

July 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:-

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| Rightmove | <i>"Prices go off the boil as supply and demand find a better balance."</i> |
| Home.co.uk | <i>"High prices tempt more Londoners to sell."</i> |
| Hometrack | <i>"Hometrack Housing Survey shows 'the brakes are on' house price growth."</i> |
| RICS | <i>"Rotation away from the capital after strong outperformance."</i> |
| Nationwide | <i>"House price growth remained strong in June."</i> |
| Halifax | <i>"House prices in the three months to June 2.3% higher than in the three months to March."</i> |
| Acadata | <i>"House prices see highest annual rise in four years, but rate of growth slowing."</i> |
| Land Registry | <i>"The May data shows a monthly price change of 0.4 per cent."</i> |

Kate Faulkner comments on Report Headlines:

"Well this is all very predictable! Pent up demand certainly seems to be abating, hence the number of buyers is likely to fall back over the coming months, especially as it's the holiday season. In addition, property price reports are now starting to compare a rising market this year versus a rising market in 2013, as opposed to a flat one in quarter one 2013. The result is the growth year on year is slowing, prompting headlines of prices still rising but more moderately."

Regional Property Price Differences

Rightmove

"More regions see falls than rises this month and all the fallers are in the north, with the notable exception of London, which records a drop of 0.5%. (June 2014)"

Home.co.uk

"Home prices rose in all English regions, Scotland and Wales over the last month, with the exception of the North East, where prices slipped marginally (0.1%). Scotland and the West Midlands posted only marginal gains of 0.1% and 0.3% respectively. Monthly price rises were strongest in East Anglia (2.0%), the East Midlands (1.6%) and Greater London (1.6%). (May 14)"

Hometrack

"The coverage of postcode districts with price increases over the month has continued to decline from 50% in April to 32% in June. London has seen the lowest coverage of price rises for 16 months – half the level of the second half of 2013. (June 14)"

RICS

"The headline RICS price balance remained broadly unchanged over the month with prices rising in each of the twelve areas we monitor. The South East and Northern Ireland experienced the strongest price gains for the second consecutive month while the rate of price growth in the London market appears to be easing. The London price balance recorded a value of 31 which, although still indicative of relatively solid growth, is the lowest reading since March 2013 and is now below the national average. (June 14)"

Nationwide

"While all regions recorded annual price gains for the fourth quarter in a row, there is still significant variation across the UK, with the South of England continuing to record the strongest rates of growth. In particular, London continued to outperform, with prices up by almost 26% in Q2 compared to the same period of 2013. The price of a typical property in London reached the £400,000 mark for the first time, with prices in the capital now around 30% above their 2007 highs and more than twice the level prevailing in the rest of the UK when London is excluded. In the UK as a whole, prices are less than 1% above their pre-crisis peak. Excluding London they are 0.4% below peak. (June 14)"

Acadata

"London continues to dominate the regional league table in terms of house price growth, with house price inflation double that of any other region in England & Wales. Record average house prices have again been set in three regions, Greater London, the South East and East Anglia, with the South West region only £38 short of its own record average price of £240,599, which was set in October 2007. (June 14)"

Land Registry

"The region with the most significant annual price increase is London with a movement of 18.5 per cent. North East saw the lowest annual price growth with a movement of 0.9 per cent. London experienced the greatest monthly price rise with a movement of 2.5 per cent. Yorkshire & The Humber saw the most significant monthly price fall of 0.9 per cent. (May 14)"

Kate Faulkner comments on Regional Price Differences:

"If only the reality of property prices were being reported, people would stop panic buying! The fact is, in most places property prices are excellent value for money. Normally prices would rise above inflation, yet that's only happened to some properties and areas in the likes of London since 2007. Even in London 10/32 boroughs have grown below the normal rate since the crash. Around the rest of the UK, prices in real terms are, according to LSL, still lower than their 2005 prices. The message is: it's a great time to buy and sell a home, but be careful not to overpay if investing!"

