

Consumer Property Market Reports

This report is written by Kate Faulkner, one of the UK's top independent property price and rental market commentators. It is written to help the public considering buying, selling, investing, building, renovating or renting a home so they understand what's actually happening nationally and in their local property market. This helps them to work out if now is a good time to carry out their property project, or if they should wait.

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This report is aimed at giving an independent view, following a professional review of all the different property price reports to look for consistent trends, understand differences and utilise commentary from sources we have tracked over time who we believe, with hindsight, have given good analysis of what's happening, as opposed to reports which are often more for PR purposes.

We also analyse the market from a consumer, not a business perspective. As such, we take less notice of year on year and month on month price comparisons, and instead look at how prices are performing against previous market highs and lows. This helps us and the general public understand what's happening in their local area.

We ask questions people ask via our property clinics, free Q&A's and seminars:-

- Is the current market growth 'normal' post a recession
- What are the pros and cons of buying in a rising market?
- As buyers, sellers, investors, builders, what does a rising market mean for you?

Average House prices for August/September 2014

How do August/September prices compare over time?

This month's figures show:-

- The [Nationwide](#) reported average property price of £188,374 for September 2014, which is up around 9.5% year on year, when compared to the same time last year.
- The [Land Registry](#) average price for August 2014 of £177,824, a year on year increase of 8%.
- The [Acadata](#) reported average property prices in September 2014 are £275,820, which is up 10.6% year on year.

[\(Appendix about seasonal adjustments\)](#)*

How do this month's prices compare to the rest of the year in England and Wales?

During 2014, we can see from the chart below that the average price trend is continuing to move upwards.

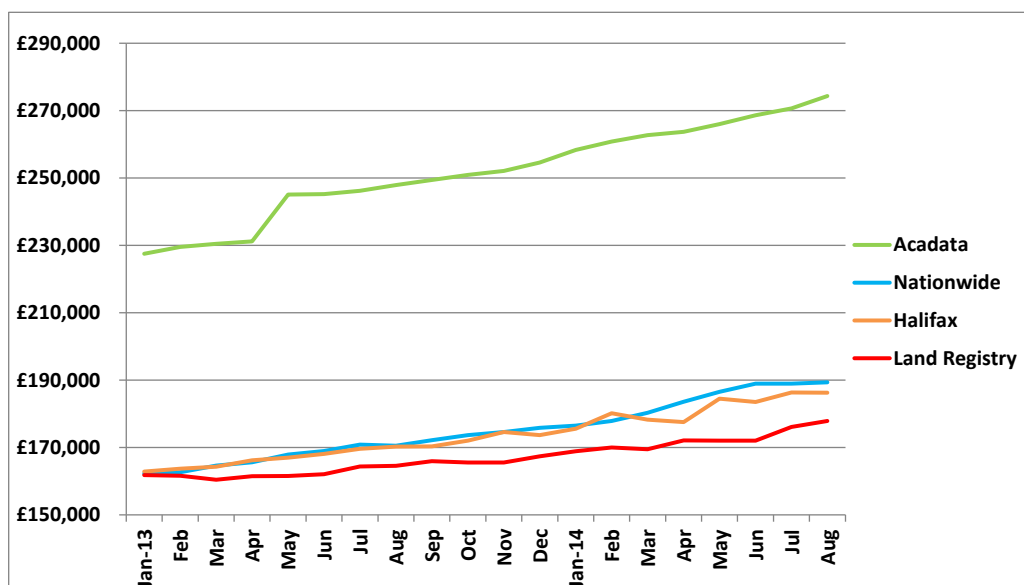


Chart above showing average property/house prices in England & Wales from Jan 13 – Aug 14*

- 'Average property' prices for mortgaged properties started off at £162,245 in January 2013 and are now at £188,374 having dropped back slightly from August for [Nationwide](#) (Sept 2014).
- [Land Registry's](#) average sold prices (including some cash sales) started at £161,795 in January 2013 and are now at £177,824 (Aug 2014).
- [Acadata's](#) average property prices for all properties started off in January 2013 at £227,478 and have now reached a high of £275,820 (Sept 2014).

