



Consumer Property Market Reports

This report is written by Kate Faulkner, one of the UK's top independent property price and rental market analysts. The purpose is to produce a report on property prices which helps First Time Buyers and Buy to Let investors through to sellers, understand what's really happening.

The information shows and explains how and why different indices show diverse property price averages and some show huge growth while others can, at the same time, show a decline.

Consumer Property Market Report Index

How do Feb/March 2015 prices compare over time?	Page: 2
Kate's and other expert market commentary	Page: 3
What's happening to property prices regionally in February 2015?	Page: 4
What's happening in your town in February 2015?	Page: 6
Property Supply and Demand	Page: 7

This report gives 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, give a good analysis of what's happening.

We take little notice of month on month and even year on year analysis as few people 'trade' properties in this way and it's not necessarily the best indicator of when is a good time to buy or sell. What we are more interested in is tracking long term trends and seeing whether these continue or are changing and then working out the impact on different market sectors. For example falling prices can be good news for first time buyers and those trading up, but not people trading down.

For more statistics and research reports on the Property Market, visit www.designsonproperty.co.uk.

For help as a consumer carrying out a property project, visit www.propertychecklists.co.uk

Average House prices for February/March 2015

How do February/March prices compare over time?

This month's figures show:-

- The [Nationwide](#)* reported average property price of £189,454 for March 2015, which is up around 5% year on year, when compared to the same time last year.
- The [Land Registry](#) average price for February 2015 of £180,252, a year on year increase of 6.5%.
- The [Acadata](#) average property prices in March 2015 are £275,123, which is up 5.6% year on year.

**(Appendix about seasonal adjustments)*

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

Property prices for February 2015 have started to level out or in some cases, slightly decline, having experienced relatively steady growth through 2014, as the chart below shows.

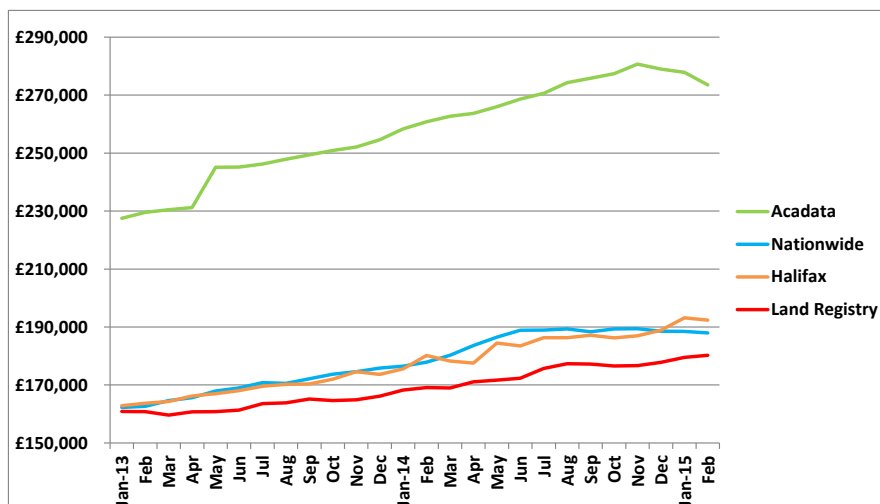


Chart above shows average property/house prices in England & Wales from Jan 13 – Feb 15*

- 'Average prices' for mortgaged properties were £162,245 (Jan 13) vs £189,454 for [Nationwide](#) Mar 15.
- [Land Registry's](#) average sold prices (*including some cash sales*) started at £160,839 in January 2013 and are now at £180,252 in February, having shown only small changes over the last six months (*Feb 15*).
- [Acadata's](#) average property prices for all properties were £227,478 in Jan 2013 vs £275,123 (*Mar 15*).

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 on average, recovering or increasing beyond recession levels. Acadata which measures cash sales and uses a different method of calculation for house price averages suggest prices are quite a bit higher than the peak seen before the crash. Mortgaged properties (ie 50% of those owned in England) are now seeing their value recover vs seven years ago according to Nationwide, while Land Registry slightly lags the market, hence not showing a full recovery yet.

- 3% above the height of 2007/08 for [Nationwide](#)
- -2% 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 many individual areas, compared to 2009 lows, property prices appear to have grown strongly – it must be remembered though that these 'increases' are, in the main, property prices 'recovering' from the falls we saw from 2007 to 2009. Those who owned property at the height of the crash may still be in negative equity, those who bought at the 'bottom' of the market though will have seen pretty good price growth.

