

May 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](#) *"London ripple pushes all southern regions to new price records."*

[Home.co.uk](#) *"Home prices rising faster than ever."*

[NAEA](#) *"Buyers willing to pay more as supply constricts once again."*

[Hometrack](#) *"Emerging signs of price resistance in London Market."*

[RICS](#) *"Demand supply imbalance continues to push prices higher."*

[Nationwide](#) *"Annual house price growth now into double digits."*

[Halifax](#) *"House prices in the three months to April were 2.3% higher than in the three months to January."*

[Acadata](#) *"Average house prices climb £1,200 in April - setting new record."*

[Land Registry](#) *"The March data shows a monthly price change of -0.4 per cent."*

Kate Faulkner comments on Report Headlines:

"As property market prices gain momentum, calls for 'restraining' the property market are now regularly appearing in the media. However, this isn't easy to do when a large part of the sales are cash sales, and panic buying for fear of never being able to afford to get on the ladder, is gripping London so hard. Increased supply of land and housing is now essential for London in particular, and the new build targets of just over 40,000 per year for London are far too low to make London affordable to live and to keep local communities operating."

Regional Property Price Differences

Rightmove

“The change in market conditions and pick-up in new seller pricing have pushed the annual rate of growth nationally to 7.3%, a level not seen since October 2007, before the credit-crunch. However, the north/south divide is still marked. All four of the southern regions (Greater London, South East, South West and East Anglia) are ahead of where they were in October 2007, with London the stand-out performer at +41.8%, and the only region to exceed the overall national average. By contrast, all the northern regions are still behind October 2007 levels by an average of 6%. This clearly illustrates the contrast in market conditions and time-lag between pick-up in the south versus the north. (April 2014)”

Home.co.uk

“Home prices rose in all English regions (except the North East), Scotland and Wales over the last month. The most dramatic price rises were observed in the South East (1.8%), East Anglia (2.2%) and the South West (1.7%), all of which outpaced the rise in London (1.2%). (April 14)”

Hometrack

“London continues to register above average growth (0.8%) but market conditions continue to strengthen in the regions outside London, particularly southern England. The continued improvement in market conditions across the wider housing market is demonstrated by prices increasing across 48% of postcodes outside London over April – this is the highest coverage of price rises for a decade (June 2004) and is three times higher than the level seen a year ago (16%). (April 14)”

RICS

“While prices are now rising across all regions, East Anglia and the South East are reported to have experienced the broadest rises over the last 3 months. (April 14)”

Nationwide

“A notable feature of the upturn in the housing market is that price growth has been significantly stronger in the South of England, especially in London and the South East. In the first quarter of 2014, prices in the capital were around 20% higher than their pre-crisis levels, while in the UK, as a whole, prices were still around 2% lower. Interestingly, price growth in London and the South East appears to be being driven by the top end of the market, with higher priced locations recording stronger price growth. Higher priced areas have seen larger price increases in percentage terms since prices were at their trough in mid-2009. (April 14)”

Acadata

“Considering the regional picture, while London may be forging the way with 13.2% annual house price growth, the rest of the country is definitely following the trail. Growth is emanating out from the capital, and prices and activity are progressing steadily across all regions. There are success stories across England and Wales – with Lincolnshire, Northamptonshire and Nottingham all witnessing house price inflation above the national average. East Anglia has become the third region following London and the South East where house prices have reached record highs, and have exceeded their pre-recession peak. In a key indicator of the vigour of the recovery, over the last twelve months prices have risen in 89% of the unitary authorities across the country. (April 14)”

Land Registry

“The region with the most significant annual price increase is London with a movement of 12.4 per cent. Wales experienced the only annual price fall of 1.6 per cent. Both East and North East regions saw the greatest monthly price rise with a movement of 1.1 per cent. Wales also saw the most significant monthly price fall with a movement of -4.2 per cent. (March 14)”

Kate Faulkner comments on Regional Price Differences:

“Looking at the Land Registry figures post the crash in the 1990s, the highest rises recorded for London were in 2000 when they reached 30-35% year on year growth. Interestingly, it took three years before we saw similar rises of 20-30% in other regions. What will be interesting is to see how long and if, other regions achieve similar growth to London in the coming years. What’s also important, are any housing policies for the future, and to some extent ‘average prices’ should quote and consider London separately to the rest of the UK.”