How far away are property prices from the heights achieved in 2007/8?

With recent improvements in property prices in some areas of the UK, compared to the heights of 2007/08, property prices are now:-

- 2% above the height of 2007/08 for [Nationwide](#)
- -3% below the height of 2007/08 for [Land Registry](#)
- 19% above the height of 2007/08 for [Acadata](#)

How do this month's property prices compare to the lows of 2009?

Although property prices haven't quite recovered to the heights of 2007/8 in some areas, compared to 2009 lows, property prices are recovering quite strongly - especially for mortgaged properties through Nationwide:-

- 27% above the lows of 2009 for [Nationwide](#)
- 16% above the lows of 2009 for [Land Registry](#)
- 40% above the lows of 2009 for [Acadata](#)

Kate's & other Expert Market Commentary

Rightmove data tracks prices properties are marketed (not sold) for. This means they are a lead indicator for what *sellers think prices will rise or fall by*, but don't reflect *actual* or real sale prices.

Miles Shippside, Rightmove Director, comments: *"We usually see a price fall at this time of year as potential home-movers are generally still in holiday mode. However, it looks like there are early signs of a bounce-back in demand after the summer lull. While there is more property coming to market this year, it has been more than swallowed up by increased sales."*

Nationwide and Halifax figures show what's happening to a small percentage of properties bought *ONLY* with a mortgage, so it excludes all cash sales, which can be up to 30% of total sales.

Robert Gardner, Nationwide's Chief Economist, says: *"UK house prices declined by 0.2% in September, following sixteen consecutive monthly price rises. As a result, the annual pace of house price growth moderated to 9.4%. While September saw a slowing in house price growth, the picture on a quarterly basis (July- September) was still relatively strong, with all thirteen UK regions recording annual price gains. There remains significant regional variation however, with the South of England still seeing the strongest rates of growth. Price growth may soften further in the final quarter of the year, given the high base for comparison from Q4 2013. However, the outlook remains uncertain."*

Martin Ellis, Housing Economist from Halifax, comments: *"The recent rapid rise in house prices in some parts of the UK, earnings growth that remains below consumer price inflation and the possibility of an interest rate rise over the coming months, appear to have tempered housing demand. This weakening in demand has led to a modest easing in both house price growth and sales. Annual house price inflation may have peaked around 10%. A moderation in growth looks likely during the remainder of 2014 and into next year as supply and demand become increasingly better balanced."*

LSL data comes from **Acadata** who base their indices on Land Registry data and a forecasting method uses the mean house price data, so is higher than LR and Nationwide which use the median.

David Newnes, director of Reeds Rains and Your Move, part of LSL Property Services, says: *"September saw the lowest monthly increase in property prices in 2014 so far, as a new spell of market adjustment sets in for the autumn. But while price growth dulls, activity in the market is still vibrant, and total house sales completions are up 16% year-on-year in September. First-time buyers have been bringing much of the vitality and optimism to the party. Over the three months from June to August, the sale of flats, typically the preserve of new buyers making their inaugural property purchase, has risen 26% when compared to the same period in 2013."*

Simon Rubinsohn, Chief Economist for the RICS comments: *"The September Market Survey indicates fading, albeit still robust, price momentum at the headline level. The London price balance turned slightly negative in September for the first time since the beginning of January 2011, ending the longest continuous period of price growth that this survey has recorded for the capital. Expectations for price growth over the coming three months remain positive with only surveyors in the London market expecting to see values decrease. However, at the twelve month horizon, prices are expected to rise across all regions with respondents on average forecasting a 2.1% increase."*

Kate Faulkner's Market Commentary:

"It shouldn't be a great surprise that prices are slower, as this time last year it was when prices started to rise across the UK, so a rise versus a rising market is bound to minimise growth. The reality is 18 months into a market turnaround, pent up demand is waning and prices are starting to return to 2007 heights – the level people struggled to afford in the past. The big question moving forward is whether the market will now be held back by affordability and restricted mortgage lending and what long term impact this will have on the property market."