- 28% above the lows of 2009 for [Nationwide](#)
- 18% 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. We consider them a lead indicator as to whether **sellers think prices will rise or fall by**, but they don't reflect *actual* or real sale prices.

Miles Shippside, Rightmove Director, comments: *"Record high housing demand and an under-supply of homes have delivered a new all-time high in the price of property coming to market. While the annual rate of price increases may be dropping back, down from 5.4% last month to 4.7% this month, it's of little comfort to buyers as even more modest increases stretch buyers' finances into new territory with [asking] prices at record average highs. The rapid fall in general inflation means the inflation-adjusted rate of house price growth remains high."*

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: *"Economic conditions have remained supportive, with labour market conditions continuing to improve and mortgage interest rates close to all-time lows. Nevertheless, the pace of housing market activity has remained subdued, with the number of mortgages approved for house purchase in January around 20% below the level prevailing one year ago."*

"While house price growth has moderated across the UK, there is still significant regional variation. Prices in London and the South of England continued to see the strongest rates of annual growth, though there was a noticeable softening this quarter, particularly in London. Price growth also continued to cool in the North West of England, Scotland and Wales, even though prices in these regions remain some way below their 2007 peak. Indeed, in annual terms, prices in Wales declined by 0.5% in Q1."

Martin Ellis, Housing Economist from Halifax, comments: *"House prices in the three months to March were 2.6% higher than in the previous three months. This measure of the underlying rate of house price growth increased for the third consecutive month in March. Annual price growth, however, fell slightly again, from 8.3% in February to 8.1%, and is comfortably below last July's peak of 10.2%."*

"The recent return to real earnings growth for the first time in several years, very low mortgage rates and last December's stamp duty changes are supporting housing demand. The rising level of house prices in relation to earnings should, however, curb house price growth and activity. The annual rate of house price growth, which has continued to ease in the first quarter of 2015, is forecast to end the year at 3-5%."

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

Adrian Gill, director of Reeds Rains and Your Move estate agents, part of LSL Property Services, says: *"Property prices in England and Wales continue to hit new heights, yet the cogs of the machinery are flagging to the most laboured pace we've witnessed for sixteen months. Slowing to 5.6% in March 2015, annual house price growth has now been waning for half a year, and hasn't been this sluggish since November 2013. While price inflation simply isn't as rapid as it was, the stamina is still strong, and prices edged forward another 0.2% in March."*

Simon Rubensohn, Chief Economist for the RICS comments: *"While demand looks broadly flat at the headline level, this hides a very mixed picture both across and within different parts of the country as a variety of factors impact upon demand. These include the recent change in stamp duty and uncertainty over the upcoming general election. These developments are leading to a more volatile picture, with Scotland and Northern Ireland the only areas to have seen unbroken growth in demand over the course of the last six months. Supply conditions tightened once again in March, with the contraction in supply mostly concentrated in England."*

Kate Faulkner's Market Commentary:

"2015 is proving to be an interesting year and having just sold one of my properties, we had seven viewings in the first few days and an offer above the asking price, which was unexpected, but the buyer has already lost out to several similar ones in the area. In other areas, getting viewings isn't always easy. It looks like we might be heading towards a much more 'calm' property market where buyers and sellers are both taking their time to make the right decision – rather than being led to 'panic buy' or 'sell' by scary media stories."

What's happening to property prices regionally in February 2015?

Regional Averages – Scotland, Northern Ireland, England and Wales

Property Prices Regionally	Latest Month's Data - Feb 15	Current Price +/- versus Market Height	Year on year change in price in Feb	Annual average increase since 2000	Land Registry Highest Yearly Average Increase Since 2000	
					Date	% Increase
Scotland *	£ 167,774	4%	7.3%	n/a	n/a	n/a
England & Wales	£ 180,252	-2%	6.5%	6.0%	Jan-03	24.7%
Wales	£ 123,941	-12%	5.4%	6.0%	Jul-04	28.7%
Northern Ireland **	£ 143,675	-43%	8.0%	n/a	n/a	n/a

*Ros.gov Data (Feb 15) **Bank of Ireland Data (Q4 14). Please note 'country' figures cannot be compared

Scotland

[Acadata's](#) Scottish index suggests average house price growth continues to slow, but with a good level of demand. **Christine Campbell, regional managing director of Your Move, part of LSL Property Services**, comments: -

"As of January 2015, the average home in Scotland is now worth £1,238 more than at the peak of the housing boom in May 2008, following hardy annual growth of 4.5% and an energetic boost on a monthly basis at the start of 2015. Property values jumped 1% in January, the most significant monthly upswing we've witnessed for seven months, taking the typical house price to a new record high of £166,771. The city of Dundee had the most energetic start to the year, with prices soaring 6.7% (equal to £8,161) during January 2015, in the largest month-on-month increase in Scotland.