Demand for Property

Rightmove

"The summer months traditionally see a drop-off in buyers, and this year it seems that the initial rush of pent-up buyer demand has started to slowdown, as many motivated and committed buyers have now completed their transactions. (June 14)"

NAEA

"The average number of house hunters registering with NAEA agents fell back from the year high in April (392) down to an average 374 house hunters in May, however, sales were unaffected. The average number of homes sold per member agent increased from an average of nine homes (April) to 10 (May) matching the year high reached in March 2014. The important first time buyer market experienced a decline with the proportion of first time buyers purchasing a home in May shrinking to 25%, down from 28% in April. (May 2014)"

Hometrack

"There was no growth in new housing demand in June which marks a major turnaround from the trend over last 18 months. (June 14)"

RICS

"Increased speculation regarding the timing and pace of interest rate rises, alongside heightened rhetoric from the Bank of England regarding the risks, is resulting in more buyer caution. New buyer enquiries stand at their lowest level since the beginning of 2013. The London market appears to have been particularly affected by the increased air of caution with buyer demand contracting for the second consecutive month in June. Sales were reported to be increasing or broadly stable in all areas but the London market. (June 14)"

Nationwide

"Mounting expectations that interest rates may rise earlier than previously anticipated may also act to dampen housing market activity in the months ahead. As investors have become more confident that the Bank Rate will start to rise gradually from late 2014 or early 2015, so longer term interest rates have started to increase. If sustained, it is likely to feed through to mortgage rates, which would help to prevent buyer demand rising too strongly. (June 14)"

Halifax

"Housing demand continues to be supported by an economic recovery that is gathering pace, with employment levels growing and rising consumer confidence, although real earnings growth remains sluggish. (June 14)"

Bank of England

"The number of loan approvals for house purchase was 61,707 in May, compared to the average of 69,320 over the previous six months. (May 14)"

Severn Trent

"The average number of daily transactions for June was up 11.2% on the same month last year. It was also up 2.2% on the average number of daily transactions in May. (June 14)"

Acadata

"With new affordability regulations and stress tests tightening mortgage approvals, the Help to Buy scheme remains a crucial link in bolstering first-time buyer demand and fuelling activity outside of London. Flats, the typical property type of first-time buyers have seen the biggest boost in sales. (June 14)"

Land Registry

"In the months December 2013 to March 2014, sales volumes averaged 67,969 transactions per month. This is an increase from the same period a year earlier, when sales volumes averaged 50,016 per month. (May 14)"

Kate Faulkner comments on Demand for Property:

"It is vital that property market comments reflect the reality of what's happening rather than 'chase headlines'. The reports on demand all suggest that it's pent up demand which has caused the rises over the last 18 months, and comparing a rising market in Q1 2014 versus a flat one in Q1 2013 has temporarily exaggerated the rise in prices year on year, and as we compare property prices for the second half of 2014 versus a rising market in 2013, price rises from reports show a narrowing of the gap."

Supply of Property

Rightmove

“Better selling conditions in the first half of this year and increased confidence to take on the commitment of moving have finally unlocked more supply with new seller numbers up by an average of 9.6% year-to-date compared with 2013. All regions have also recorded a month-on-month increase in properties coming to market, with the capital seeing the largest jump in new sellers, up by 23.2%. (June 14)”

Home.co.uk

“The country’s for sale stock is down 15% on May 2013. Moreover, the supply of new market entrants across the UK is down 4% and this is exacerbating the supply demand imbalance. It is of note that London has shown an uptick in supply over the last month. (June 14)”

NAEA

“The average number of properties available per NAEA member branch decreased from 45 in April to 44 in May. This time last year (May 2013) members were reporting 60 properties available per branch. (May 14)”

Hometrack

“Talk of interest rate rises in the near future has compounded the impact on sentiment and buyers expectations over the market outlook. The net result is that buyers are becoming more cautious, all this at a time when tougher affordability checks have been implemented as part of the Mortgage Market Review (MMR). (June 14)”

RICS

“Significantly, the lack of supply that has been exerting upward pressure on prices across the country is beginning to show some signs of easing, with the headline new instructions balance edging into positive territory at +3, the first increase this year. A much more mixed supply picture is now emerging across the country, with London seeing new instructions grow markedly this month, while in the East Midlands and East Anglia, supply continued to contract quite substantially. (June 14)”

Nationwide

“It is important to note that the Financial Policy Committee does not have the tools to address the fundamental problem in the housing market – the lack of supply. While there are encouraging signs that the pace of construction has picked up, the pace of house building is still well below the expected pace of household formation. (June 14)”

Kate Faulkner comments on Supply of Property:

“The future of the property market as we head towards an election has to move away from the importance of ‘location, location, location’ and be all about ‘supply, supply, supply’. Every MP now needs to appreciate the important impact property and the market has on our national and local economy. By the Autumn, I’d like to see every MP having a policy of how they are going to eradicate the disgracefully high council waiting lists and provide the homes people need now and in the future, at a price people can afford.”

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:-

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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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