

April 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](#) *"New record asking price as the country gets moving."*
- [Home.co.uk](#) *"London on fire while Scotland Stagnates."*
- [NAEA](#) *"Supply of housing at nine and a half year low but FTB's undeterred."*
- [Hometrack](#) *"Buyers paying highest percentage of asking price since 2004 as demand outstrips supply - London buyers paying over 99%."*
- [Nationwide](#) *"House price growth moderates in March."*
- [Halifax](#) *"House prices fell by -1.1% in March. However, house prices in the latest three months (January 2014-March 2014) were 2.3% higher than in the final quarter of 2013."*
- [Acadata](#) *"House prices up £2,500 in February – largest monthly rise for 21 months."*
- [Land Registry](#) *"The February data shows a monthly price change of 0.7 per cent."*

Kate Faulkner comments on Report Headlines:

"As property price growth gains momentum, the question is – for London at least – when is a 'bubble' actually a 'bubble' as opposed to a title used to sell newspapers! "Normal" growth over a 14 year period using Land Registry stats suggests Londoners have an annualised 6-10% increase, while it's more like 5-7% outside of London. Based on this, it does appear London is overheating, but this could be just pent up demand. The question is, will lenders and valuers start rejecting offers made because of 'panic buying' in London, for fear of never getting on the housing ladder if property prices continue to rise at their current pace?"

Regional Property Price Differences

Rightmove

“While London’s price surge continues and contributes strongly to the new national record, it is no longer being driven by the prime London boroughs. In spite of the four most expensive boroughs (all with average prices over £1 million) recording an average fall of 1.3% this month, London overall is still up by 2.1% on the month as price rises continue to ripple out. The slack caused by prime London’s slowdown has been taken up by other London boroughs, and the rest of the south of England, aided and abetted by rises in four of the six northern regions this month. While London’s top-end locations remain sought after and highly valued, the slow-down in the pace of their rises was bound to happen after some heady increases. (March 2014)”

Home.co.uk

“Regional variations are truly significant in the current market, and national average figures obscure a great diversity of fortune throughout the regional property markets. The runaway price rises seen in London are not to be found in the North of England or Wales. The North East, North West, Yorkshire regions and Wales are all still experiencing sub-inflation price growth of between 0.7 and 2.3%, although they are all faring much better than Scotland. North of the border, asking prices have fallen by 1.4% over the last year. (March 14)”

Hometrack

“The latest survey results show that the recovery in house prices continues to spread away from London and the South East. The year on year rate of growth is now in positive territory across all regions for the first time since 2006. However, in four regions the rate of house price growth remains below 2% with prices rising slowly off a low base (North, North West, Yorkshire & Humberside and East Midlands). (March 14)”

Nationwide

“The gap between house prices in London and the rest of the UK is the widest it’s ever been, both in cash and percentage terms. Overall, the southern regions have been outperforming for some time, with the result that house prices in London, the Outer Metropolitan and Outer South East have now surpassed their pre-crisis peaks. Similarly, East Anglia and the South West are less than 5% below their 2007 highs. By contrast, the North of England, Wales, Scotland and Northern Ireland still have more ground left to recover. (March 14)”

Acadata

“Record average house prices have again been achieved for Greater London and the South East region, with 21 London boroughs and 14 Unitary Authorities (11 of which are in the South East) surpassing their previously recorded highs. Seven regions are showing an increase, or maintaining parity, in the rate of price growth this month compared to last. However, three regions, the North West, Yorkshire & Humber and even Greater London are seeing their price growth diminish. (February 14)”

Land Registry

“The region with the most significant annual price increase is London with a movement of 13.8 per cent. The North East experienced the only annual price fall of 1.3 per cent. Wales saw the greatest monthly price rise with a movement of 1.6 per cent. The North East also saw the most significant monthly price fall with a movement of -1.4 per cent. (February 14)”

Kate Faulkner comments on Regional Price Differences:

“The UK’s property market is now performing in such a contrary way it’s great news for local estate agents. What is said in the media versus what’s actually happening on the ground to prices, be it a flat in one street or a house a few streets away, is likely to be different. The best way to secure limited stock? Be your local housing expert. It may take time to build that reputation, especially amongst huge amounts of competition, but those that are ‘seen’ in local media and in their instructions take time to explain to sellers and buyers the ‘reality’ of house prices via comparables, are likely to reap the benefits of increased trust and reap the rewards of word of mouth.”