"Prices are certainly making sweeping progress across the board, but there are some particularly strong players. In January, Fife and West Lothian joined the ranks of Aberdeenshire and the Shetland Islands and set a new peak house price, following strong annual growth of 9.5% and 10.9% respectively. However, North Ayrshire has experienced the biggest rise in house prices on the mainland over the last year, up 11.6% – with the typical price of a detached home growing from £180,000 to £210,000 in the past twelve months.

"Although a minority, average prices have fallen in 7 local authorities of Scotland during the past year. West Dunbartonshire has seen the steepest drop in values in the last twelve months, with prices falling 7.2% on average, and flats in the area are now worth £20,000 less than a year ago"

Cities	2007/8 Height	Market Low	Market Low +/- versus Market Height	Latest Month's Data - Feb 15	Current Price +/- versus Market Height	Year on year change in price in Feb
Scotland						
Glasgow *	£ 130,629	£105,000	-19.62%	£ 134,944	3%	-1.4%
Edinburgh *	£ 185,000	£168,000	-9.19%	£ 245,595	33%	14.8%

*Ros.gov Data (Feb 15)

Northern Ireland

Property prices in Northern Ireland are continuing to see some real improvements, with year on year increases of 14.5%, however, it is important to remember prices that property prices are only really 'recovering' from huge falls during the credit crunch and remain -39% below the height of the market in 2007/08.

City	2007/8 Height	Market Low	Market Low +/- versus Market Height	Latest Month's Data - Feb 15	Current Price +/- versus Market Height	Year on year change in price in Feb
Northern Ireland						
Belfast **	£ 258,332	£135,385	-47.59%	£ 156,712	-39%	14.5%

**Bank of Ireland Data (Q4 14)

What's happening to property prices regionally in February 2015? – cont'd

England - Regions

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

- London, the South East and the East are the *only regions* to have exceeded their previous high of 2007/8.
- The South West region is improving, but prices remain -5% off their 2007/08 market high.
- The East and West Midlands are improving slowly, but remain down vs their market height by -9% and -10%.
- The North East, North West and Yorkshire and Humber property prices have some way to go to reach the 2007/08 market high, remaining down between -17% and -21% and may not recover for 10 years or more.

Property Prices Regionally	2007/8 Height	Market Low	Market Low +/- versus Market Height	Latest Month's Data - Feb 15	Current Price +/- versus Market Height	Year on year change in price in Feb	Annual average increase since 2000	Land Registry Highest Yearly Average Increase Since 2000	Date	% Increase
Regions										
North East	£ 129,519	£ 94,940	-26.70%	£ 102,061	-21%	3.7%	5.2%	Apr-03	30.9%	
North West	£ 137,582	£106,141	-22.85%	£ 111,259	-19%	0.7%	5.3%	Jul-04	27.2%	
Yorkshire & The Humber	£ 145,571	£113,887	-21.77%	£ 121,454	-17%	2.8%	5.7%	Jan-03	27.3%	
East Midlands	£ 147,541	£118,668	-19.57%	£ 134,032	-9%	4.4%	5.8%	Jan-03	31.8%	
West Midlands	£ 153,944	£126,365	-17.91%	£ 138,982	-10%	5.0%	5.3%	Feb-03	26.7%	
South West	£ 195,465	£158,279	-19.02%	£ 186,124	-5%	5.1%	6.0%	Jan-03	28.2%	
East	£ 194,114	£157,445	-18.89%	£ 202,394	4%	10.5%	6.4%	Feb-03	27.2%	
South East	£ 228,328	£185,432	-18.79%	£ 242,469	6%	9.0%	6.0%	Jun-00	23.5%	
London	£ 351,512	£292,977	-16.65%	£ 463,872	32%	13.1%	7.8%	Apr-00	29.0%	

Adrian Gill of LSL says:-

“Examining the regional pattern of movement, it becomes apparent that we’re seeing less of a downturn than a convergence. The radical stamp duty overhaul has greatly boosted the prospects of buyers across the country, and injected new life into areas where prices have been stalled and the recovery is yet to show its face..

