

March 2014 Latest Property Price Summary

We track most of the monthly reports on property prices produced on a monthly basis. This report summarises what's being said about the market and includes [Kate Faulkner's](#) comments on what this means primarily for the general public, but also for the industry, market and economy.

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Report Headlines:-

- [Rightmove](#) "Prices up by 3.3% despite 18% jump in new seller numbers."
- [Home.co.uk](#) "Price Hike Alert: London Leads the Charge."
- [NAEA](#) "House hunters set new six year high as supply continues to fall."
- [Hometrack](#) "House price rises across more than half the country as recovery spreads - highest coverage of growth for a decade."
- [Nationwide](#) "House prices continued to rise in February."
- [Halifax](#) "House prices in the three months to February were 2.1% higher than in the three months to November."
- [Acadata](#) "Average prices up £1,348 in January, setting a new record high."
- [Land Registry](#) "The January data shows a monthly price change of 1.0 per cent."

Kate Faulkner comments on Report Headlines:

"The property price surveys are all in agreement that prices are rising. The discussions now though, are very much around – are prices rising 'too fast' and therefore causing an unsustainable bubble which will burst? In London, it certainly seems a few areas, such as Hackney, are racing away and year on year, prices are growing more than their long term annual average. However, just because prices are rising, doesn't mean it's not sustainable. We have quickly forgotten that first time buyers and other property owners who have had six years to save and contemplate moving. Over this time, only half the normal number of people have bought and sold, so it's not really a surprise demand has grown quickly as soon as confidence has come back into the market. So we should be celebrating price rises which are heading 'back to normal' rather than fearing them. They are good for the industry and the economy."

Regional Property Price Differences

Home.co.uk

“London leads the charge with an eye-watering rise of 3.1% in just one month. Fierce competition amongst buyers for precious few properties on the market has now driven the annualised rise to a very bubbly 16.7%. Prices are on the rise in every English region, Scotland and in Wales. (February 14)”

Hometrack

“London and the South East continue to deliver the over-riding impetus for headline price growth and both registered above average growth of 1.1% and 0.9% respectively in February. All other regions registered higher prices over the month but the rate of growth is more muted with buyers remaining cautious and prices rising slowly off a low base. (February 14)”

Acadata

“For the fifth successive month, all ten regions in England & Wales are showing positive movement in their annual rate of house price change, giving a very clear sense of both widespread and sustained recovery. Greater London continues to dominate the housing market with house price inflation more than double that of any other region in England & Wales. Outside of Greater London there is a broad sense of recovery across the whole country, with six regions seeing house price inflation in excess of December’s annual RPI. There continues to be the vestige of a North/South divide in terms of regional house price growth, although the West Midlands is breaking this trend with growth in excess of the South West. This is very much in line with previous recoveries, with price growth rippling out from London across southern England and East Anglia and then moving north and west through the Midlands. (January 14)”

Land Registry

“The region with the most significant annual price increase is London with a movement of 10.9 per cent. No regions experienced an annual price fall. The North East 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 -1.4 per cent. (January 14)”

Kate Faulkner comments on Regional Price Differences:

“The regional recovery outside of London is good news, as the ‘feel good factor’ of price rises clearly has a good impact on people’s general financial confidence. This in turn means they are happier to spend more money, so a healthy housing market will definitely boost local economies. But we must remember there are still 500,000 people in negative equity, and areas where prices have dropped by 20-30% will benefit from price rises of 5 and even 10%, but this still means it will take some years for their property values to recover to their 2007/8 heights”

Demand for Property

Rightmove

“Rightmove’s ten busiest ever days were all in January this year. There was a new record for email enquiries to agents and developers too. More than 1.6 million email enquiries were sent from Rightmove last month, up 20% on January last year, and firm evidence that interest is serious and being followed up. (February 14)”

NAEA

“January saw a 5.7 percent increase in the number of house hunters registering with NAEA member agents, up from 334 in December 2013 to 353 in January 2014 – the highest number seen since March 2007 (385). (January 2014)”

Hometrack

“Levels of demand for housing registered a strong seasonal increase in February, rising by 17% - the highest monthly increase for 2 years. The majority of regions registered double digit increases in demand as market sentiment improves on the back of stronger house price growth and promotion of the Help to Buy scheme. The importance of low mortgage rates tends to be underplayed, but this is an important factor enabling households to purchase homes and bid up the cost of housing with average mortgage rates approaching half the level they were seven years ago. (February 14)”

Nationwide

“Demand continues to be supported by record low interest rates, improved credit availability and rising consumer confidence thanks to the healthy gains in employment recorded in recent quarters. (February 14)”