What's happening to property prices regionally in August 2014?

Regional Averages – Scotland, Northern Ireland, England and Wales

Property Prices Regionally	Latest Month's Data - Aug 14	Current Price +/- versus Market Height	Year on year change in price in Aug	Annual average increase since 2000	Land Registry Highest Yearly Average Increase Since 2000	
					Date	% Increase
Scotland *	£ 169,914	6%	5.2%	n/a	n/a	n/a
England & Wales	£ 177,824	-3%	8.4%	5.9%	Jan-03	24.7%
Wales	£ 118,814	-16%	3.4%	5.6%	Jul-04	28.7%
Northern Ireland **	£ 139,720	-44%	6.8%	n/a	n/a	n/a

*Ros.gov Data (Aug 14) **Bank of Ireland Data (Q2 14). Please note 'country' figures cannot be compared

Scotland

[Acadata's](#) Scottish index suggests average house price growth is slowing up, together with slowing supply. **Gordan Fowlis, Regional Managing Director of Your Move, part of LSL Property Services**, comments: "A favourable lending environment boosted demand over the summer. There were 9,285 transactions in July, climbing 5% up from June to reach the highest monthly total since July 2008. And this propelled prices to new peaks in July in some of Scotland's centres of employment. Aberdeenshire and Edinburgh have seen transactions soar 20% and 25% respectively over the past year. But on the other side of the coin, uncertainty is leaving its trace – and squeezing supply has seen slower overall transactions growth compared to last year."

Wales

Although the Welsh property market is slowly showing signs of improvement, with year on year prices increasing by just under 3.5%, prices remain some way off the height of the market, currently standing at -16% down on 2007/08.

Northern Ireland

Over recent months, there have been some improvements with property prices in Northern Ireland, with a 6.8% increase year on year, but prices are still -44% lower than the height of the market in 2007/08. Whilst this is tough for sellers who purchased their properties around five or six years ago, for potential purchasers looking at getting on the property ladder or invest, now may well be the time to start looking.

Towns & Cities	2007/8 Height	Market Low	Market Low +/- versus Market Height	Latest Month's Data - Q2 14	Current Price +/- versus Market Height	Year on year change in price in Q2 14
Belfast **	£ 258,332	£135,385	-47.59%	£ 145,551	-44%	5.4%

**Bank of Ireland Data (Q2 14)

What's happening to property prices regionally in August 2014? – cont'd

England - Regions

English Regional Averages from the Land Registry (see chart below)

- London and the South East are the *only regions* to have exceeded their previous high of 2007/8.
- The East has now reached its previous high.
- The East Midlands, West Midlands and the South West improving, but are still down against the 2007/8 high by between 6% and 12%.
- The North East, North West and Yorkshire and Humber property prices remain between 16% and 22% below 2007/8 heights.

Property Prices Regionally	2007/8 Height	Market Low	Market Low +/- versus Market Height	Latest Month's Data - Aug 14	Current Price +/- versus Market Height	Year on year change in price in Aug	Annual average increase since 2000	Land Registry Highest Yearly Average Increase Since 2000	
Regions								Date	% Increase
North East	£ 129,519	£ 94,940	-26.70%	£ 100,781	-22%	3.0%	5.1%	Apr-03	30.9%
North West	£ 137,582	£ 106,141	-22.85%	£ 113,269	-18%	4.2%	5.4%	Jul-04	27.2%
Yorkshire & The Humber	£ 145,571	£ 113,887	-21.77%	£ 121,466	-17%	4.0%	5.7%	Jan-03	27.3%
East Midlands	£ 147,541	£ 118,668	-19.57%	£ 131,171	-11%	5.9%	5.6%	Jan-03	31.8%
West Midlands	£ 153,944	£ 126,365	-17.91%	£ 135,637	-12%	4.4%	5.1%	Feb-03	26.7%
South West	£ 195,465	£ 158,279	-19.02%	£ 183,991	-6%	5.8%	5.9%	Jan-03	28.2%
East	£ 194,114	£ 157,445	-18.89%	£ 195,463	1%	10.6%	6.2%	Feb-03	27.2%
South East	£ 228,328	£ 185,432	-18.79%	£ 238,119	4%	11.6%	5.8%	Jun-00	23.5%
London	£ 351,512	£ 292,977	-16.65%	£ 467,070	33%	21.6%	7.9%	Apr-00	29.0%