Naturally, London has been the hardest hit at the sharp end of this reform, and also most directly threatened by future mansion tax, possessing the lion’s share of high-end property, and the clustering of properties in the million pound price bracket mirrors the locations where price rises have cooled most quickly.

Between January and February, the South West has seen annual house price rises fall back by 1.1 percentage points from 5.5% to 4.4% – the most marked slowdown across England and Wales, and closely followed by London and the South East, which both experienced downtrends to the tune of 0.9 percentage points. While values in London and the South West are no longer at their peak, the East and West Midlands and East of England are instead among those setting new price records in February.”

Kate Faulkner’s Market Commentary:

“Looking at property price rises from the last recession and the recent credit crunch, it appears following a crash, prices stabilise for a year or so and then as the economy recovers and confidence comes back, property prices tend to rise by 5%, then 10% and in some cases as high as 15-20%, year on year. This rapid growth does only appear to last for a year or two, then as prices increase, making affordability tough, the increases tend to drop back again. Kensington and Chelsea for example, increased by up to 30% year on year at one point, whereas now the increase of 7% year on year is actually lower than the long term average year on year growth.

“What is apparent so far, is the big increases we saw in half of the London Boroughs normally ripples out to the regions, and although it has benefited some, not all are seeing the strength of growth seen in the past, suggesting property prices may not grow as much as they have in the past.”

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 or city in February 2015?

The problem with looking at 'averages' at a high level is that property prices are so diverse from one street to the next, they are unlikely to make any sense to people locally. As such we look at data by town and city to gauge what variations there are across the country.

Year on year prices changes at town and city level vary from -1.3% to 13.6%

- Nine out of 22 of the towns we monitor still have 'average' property prices below £125,000.
- Property prices in **Liverpool and Bradford** remain at -28% and -25% below market the height of 2007/8.
- **Manchester, Newcastle upon Tyne, Nottingham and Leeds** prices are between -19% and -15% down on the previous market high, however, **Newcastle upon Tyne** has achieved good YoY growth of 8.1%.
- **Birmingham, Leicester and Peterborough** prices are down by -12% on the 2007/08 height, with **Sheffield** prices down -11% on the market high. **Peterborough** has experienced good year on year growth of 6.9%.
- **Southampton, Cardiff, Bournemouth and Portsmouth** are down between -6% and -4% on the market high of 2007/08, with **Norfolk** now only -3% down on the market height. **Bournemouth** reached +6.8% YoY.
- **Milton Keynes** now just exceeds the market height of 2007/08 by 2%, and experienced strong year on year growth of 11.8%.
- **Cambridgeshire and Bristol** prices exceed the 2007/8 high by 5%, and achieved strong year on year growth of 10.5% and 10.2%. **Reading** is now 8% above the market height, and experienced the strongest regional growth of 13.6%, year on year, and even outpacing **London**.
- Prices in **Oxfordshire and Brighton and Hove** are now 11% and 14% above the height of the market, respectively, together with continued strong growth of 11% and 9.8%, YoY.
- **London** prices have steadied recently, but remain 32% above the market high and YoY growth of 13.1%.
- Prices in **all towns** remain above their market lows (*in chart below*).