Demand for Property

NAEA

“The average number of house hunters registering with member agents waned, down from the six and a half year high reported in January (353) to 331 in February. However, the important First Time Buyer market showed continued signs of improvement and gained pace once again. The proportion of FTBs purchasing homes increased from an average of 28 percent in January to an average of 29 percent in February – a four year high. NAEA agents also reported that the percentage of properties sold to people purchasing a house using the Help-to-Buy equity loan scheme remained the same month-on-month at an average four percent. (February 2014)”

Hometrack

“Demand for housing continues to grow faster than supply. Demand grew by 6.6% in March with supply increasing by just 1.9%. (March 14)”

Nationwide

“Record low mortgage rates, improved availability of credit and the brighter economic outlook are all leading to increased demand for housing. (March 14)”

Halifax

“Housing demand continues to be supported by an improving economic outlook, growth in employment, rising consumer confidence and low interest rates. (March 14)”

Bank of England

“The number of loan approvals for house purchase was 70,309 in February, compared to the average of 69,563 over the previous six months. The number of approvals for remortgaging was 33,902, compared to the average of 35,258 over the previous six months. (February 14)”

Severn Trent

“The average number of daily transactions in March was up just over 21% year on year. It was also up 9% on the average number of daily transactions in February. Because Easter fell during March last year the actual total number of transactions that took place in March this year was 34% year on year. (March 14)”

Acadata

“For so long the housing market had to duck for cover from the fierce economic storm, but with the economy firmly on the mend and the jobs market picking up, this is hopefully well and truly in the past. As we head into the typically busier spring period, we are seeing a further strengthening of buyer demand which, combined with a thumping start to the year from the mortgage market, has bolstered confidence across the board. Total sales in both January and February are significantly up on the same months in 2013, while the February total in particular was the highest since 2008. Both are indicators of how far we’ve come in the space of a year. Aspiring buyers are avidly queuing to take up the government’s Help to Buy scheme, with first-time buyers especially benefitting from the wider range of mortgage loans now available. (February 14)”

Land Registry

“In the months September 2013 to December 2013, sales volumes averaged 75,318 transactions per month. This is an increase from the same period a year earlier, when sales volumes averaged 58,195 per month. (February 14)”

Kate Faulkner comments on Demand for Property:

“From an economic and industry perspective, it should be of more interest to everyone to see transactions coming back to the market. Unlike some commentators who are convinced rising prices are down to ‘greedy agents’ pushing up the prices, as I regularly remind them, if agents have that power, why did agents push them down so much in 2007 and not reverse the trend? Of course, anyone who runs the numbers knows, for the industry, it’s much more profitable for transactions to increase by 30% than secure an extra few hundred quid on a the few deals the industry had to survive on over the last few years. None of us can forget the devastation caused to the market by the boom of 2007, so a steady growth in prices, as highlighted by the RICS last year, is the only successful way to move forward.”

Supply of Property

Rightmove

“There is a definite recovery in property supply to help meet buyer demand as more sellers are enticed to market. After a time-lag of several months where increased buyer activity outstripped new seller supply, rising prices appear to be having their effect on home-owners’ equity, confidence and ability to trade up, down or out. A total of 114,996 new properties were advertised in the last four weeks, up 3.4% on last month and up 8.7% on the same period last year. Only the flood-hit South East (+1.3%) and South West (+2.3%) regions have not seen substantial jumps in properties coming to market compared to a year ago. East Anglia, with an 8.9% increase, is the only other region that has recorded less than 10% more fresh choice for potential buyers. (March 14)”

Home.co.uk

“The total number of properties on the market continues to fall overall. Regional variations are also evident on the supply side. The North East, North West and Yorkshire have all seen an increase in supply of sales properties entering the market over the last 12 months. In contrast, the hotter markets of London, the South East, the South West and East Anglia show year-on-year contractions in the number of properties being put up for sale of 13, 21, 11 and 17% respectively. (March 14)”

NAEA

“NAEA member agents, once again, reported a fall in the supply of homes, down from an average of 45 properties available per member branch in January to 43 in February. This is the fifth consecutive decline in the supply of properties in the market and a figure this low has not been recorded since May 2004 (40). The lack of properties in the market is a real concern but despite this, the average number of sales agreed per branch continues to improve, up from an average of eight sales per branch in January to nine in February. (February 14)”

Hometrack

“The supply of housing for sale expanded by just 1.9% over the month. Strong sales volumes are eroding the stock of homes for sale. The gap between supply and demand has been extended for the last 5 months (figure 3) and points to further price rises in the months ahead. (March 14)”

Nationwide

“However, the upturn in the supply side of the market continues to lag far behind, with the number of new homes being built in England still around 40% below pre-crisis levels (and this was already insufficient to keep up with the increase in the number of households being formed). (March 14)”

Halifax

“The recent strengthening in house price is increasing the amount of equity that many homeowners have in their home. This will potentially encourage and enable more owners to put their property on the market for sale over the coming year, therefore boosting supply and easing pressure on prices. (March 14)”

Kate Faulkner comments on Supply of Property:

“For over 30 years, successive governments and local authorities have failed to build enough properties to house people in the UK. Their failure is now coming home to roost. Shelter estimates over 400,000 households in London alone are waiting for a council house – yet the plans are to build only 40,000 homes a year. With an ageing population trading down and young families looking to trade up, there is going to be, in many areas, an almighty clash over purchasing small to medium sized properties. Perhaps the heat will go from buy to let investors squeezing out first time buyers to Mum and Dad or Granny and Grandad gazumping their siblings!”

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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