

October 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](#) *"Autumn upturn starts earlier than usual with 0.9% rise."*
- [Home.co.uk](#) *"London prices finally slide as the market cools."*
- [NAEA](#) *"Thirty-somethings dominate first time buyer market as young remain priced out."*
- [Hometrack](#) *"Zero house price growth' recorded in September for first time in 19 months, according to latest Hometrack National Housing Survey."*
- [RICS](#) *"Price momentum firm but demand moderates further."*
- [Nationwide](#) *"Annual house price growth slows in September."*
- [Halifax](#) *"House prices in the latest three months (July-September 2014) were 2.7% higher than in the previous three months (April-June 2014)."*
- [Agency Express](#) *"UK property market bounces back after summer slow down."*
- [Acadata](#) *"House prices up just 2% a year since crisis."*
- [Land Registry](#) *"The August data shows a monthly price change of 1 per cent."*

Kate Faulkner comments on Report Headlines:

"After 18 months of a massive surge in buyers in 2013, although properties in many areas remain well below 2007 heights, both real and nominal property prices are still appearing to slow down, even in Kensington and Chelsea. Good news for buyers. I do disagree with the NAEA comments about "thirty-somethings dominate the FTB market as 'the young' are priced out". At my age, 30 IS young... reality is though, FTBs average age has been 29 years for some time, so with a six year recession, when it wasn't right for many to buy, more buyers in their 30s should be expected, so the conclusion this is due to affordability doesn't, in my view, match what's actually happening."

Regional Property Price Differences

[Home.co.uk](#)

“Certain regional property markets continue to be strong performers: East Anglia, the East Midlands, the South East and South West all show 6-month price rises of over 4%. Others, however, are showing much weaker price growth; home prices in the North East are still falling behind inflation, rising only 1.2% over the last six months and by only 0.6% over the last year. (Sept 14)”

[Hometrack](#)

“London was the only region to record a price fall in September - of just -0.1% – with further modest price falls likely in the months ahead. The proportion of postcode districts showing price increases over September has fallen to a third of last month’s figure. However, the proportion of postcode districts with a price decrease over the month has bounced back to 1.2% (from 4.2% in July). (Sept 14)”

[Acadata](#)

“For six regions of the UK, average property prices achieved on completion are yet to match their pre-crisis score – and a North/South divide in the field remains evident in the race back from the debris of the financial crash. The North has the furthest ground to travel, with average prices still 8.3% (or £13,400) below their housing boom high in March 2008. Average house prices on sales completion in the South West set a new record in August, surpassing their October 2007 peak for the first time. This makes it the fourth region after London, the South East and East Anglia to scramble out from under the shadow of the financial crisis. Areas further afield like Warwickshire, Northamptonshire, and York are breaking cover too, with prices also towering to new heights.

“Overall, the capital has seen the strongest housing market recovery, with prices having now grown 47.3% from their previous peak in February 2008. However, the rate of annual house price inflation in the capital eased off by 0.1% in August, as we see growth relaxing into a slower tempo from the heady pulse earlier this year. (Sept 14)”

[Land Registry](#)

“The region with the most significant annual price increase is London with a movement of 21.6 per cent. North East saw the lowest annual price growth with a movement of 3.0 per cent. London also experienced the greatest monthly price rise with a movement of 2.7 per cent. Both South West and North West saw the smallest monthly change with a movement of 0.1 per cent. (Aug 14)”

Kate Faulkner comments on Regional Price Differences:

“Many commentators are saying the Land Registry data contradicts ‘other reports’ which say the market is slowing. Of course the Land Registry is some months behind more lead indicator surveys, so this isn’t true. What’s worrying from the current slowdown is looking at prices in the Midlands, for example, prices are still 11% below the peak of 2007. If prices don’t continue to move forward, this potentially causes asset value issues for buy to let investors who piled into the area from 2005-7 and of course prevents second steppers from moving on. We need to watch the trends carefully over the next few months as if prices do slow down across the country, we could be looking at a new era of low price growth, especially if the Bank of England uses its new powers to successfully curb lending. What we don’t know though is can the Bank of England hold back house prices through lending restrictions in a sector where 50% of homes in England are now owned without a mortgage. Very interesting times!”