Kate Faulkner's Market Commentary:

"The media typically uses the 'year on year' figures to report the market – showing price growth of 3% through to 21.6%. However, this over exaggerates the current property price picture as it ignores the falls between 2007 and 2009 – when prices fell between 16% and 27% in England. A 3% increase year on year in the North East when prices have previously dropped by 22% is good news, but not as good as the media would have you believe.

"Long term property prices which track peaks and troughs are more helpful to buyers, sellers and investors. What they need to know is answers to questions such as:-

"Is now a good time to buy?" "Is the market overheating?" "Can I get a bargain today?"

"The reality is there are still hundreds of thousands of people in negative equity. Research from HML and asset recovery Moore Blatch suggests 'the majority of customers (59 per cent) could absorb an interest rate rise based on small progressive increases of 0.25 per cent possibly over an 18-month period, up to around an increase of 1.5 per cent. However, it also identified the fact that 16 per cent would be sensitive to even small interest rate rises and this could impact on mortgage payments'.

"So the government and the Bank of England has a difficult job to do in balancing the inevitable rise in interest rates with the recovery of the housing market, to ensure the property market doesn't 'dip' and 'pull down' the economic recovery forcing people into selling their homes at a loss."

For expert property help from Kate and her team, **SIGN UP** to propertychecklists.co.uk for **FREE** to access lots of property checklists, including:-

- [Is buying cheaper than renting for you?](#)
- [Help to Buy Checklist](#)
- [Trading Up Checklist](#)

What's happening in your town in August 2014?

Even at city and town levels, your property price or the value of the property you want to buy or sell can be going up when the regional data says, on average, prices are going down. So as well as tracking the regional data, we also track the latest property price movements for major towns and cities in the UK during August 2014.

Prices changes at town level vary from 2.5% to 21.6% year on year

- Property prices in **Liverpool and Bradford** remain at -25% and -23% below market the height of 2007/8.
- **Manchester, Leeds, Nottingham, Sheffield, Birmingham and Peterborough** prices are between 20% and 15% down on the previous high.
- **Peterborough and Leeds** have seen growth of 6.6% and 6.5% respectively, year on year.
- **Bournemouth and Cardiff** are both 7% down on 2007/08 heights respectively.
- **Bristol** is now 2% above the market high, with strong year on year growth of 11.4%.
- **Brighton and Hove** now exceed the 2007/8 high by 12%, with strong year on year growth of 12.2%.
- **London** is 33% above the market high with year on year growth of 21.6%.
- Prices in **all towns** (in chart below) continue to exceed their market lows.

