

June 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.

Index

- | | |
|---------------------------------------|---------|
| • Report Headlines | Page: 1 |
| • Regional Property Price Differences | Page: 2 |
| • Demand for Property | Page: 3 |
| • Supply of Property | Page: 4 |

Report Headlines:-

Rightmove	<i>"Largest ever May rise as new sellers ask nearly £10k more."</i>
Home.co.uk	<i>"London property bubble confirmed."</i>
NAEA	<i>"Buyer numbers soar as supply remains low."</i>
Hometrack	<i>"Hometrack housing survey indicates start of a slowdown in house price growth."</i>
RICS	<i>"Demand supply imbalance continues to push prices higher."</i>
Nationwide	<i>"Annual house price growth edges up in May."</i>
Halifax	<i>"House prices in the latest three months (March 2014-May 2014) were 2.0% higher than in the preceding three months (December 2013-February 2014)."</i>
Land Registry	<i>"The April data shows a monthly price change of 1.5 per cent."</i>

Kate Faulkner comments on Report Headlines:

"It amazes me how much people are getting 'over excited' about the house price growth we are seeing. Savills' research has already shown that the property price rises we are experiencing is very similar to what happened after the last crash. And the growth has now been proved not to be due to Help to Buy. What everyone is missing is from 2007-2012 half the number of people who would normally buy, didn't. They are now rushing in, sellers aren't. That's 2.5 million extra buyers cramming purchases into a year or two rather than spread over seven years. If politicians and the industry don't get the causes of property prices right in the first place, then the efforts to calm them will fail. We need to concentrate more on understanding market dynamics than panicking about them, otherwise policies will 'hamper' a 'normal' market reaction post a five year slump."

Regional Property Price Differences

Rightmove

"The disparity between London and the other regions is further highlighted by the growth in new seller asking prices so far in 2014. The average asking price in London is up by nearly £80,000 so far in 2014, an average of £4,405 per week. The weekly average of the rest of the country is £1,521. (May 2014)"

Home.co.uk

"Home prices rose in all English regions, Scotland and Wales over the last month. Monthly price rises were strongest in the South East (2.0%) and the South West (1.5%) outside of London (2.4%), whilst Wales and the East Midlands registered only marginal gains. (May 14)"

Hometrack

"House price inflation is starting to moderate both in London and nationally. The proportion of postcode districts with price increases slipped from 50% to 42% of market in May. This led to a slowdown in overall house price growth, with prices increasing by 0.5% in May, compared to 0.6% growth in both April and March. (May 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

"Evidence suggests that higher priced areas have been seeing the largest percentage increases in house prices, especially in London and the South East, but the majority of Help to Buy loans have been on transactions where the property values are below the national average. For example, 45% of Help to Buy mortgage guarantee loans were for property costing £125,000 or less, while only 22% of all mortgage house purchase transactions were on property values below this threshold. (May 14)"

Land Registry

"The region with the largest annual price increase is London rising by 17 per cent. North East saw the lowest annual price growth with a movement of 2.9 per cent. London also saw the greatest monthly price rise with a movement of 4.2 per cent. North East experienced the only monthly price fall of 1.9 per cent. (April 14)"

Kate Faulkner comments on Regional Price Differences:

"The Hometrack data seems to be the one correctly picking up the impact of the pent up demand potentially waning following poor buyer numbers from 2007-2012. Other price indices are still just reporting London prices going up, everywhere else is yet to catch up with property price 'normal' growth. What's important to be aware of with these numbers, is Q1 14 versus Q1 13 is a rising market versus what was a pretty static one. As the year progresses, reports will compare Q2's 14 rising market with the rising market from Q2 13, so it's quite possible the large growth figures we have seen so far will narrow. The media are likely to report this as a 'crash coming', so buyers will hold off, which is likely to stem the tide of growing house prices we've seen so far. It's to what extent this happens which will be of interest and to see if it's short or long term."