Demand for Property

Rightmove

"Indications that pent-up demand remains in spite of summer lull. Enquiries sent to agents are good lead indicators of demand and Rightmove generated over 4 million enquiries in August, the second highest level ever recorded, with only January this year being marginally higher. (Sept 14)"

NAEA

"The average number of house hunters registering with NAEA agents increased by one per cent in August, from an average of 368 house hunters in July to 372 in August. However, our agents also reported a decrease in the average number of sales agreed per branch, down from nine in July to eight in August. On a more positive note, the average number of first time buyers significantly increased in August, up from 20 per cent of total sales in July to 28 per cent, an increase of 8 percentage points. (Aug 2014)"

Hometrack

"Demand for homes fell by 2.1% this month. The number of new buyers registering with agents has now fallen every month of this quarter, and by 4% over the last four months. (Sept 14)"

RICS

"The slightly softer demand picture is noticeable across the majority of the English regions, while in Scotland and Northern Ireland the demand picture remains firmer. (Aug 14)"

Agency Express

"In the UK, out of the 12 regions recorded by the index, 9 recorded increases in properties 'Sold' and 7 recorded increases in new listings 'For Sale'. This month's top performing regions include the South East. Properties coming on to the market rose by 16% and properties 'Sold' rose by just over 2% marking their largest rise in sales since May 14. Scotland returns results on par with the South East, reporting increases of +16% for properties 'Sold' and +3.3% for new listings 'For Sale'. The largest declines in this month's Property Activity Index were made by the East Midlands. After an unseasonal spike in figures during August the region fell by -5.50% on new listings 'For Sale' and by -12.5% for properties 'Sold'. (Sept 14)"

Bank of England

"The number of loan approvals for house purchase was 64,212 in August, compared to the average of 65,738 over the previous six months. (Aug 14)"

Severn Trent

"The average number of daily transactions in September was down 3.7% on the same time last year. It was, however, up 0.4% on August's transactions. We would normally anticipate a larger rise than this between August and September as part of usual annual trends. (Sept 14)"

Acadata

"We estimate that the number of housing transactions in England & Wales in September 2014 (Land Registry), will total some 82,000. This is a fall of 9% from August levels, but is much in line with the long-term seasonal trend of a decline of 10% in transactions from August to September. The number of sales in September is up 16% on the same month in 2013. The gap between the level of monthly sales in 2014 and 2013 is continuing to narrow, reflecting a possible sustained slowdown in the current market. (Sept 14)"

Land Registry

"From March 2014 to June 2014, sales volumes averaged 71,426 transactions per month. This is an increase from the same period last year which averaged 59,556 per month. (Aug 14)"

Kate Faulkner comments on Demand for Property:

"A fabulous increase in the number of properties sold +20% according to the Land Registry. With the average mover spending around £8,000 in the first two years of moving in, this is great news for the overall economy - not just agents. However, the leap in demand is causing many issues for buyers and sellers. The Mortgage Market Review has, in some cases, slowed sales, but there are now capacity issues showing in areas such as conveyancing and surveying. This is a problem, as all these roles take time to train for, so from an industry perspective we have to make sure customer service doesn't suffer due to increased volumes and mortgage advisors, surveyors and legal companies don't stop building their brand, just because they are too busy, otherwise volumes will soon drop if the market falls."

Supply of Property

[Home.co.uk](#)

“Across the UK, supply remains historically tight, showing a rise of only 3% on the already record low levels observed 12 months ago. Supply of properties entering the market fell the most in East Anglia over the last 12 months (down 6%). Looking back to 2007, we can see it is actually the Greater London market that has contracted the most (by 65%) over the last seven years, despite a recent surge in property entering the market. Of the regions, the East Anglia and South East property markets have contracted the most (down 63% and 62% respectively). Overall, the mainland UK property marketplace offers 55% less choice to buyers today than it did in 2007. (Sept 14)”

[NAEA](#)

“The supply of homes for sale in August decreased slightly from the previous month, with an average of 49 properties available per NAEA member branch, compared to 51 in July 2014. With the decline in stock levels, the supply crisis continues to affect the market as demand for property increases. As records show, the number of properties available per member branch has not reached above 60 since May 2013. (Aug 14)”

[RICS](#)

“Agreed sales fell for the first time since September 2012 and it was the second consecutive decline in new buyer enquiries. (Aug 14)”

Kate Faulkner comments on Supply of Property:

“Higher levels of supply into the sales market would seem most likely to come from the new build sector in the future. The Hometrack data says people are now staying in their property for 25 years, on average, and with an ageing population that figure may well move higher. Making sure the industry has specialist services for developers and helps buyers to see the benefits of new build versus older properties will be vital for success in the future.”

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 has written six property books including four for the consumer organisation Which? – Buy, Sell and Move House; Renting and Letting; Develop your Property and Property Investment Handbook. Kate presents at a seminar almost every week to landlords, investors, first time buyers and is often asked to present at industry conferences and chair debates.

From a media perspective, Kate's appearances include BBC Breakfast News, Your Money, GMTV, ITV, Radio 4 You and Yours, The Big Questions and 5Live. In the last 12 months, Kate has carried out over 15 TV and radio interviews, has been quoted every month in major newspapers and magazines and being featured in many local newspapers.

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