Towns & Cities <i>England & Wales</i>	2007/8 Height	Market Low	Market Low +/- versus Market Height	Latest Month's Data - Aug 14	Current Price +/- versus Market Height	Year on year change in price in Aug	Annual average increase	Land Registry Highest Yearly Average Increase Since 2000	
								Date	% Increase
Liverpool	£ 124,934	£ 87,986	-29.57%	£ 93,654	-25%	3.4%	5.3%	Jul-04	42.7%
Bradford	£ 125,925	£ 91,102	-27.65%	£ 97,042	-23%	2.5%	5.1%	Oct-04	29.1%
Manchester	£ 121,340	£ 89,621	-26.14%	£ 97,466	-20%	6.3%	5.7%	Sep-04	24.4%
Leeds	£ 155,110	£120,678	-22.20%	£ 128,030	-17%	6.5%	5.5%	May-03	28.3%
Nottingham	£ 105,214	£ 81,782	-22.27%	£ 88,281	-16%	5.4%	4.6%	Feb-03	33.5%
Sheffield	£ 139,484	£112,582	-19.29%	£ 119,172	-15%	3.8%	6.1%	Apr-03	26.7%
Birmingham	£ 136,345	£109,972	-19.34%	£ 116,221	-15%	2.9%	4.9%	Apr-03	28.8%
Bournemouth	£ 192,914	£152,100	-21.16%	£ 180,155	-7%	5.1%	5.4%	Feb-03	25.5%
Bristol	£ 188,869	£148,839	-21.19%	£ 192,920	2%	11.4%	6.9%	Feb-03	29.8%
Cardiff	£ 159,475	£131,853	-17.32%	£ 148,738	-7%	4.8%	5.6%	May-03	28.8%
Peterborough	£ 134,523	£103,729	-22.89%	£ 113,450	-16%	6.6%	5.5%	Dec-02	26.9%
Brighton and Hove	£ 232,584	£187,183	-19.52%	£ 260,343	12%	12.2%	7.8%	Jul-00	35.5%
London	£ 351,512	£292,977	-16.65%	£ 467,070	33%	21.6%	7.9%	Apr-00	29.0%

Kate Faulkner's Market Commentary:

"The excitement pushed by the media on property price growth just shows how much consumers are being influenced by figures which, in reality, are good news, but not as good news as people may think.

"For those in London, the huge growth since the downturn of 33% and the year on year growth of 21.6% is scary for buyers, but good news for sellers. However, at the other end of the scale, towns such as Liverpool which have an increase of 5.3% is not as exciting when you consider prices dropped by nearly 30% from 2007 to 2009. Although a 5% rise is good news, the fact that 'on average' prices are still 25% down suggests it will take 5 if not 10 years for property prices to recover in some areas to their previous heights. And of course, this doesn't take into account the impact of inflation. In real terms, it may take many, many years for the likes of Manchester, Leeds and Bradford to see a recovery in property prices.

"With the adjustment in pensions, this means for those considering taking money out to invest in property need to be cautious. The success of the property market in the past doesn't seem to have been seen since 2004. The market is changing and the more properties which are built and restrictions put on mortgage lending, the chance of the property market performing at the same levels as the past are highly unlikely."

Property Supply & Demand

How many viewings do you need to sell a home? How many weeks will it take to sell?

Hometrack	Previous Year/ Month - % Offer to Asking Price Sept 2013	Time to Sell Weeks	Number of Viewings	Current Month - % Offer to Asking Price Sept 2014	Time to Sell Weeks	Number of Viewings
England & Wales	94.7%	7.9	9.8	95.8%	6.3	8.7
Wales	93.3%	8.9	n/a	96.3%	5.5	n/a

September 2013 versus September 2014

The English Market

[Hometrack's](#) data (see chart above) for September 2014 versus a year ago, shows key demand and supply indicators dropping back, which shows the market is good. The percentage offer to asking price for England and Wales remains just above the magic 95%, which is classed as a 'normal market', and the average number of weeks it takes to sell a property in England and Wales is now 6.3 weeks, which is no change from August but a drop from 7.9 weeks a year ago. So the market is definitely improving for buyers and sellers, making this a good time to buy and sell.

What's happening in Wales?

The time it takes to sell a property in Wales has fallen from just under nine weeks a year ago to only 5.5 weeks in September 2014. The offer to asking price percentage has increased from just over 93% in September 2013 to 96.4% in September 2014, and remains above the magic 95%, which indicates the Welsh property market has now returned to a much more 'normal' market.

As always, there are of course regional differences, and according to [Hometrack's](#) regional data, (see chart over the page), all areas have continued to see a rise in the average offer to asking price ratio and a fall in the time it takes to sell a property versus a year ago, with the exception of London.

Check out the differences in your area using the Hometrack data below

If you are a buyer, seller or investor, it's essential you speak to the local agents to find out what's actually happening in your area, as although regional averages are a guide, there can be vast localised variations in the market.