Demand for Property

Rightmove

"Demand for housing remains strong with email enquiries to agents on Rightmove up by nearly 20% so far in 2014 compared to the same period last year. (May 14)"

NAEA

"The average number of house hunters registering with NAEA agents increased by twenty percent in April, from an average of 313 house hunters in March to 392 in April. However, NAEA member agents also reported a decrease in the average number of sales agreed per branch, down from ten in March to nine in April. (April 2014)"

Hometrack

"The growth in demand is starting to moderate. (May 14)"

RICS

"Growth in new buyer enquiries remains firmly positive across all parts of the UK. (April 14)"

Nationwide

"First time buyers are playing an increasingly important role in the housing market recovery. First time buyers accounted for 48% of house purchase activity in March, a record high well above the long run average of 38%. Data from DCLG suggests that the Help to Buy scheme is providing support to first time buyers, who accounted for over 80% of Help to Buy loans to date. However, the modest numbers involved so far suggest that Help to Buy is unlikely to be the main factor behind the recent pickup in the wider housing market. For example, 12,853 Help to Buy mortgages were completed in Q1 (6,327 under the mortgage guarantee scheme and 6,526 under the shared equity scheme), equivalent to around 9% of total mortgage completions over the period. (May 14)"

Halifax

"On an annual basis, housing demand is still strong and continues to be supported by a strengthening economic recovery. (May 14)"

Bank of England

"The number of loan approvals for house purchase was 62,918 in April, compared to the average of 70,132 over the previous six months. (April 14)"

Severn Trent

"The average number of daily transactions in May is up 18% on the same time last year. It is also up 8.5% on April's average daily transactions. The day after the bank holiday was the second highest number of transactions in a day since 2010. (May 14)"

Land Registry

"In the months November 2013 to February 2014, sales volumes averaged 72,080 transactions per month. This is an increase from the same period a year earlier, when sales volumes averaged 52,331 per month. (April 14)"

Kate Faulkner comments on Demand for Property:

"It looks like demand may be starting to drop off. Although more people are looking via Rightmove, the NAEA aren't seeing this translating into more sales and people aren't applying for quite so many mortgages either. Part of this will be down to the 'doom and gloom' that we may be in a (mostly invisible and made up) 'bubble' scaring buyers off and partly due to some of the pent up demand now having bought and others realising 'rushing in' now when they are competing with other buyers may not be wise."

Supply of Property

Rightmove

"The supply of new properties to market is still unable to keep pace with demand, and whilst earlier months this year saw an encouraging increase in the number of new sellers, this month has seen the number of properties coming to market fall by 1% compared to April, as the bank holidays affect seller activity. (May 14)"

Home.co.uk

"The overall supply of properties entering the sales market continues to fall: down 6% across the UK over the last year. The regional market of East Anglia contracted most over the last 12 months, by 21%, in terms of the number of sales properties entering the market. (May 14)"

NAEA

"The supply of housing in April increased slightly from 42 in March to 45 in April, ending a sequence of six consecutive monthly falls. This number is still far below the figure of 61 properties available per branch at the same time last year. (April 14)"

Hometrack

"The lack of supply continues to support pricing levels. (May 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:

"Although the lack of supply is reported by the indices and long term is an issue, I'm seeing much more stock coming onto the market in the North London area I've been looking. Where I was getting may be one or two properties coming through every week, I am now getting that many – or more – a day. Agents are more keen to 'book me in' for an appointment rather than tell me when to turn up 'or it's gone'. So overall, although supply remains tight, there are certainly pockets of areas where people are deciding to cash in on the rises. This includes people who rented because they couldn't sell. ARLA are seeing a 4% decrease this quarter in people choosing to let due to market conditions."

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

Kate Faulkner, Property Market Analyst and Commentator

Websites: [Kate Faulkner](#) [Property Checklists](#)

Email: kate@designsonproperty.co.uk

Telephone: 0845 838 1763

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.

For more information contact Kate Faulkner directly on 07974 750562 or kate@designsonproperty.co.uk