabling those that already own a property to move. For this reason, it is particularly encouraging that first time buyer numbers have been rising strongly in recent quarters. Indeed, at 73,700 in Q3 2013, they were up 32% compared with the same period in 2012 and accounted for around 44% of activity – close to an all-time high as a share of lending activity. (January 14)”

Halifax

“Demand has increased against a background of low interest rates and higher consumer confidence underpinned by signs that the economy is recovering and unemployment falling faster than expected. Official schemes, such as Help to Buy, also appear to have boosted housing demand. However, continuing pressures on household finances, as earnings fail to keep pace with consumer price inflation, are expected to remain a constraint on the rate of growth of house prices. (January 14)”

Bank of England

“The number of loan approvals for house purchase was 71,638 in December, compared to the average of 65,001 over the previous six months. (December 13)”

Severn Trent

“The average number of daily transactions in December was up around 24% on the same time last year. Typical seasonal trending saw them drop 29% from November. The overall number of transactions for December was actually up over 30% year on year with the extra working day this year making a significant difference. (December 13)”

Land Registry

“In the months July 2013 to October 2013, sales volumes averaged 72,507 transactions per month. This is an increase from the same period a year earlier, when sales volumes averaged 59,065 per month. Transaction volumes have been relatively consistent. (December 13)”

Kate Faulkner comments on Demand for Property:

“Many people are saying it’s down to Help to Buy that demand is increasing and this is causing prices to rise. However, Help to Buy is a fraction of the transactions, so it’s really the confidence it gave people to think about buying again. This was going to happen at some stage anyway, and demand will always rise before additional supply kicks in. We are too quick to forget how many people stayed away from buying for six years, and these extra transactions - albeit way below long term averages - are helping to boost jobs and get the economy back on its feet, so they should be welcomed by all.”

Supply of Property

Rightmove

“Average stock for sale per estate agency branch fell to its lowest level since February 2007, having fallen from 64 properties a year ago to a current level of 58. With those coming to market in areas of short supply having additional pricing power and their estate agents looking to replenish their dwindling stocks, those considering a move in 2014 should note the potential for prices to be considerably higher within a few months. While home-owners have been unable or unwilling to come to market during the economic downturn, there are very early signs of greater supply of existing homes being a feature of 2014. Both the first week of 2014 and the most recent month saw increases in property coming to market compared to the same periods a year ago, up by 4% and 6% respectively. However, the number of new properties to market this month remains 31% down on the same month in 2008.(January 14)”

Home.co.uk

“There are fewer new properties entering the market in every region of England, Wales and Scotland, with overall volumes last month down 7.5% on last year, and a staggering 57.2% down on five years ago. London and the South East are most affected by the shortage crisis, with falls in new stock of 67.5% and 61.0% respectively over the last five years. (January 14)”

Hometrack

“The supply of homes for sale has fallen over each of the last five months, contracting by a total of 17%. Increased activity by first time buyers, who do not have a property to sell, adds to the supply side pressures as do investors buying homes to let out for rent. We estimate that first time buyers and investors, with a mortgage and cash, currently account for up to 40% of all housing sales. Supply will only improve through more existing home-owners putting their property on the market, investors looking to capitalise on recent price gains and increase in new supply from builders. We expect supply to register a seasonal increase in the coming months but the general trend over 2013 was supply failing to keep pace with demand and putting extra pressure on prices. If sellers remain slow or reluctant to enter the market, in expectation of further price gains then the upward pressure on prices will build rapidly once again. (January 14)”

Kate Faulkner comments on Supply of Property:

“We desperately need to understand why, when markets are clearly blooming in some areas from a demand and price rise perspective, sellers aren’t moving. Is it because they can’t? Do they want to stay put? Are they waiting for prices to increase further? Some of the increases in prices year on year are great, but we forget to compare them to the 2007 heights, many people are still in negative equity so can’t sell, and others, even in London, will have barely seen their house prices go up by more than the inflationary rate of 3% per year over this time. If supply of existing homes doesn’t improve, we may have to accept building new homes, at a price or for a rent level people can afford is the only way of curbing future property inflation as with so many people owning a home outright or with a lot of cash, the government will find it difficult to control prices through interest rates.”

What to do next?

Buying, selling or investing in today's variable market means you need to take a great deal of care before making a decision. It's essential to secure independent, up to date, advice you can trust.

Kate and her team from [Property Checklists](#), make it easy to access the information and support you need via the FREE of charge checklists, daily articles and advice:-

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If you are you a property professional or journalist who needs up to date, accurate, facts and figures about residential property, subscribe to our [Property Information Portal](#).

For Media Professionals

If you need Kate to appear on TV, radio or for general comment, please contact directly:-

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About Kate Faulkner

Kate carries out over 50 speaking engagements every year, highlighting property market issues to the industry and consumers. She has written six property books including four for Which?, is a featured property expert on the 4Homes website, regularly presents market issues for BBC Radio Nottingham and has a column in the Nottingham Evening Post and is currently the Telegraph's property club Q&A person.

She has appeared on BBC Breakfast News, Daybreak, 'Your Money', Radio 2's Jeremy Vine Show, Radio 4's You and Yours, Radio 5 Live, ITV/ITN News and The Big Questions.

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