In London, all indicators point to a property market that continues to be 'hot', with an average offer to asking price of 96.2% during September, and 4.9 weeks to sell a property. However, this is showing signs of slowing up from June's figures of 98.7% (the average offer to asking price) and less time to sell a property at 3.8 weeks.

Although the South East region has also been 'hotting up' over the last few months, this is now indicating it is slowing up slightly, with an offer to asking price ratio of 96.2% in September, down from 96.4% in August, with the time to sell a property remaining the same as August.

The offer to asking price percentages remain above the magic 95% mark in all bar two of the regions, the North East and West, however, the North West is almost there at 94.9%. There remains regional variations in the number of weeks it takes to sell a property, from 8.8 weeks in the North West to just 4.2 in the South East.

Property Supply & Demand – Cont'd

Hometrack Regions	Previous Year/ Month - % Offer to Asking Price Sept 2013	Time to Sell Weeks	Current Month - % Offer to Asking Price Sept 2014	Time to Sell Weeks
North East	93.5%	12.2	94.3%	8.5
North West	93.4%	10.6	94.9%	8.8
Yorkshire and The Humber	95.0%	10.3	95.5%	8.2
East Midlands	92.9%	11.2	95.4%	6.5
West Midlands	93.9%	8.1	96.0%	6.7
South West	94.6%	7.8	95.3%	7.5
East	93.7%	9	96.0%	4.8
South East	95.9%	5.4	96.9%	4.2
London	96.5%	3.8	96.2%	4.9

Commenting on the trends in the market, **Richard Donnell, Director of Research at Hometrack**, said: *“There’s a distinct chill in the air this month: after a strong run over the last 18 months, the momentum of house price rises has started to turn with growth now at a standstill for the first time since January 2013.”*

What’s supply and demand like within estate agencies?

Another source of checking current market conditions for supply and demand is looking at the average number of properties per branch of estate agents, together with the number of sales per estate agent branch.

The average property stock per branch data (*see chart below*) from [Rightmove](#) for August 2013 through to August 2014, has made slight rises since January 2014, but dropped back slightly in July and August, and is seven properties less than a year ago.

The [NAEA](#) average property stock figures per branch show property stock levels ranging from 42 to 51 since January 2014, but remain slightly lower than this time last year. According to the [NAEA](#), average sales of properties per branch have varied between 8 and 10 since the start of 2014, and with the exception of December, when the number of sales dropped to 6, there has been very little change over the past year.

Average Stock Per Branch	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14
Rightmove	70	69	67	63	58	57	58	60	62	64	65	64	63
NAEA	52	57	53	51	47	45	43	42	45	44	46	51	49
Average Sales Per Branch													
NAEA	9	9	10	9	6	8	9	10	9	10	9	9	8

What does this data tell you if you are buying or selling?

Kate Faulkner’s Market Commentary:

“The stats now for selling and buying are the best they have been since the recession. The time it takes to sell is roughly at the long term average of 6-8 weeks. In the meantime, offers are around 95%+ of marketing prices, meaning decent offers are being received by sellers, enabling everyone who wants to move to do so in a reasonable timeframe.

“Stock levels and transactions are increasing, but are still not back to their pre-credit crunch levels, suggesting we may be moving into a new era of lower numbers of people moving and potentially lower price increases. This will make it difficult for buyers to find the property they want and mean agents will continue to struggle to do enough business to keep them afloat.”

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What to do next?

Don't carry out a property project, especially buying and selling without taking independent, up to date, advice. On average 30% of property sales fall through after offers are accepted – this can cost you thousands of pounds, let alone the stress of losing a property you wanted to buy.

For more help, from Kate and her team, join [Property Checklists](#), it's free of charge and here are links to checklists which will be of real help to you:-

- [Buying your first home](#)
- [Trading up](#)
- [Buy to Let](#)
- [Renting a Property](#)
- [Selling a Property](#)

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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 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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