Demand for Property

NAEA

"The average number of house hunters registering with NAEA agents dropped by five percent in March, down from an average of 331 house hunters in February to 313 in March. However, NAEA member agents also reported an increase in the average number of sales agreed per branch, up from nine in February to ten in March. (March 2014)"

Hometrack

"Nationally, demand for housing continues to increase, rising by 3.3%. (April 14)"

RICS

"Growth in new buyer enquiries remains firmly positive across all parts of the UK and price growth is correspondingly diffuse. The growth in demand that is feeding this stronger market is being supported by the more favourable credit conditions that have increased the supply of mortgage finance. (April 14)"

Nationwide

"The introduction of Mortgage Market Review (MMR) measures could have an impact on activity levels in the months ahead as the new measures bed down. However, underlying demand is likely to remain robust, as mortgage rates remain close to all-time lows and as consumer confidence improves further on the back of stronger labour market conditions and the brighter economic outlook. The upturn in construction of new homes continues to lag far behind the upturn in demand, 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). (April 14)"

Halifax

"Although mortgage approvals have now declined for two consecutive months and property transactions fell in March, on an annual basis housing demand still remains strong. Housing demand continues to be supported by an economic recovery that is gathering pace, rising consumer confidence, low interest rates and wage growth finally beginning to outgrow consumer prices. However, with supply of properties being slow to respond to market conditions, stronger demand in the past year has resulted in upward pressure on house prices. (April 14)"

Bank of England

"The number of loan approvals for house purchase was 67,135 in March, compared to the average of 70,363 over the previous six months. (March 14)"

Severn Trent

"The average number of daily transactions for April was up 14.4% year on year. However it was down 0.3% on March's average daily transactions. Historically we normally see a slight downturn in orders over the Easter period which this year fell in April but last year fell in March. (April 14)"

Acadata

"As the floods and bad weather at the start of the year become a distant memory, sales in April have returned to more normal levels. Total house sales stand 40% higher than at the same point last year, totalling 72,000 in April. Activity is largely being fuelled by increasing numbers of purchases by first-time buyers and buy-to-let landlords, as consumer confidence sweeps the country. Low inflation and healthy wage growth are energizing household finances, and infusing aspiring buyers with greater optimism. Demand shows no sign of slowing: more house building is imperative to keep the momentum going, and to ensure that price rises are sustainable, in particular for first-time buyers – who remain the key ingredient at the lower end of the market, oiling the cogs of growth. (April 14)"

Demand for Property – cont'd

Land Registry

"In the months October 2013 to January 2014, sales volumes averaged 74,941 transactions per month. This is an increase from the same period a year earlier, when sales volumes averaged 55,824 per month. (March 14)"

Kate Faulkner comments on Demand for Property:

"With demand rising from two key areas: first time buyers and buy to let landlords, the problem is neither of these help to increase supply to the market, bar new builds being bought. From a demand perspective, housing policies for the next election need to prioritise how housing supply is going to be brought forward, now, not in a few years' time. Housing affects the economy, cost of living and people's wealth and well-being. Whoever is next in government needs to, as a matter of urgency, look at policies to encourage investors to 'build to let', continue with schemes to encourage 'first time buyers' to buy new builds, and find a way to release land and drive private funding into housing associations and councils to deliver social and affordable housing, which is the main supply problem in the UK."

Supply of Property

Rightmove

"While the imbalance between supply and demand continues in some locations, upwards price pressures may begin to ease with a 13% national average uplift in the number of properties coming to market compared to the same period in 2013. This additional fresh choice for buyers has been much more pronounced in the north, with five out of six regions recording a supply boost of 18% or more. Conversely, stock shortages are far more prevalent in the southern regions, with high demand remaining unfulfilled by increases in supply of between 8% and 13% so far this year compared to last.. (April 14)"

Home.co.uk

"The supply of properties for sale is down 12% year-on-year and down 48% since March 2008. (April 14)"

NAEA

"The supply of housing entering the market has fallen for the sixth consecutive month from an average of 57 properties available per NAEA member branch in September 2013 to 42 in March 2014. The result is increased competition in the market place with buyers prepared to offer more than the market price to secure a property. Nearly one in five (19 percent) properties sold for more than the asking price in March, nearly three times the seven percent recorded when NAEA first collected this data in September 2013. Just under a third (30 percent) sold for the original asking price while a half (51 percent) sold for less than the asking price. (March 14)"

Hometrack

"New supply continues to grow at a slower rate than demand, rising by 1.9% over the month. This is sustaining an extended supply/demand imbalance that has been in place for the last six months. The supply of housing for sale in London is starting to rise off a low base – up 2.5% in April compared to 1.9% nationally. New supply at very full prices will only exacerbate the sensitivity of buyers to pricing levels in the market. (April 14)"

RICS

"This dearth of new instructions appears quite widespread with nine of the twelve regions that we monitor seeing a decline in the number of new sellers coming to market over the course of the month. (April 14)"

Kate Faulkner comments on Supply of Property:

"The Rightmove stats are particularly interesting as they should give a 'future view' on what's happening supply wise. I've certainly noticed an uplift in the number of properties available, as I'm currently looking at buying again and whereas one or two properties might arrive in the inbox in January, it's more like five a week now. What we really need is people trading up and down to drive supply in the short term, but it's only new build that will impact on property price growth in the future, and this can only happen with better housing policies and more land released, while making sure the quality of properties is maintained from a space and design perspective."

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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