Bank of England

“The number of loan approvals for house purchase was 76,947 in January, compared to the average of 67,461 over the previous six months. The number of approvals for remortgaging was 36,398, compared to the average monthly increase of 35,248 over the previous six months. The number of approvals for other purposes was 13,050, broadly in line with the average monthly increase over the previous six months. (January 14)”

Severn Trent

“The average number of daily transactions so far in February is up 25% on the same period last year. It is also up more than 15% on the average number of daily transactions in January. The start of February is certainly stronger year on year in terms of daily transactions than the end of January was. (February 14)”

Acadata

“Last month saw the largest rise in sales over the past year, up 67% annually, with transaction levels crucially only 4% below the January average seen in the decade before the credit crunch. This astounding turnaround can largely be attributed to the resurgence of the first-time buyer. The wide range of attractive mortgage deals on offer, cheaper rates and wider product choice has been pivotal. (January 14)”

Land Registry

“In the months August 2013 to November 2013, sales volumes averaged 75,114 transactions per month. This is an increase from the same period a year earlier, when sales volumes averaged 60,272 per month. (January 14)”

Kate Faulkner comments on Demand for Property:

“It’s interesting that in the main the increase in demand has been attributed to the Help to Buy Scheme. And this has resulted in many calls to pull the scheme early. However, according to the National Audit Office, they are struggling to understand the impact of the scheme, partly because it is difficult to correlate the areas where price increases are growing at their fastest versus take up of Help to Buy. Really, demand is being driven by a combination of factors. The first is confidence, as everyone talks daily of price rises, more ‘for sale’ signs turn to ‘sold’, people see properties sell more quickly, so people are encouraged to make more generous offers, faster. But it’s not just about making offers. It’s about whether buying is better than renting. And, when prices rise, buyers worry about spending ‘dead’ money on rent, so low mortgage rates and access to higher LTVs are probably as much to ‘blame’ for the increased demand as H2B schemes. Finally, we need to remember only half the people who would normally buy, bought a home during the last SIX years, so of course as the market turns, there is initially a huge number of previously ‘frustrated’ buyers coming back into the market. Let’s bear in mind, this high level of pent up demand won’t last forever!”

Supply of Property

Rightmove

“There was a welcome jump in the number of properties coming to market this month. Weekly new listings averaged 27,768 over the last four weeks compared to 23,607 over the same period a year ago – an increase of 18%. While the sizeable year-on-year uplift is partly explained by a sprinkling of snow around this time last winter, this is the highest weekly run-rate at this time of year since 2008. New supply is scarcest in the south where increased demand is greatest. London (15%), the South East (13%) and South West (10%) are all below the national average of 18%. Furthermore, even this significant boost in property coming to market is exceeded by the number of properties coming off the market, suggesting that the extra supply is being soaked up by buyer demand. As a result, there was a slight fall in the average available stock per estate agency branch, from 58 properties to 57. (February 14)”

Home.co.uk

“The stock drought, whilst most severe in and around the capital, continues to worsen across southern and eastern regions of England and Wales. However, perhaps tempted by positive media coverage, significantly more vendors entered the market last month in Yorkshire, the North East and the North West. Rising supply in these regions will serve to attenuate any further price rises. Despite this, overall stock levels remain severely depleted across England and Wales and the number of fresh sales stock that entered the market last month was down 11% year-on-year. (February 14)”

NAEA

“NAEA member agents reported a decrease in the number of available properties in January, down from an average of 47 in December 2013 to 45 in January 2014. This is the fourth consecutive month to show a drop in the number of properties available in the housing market and the lowest figure seen since July 2007. (January 14)”

Hometrack

“Higher levels of market activity, especially from existing home-owners, are starting to have an impact on levels of supply coming to the market. Property listings grew by 11.2% in February the highest monthly increase for almost seven years (June 2007). While this increase is very welcome news, the supply of homes is growing off a low base and will need to expand much further to narrow the gap between supply and demand and ease the upward pressure on prices. (February 14)”

Kate Faulkner comments on Supply of Property:

“10 months after demand started to rise, the reports are definitely coming in that sellers are starting to gain confidence as more properties are coming onto the market. It’s not enough yet to match supply and demand in London and the South East, but as I’m looking for a property in London, I’m certainly noticing a big increase in the alerts coming through – good news! As properties are selling more quickly, the number on estate agents’ books will naturally go down, so better measures of supply include Rightmove’s and Hometrack’s listings, both of which suggest supply going up from 11-18%. But as the recent report for the One Show alerted us to, a London property will have 20 viewings in one day and three offers, while in Blackburn, even though the property was lovely and in a nice area, it took six months to get eight viewings and still no offers. So let’s hope we see more supply and demand matching in the coming months up and down the UK, so our housing markets can get back to ‘normal’- whatever that might be!”

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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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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