Towns/Cities/Counties <i>England & Wales</i>	2007/8 Height	Market Low	Market Low +/- versus Market Height	Latest Month's Data - Feb 15	Current Price +/- versus Market Height	Year on year change in price in Feb	Annual average increase	Land Registry Highest Yearly Average Increase Since 2000	Date	% Increase
Liverpool	£ 124,934	£ 87,986	-29.57%	£ 90,426	-28%	-1.3%	5.0%	Jul-04	42.7%	
Bradford	£ 125,925	£ 91,102	-27.65%	£ 94,399	-25%	2.1%	4.9%	Oct-04	29.1%	
Manchester	£ 121,340	£ 89,621	-26.14%	£ 98,602	-19%	3.9%	5.7%	Sep-04	24.4%	
Leeds	£ 155,110	£120,678	-22.20%	£ 129,280	-17%	4.9%	5.6%	May-03	28.3%	
Nottingham	£ 105,214	£ 81,782	-22.27%	£ 89,312	-15%	4.2%	4.7%	Feb-03	33.5%	
Newcastle upon Tyne	£ 143,040	£114,028	-20.28%	£ 121,954	-15%	8.1%	5.9%	Apr-03	32.5%	
Birmingham	£ 136,345	£109,972	-19.34%	£ 119,791	-12%	5.9%	5.1%	Apr-03	28.8%	
Leicester	£ 131,434	£106,103	-19.27%	£ 115,860	-12%	1.6%	6.2%	May-03	33.3%	
Peterborough	£ 134,523	£103,729	-22.89%	£ 118,927	-12%	6.9%	5.8%	Dec-02	26.9%	
Sheffield	£ 139,484	£112,582	-19.29%	£ 123,905	-11%	6.4%	6.4%	Apr-03	26.7%	
Southampton	£ 160,228	£132,012	-17.61%	£ 151,415	-6%	6.2%	5.3%	Feb-03	27.4%	
Cardiff	£ 159,475	£131,853	-17.32%	£ 150,892	-5%	4.7%	5.7%	May-03	28.8%	
Bournemouth	£ 192,914	£152,100	-21.16%	£ 183,600	-5%	6.8%	5.6%	Feb-03	25.5%	
Portsmouth	£ 161,407	£128,349	-20.48%	£ 155,696	-4%	6.5%	5.7%	Feb-03	27.4%	
Norfolk	£ 163,779	£134,922	-17.62%	£ 158,102	-3%	6.5%	6.7%	Feb-03	27.2%	
Milton Keynes	£ 176,806	£141,250	-20.11%	£ 180,109	2%	11.8%	6.3%	Feb-03	28.9%	
Cambridgeshire	£ 196,770	£160,406	-18.48%	£ 206,019	5%	10.5%	6.4%	Feb-03	21.9%	
Bristol	£ 188,869	£148,839	-21.19%	£ 198,556	5%	10.2%	7.1%	Feb-03	29.8%	
Reading	£ 217,746	£177,338	-18.56%	£ 234,626	8%	13.6%	5.3%	Jun-00	32.1%	
Oxfordshire	£ 249,860	£211,963	-15.17%	£ 277,893	11%	11.0%	6.1%	Jul-00	23.4%	
Brighton and Hove	£ 232,584	£187,183	-19.52%	£ 265,858	14%	9.8%	8.0%	Jul-00	35.5%	
London	£ 351,512	£292,977	-16.65%	£ 463,872	32%	13.1%	7.8%	Apr-00	29.0%	

Property Supply & Demand

What's supply and demand like within estate agencies?

A source of checking the current market conditions for supply and demand rather than looking back at what's happened to property prices, is finding out how much stock is on the market. When there are more buyers than sellers, prices tend to rise and fall when vice versa.

The average property stock per branch data (see chart below) from [Rightmove](#) for February 2014 through to February 2015, shows the number of properties available per branch during the middle of the year ranging from 70 to 72. These figures then started to drop back in September, lowering to the end of the year, and then rising slightly by February. The average number of properties for sale per agent is 59 versus 63 the same time last year.

The [NAEA](#) reported the average property stock figure per branch for February 2015, now stands at 43, which is the same level as a year ago. This is 16 properties lower than the Rightmove figure. The [NAEA](#) also reported average sales of properties to be 8 per branch during February 2015, having dropped to 5 in December 2014.

Average Stock Per Branch	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
Rightmove	63	65	67	70	71	72	70	69	68	64	57	58	59
NAEA	43	42	45	44	46	51	49	51	53	50	45	44	43
Average Sales Per Branch													
NAEA	9	10	9	10	9	9	8	9	9	8	5	8	8

For Sale and Sold Board Analysis

The data revealed by the [Agency Express Property Activity Index](#), monitors the number of 'for sale' and 'sold' boards put up on behalf of agents. It shows the number of new properties coming to the market nationally in March 2015 was +11.6% compared to March 2014. The number of new 'sold' boards erected during March 2015, was also up 14.3% year on year.

	NEW LISTINGS		PROPERTIES SOLD	
	MAR 15	MAR 14	MAR 15	MAR 14
NATIONAL	11.6	6.4	14.3	-6.6
Central England	10	-22.5	16.4	-12.4
East Anglia	11.3	-1.1	10.1	-13.5
East Midlands	13.3	10.1	6.2	-1.4
London	5.5	3.2	8.5	-17.9
North East	7.9	-16.6	4.4	-4.9
North West	7.9	20.3	14.3	-5.6
Scotland	8.8	1.5	9.8	3.6
South East	16.1	7.4	16.9	0.5
South West	12.3	-9.6	19.9	-16.9
Wales	12.5	26.8	14.2	1.5
West Midlands	17.4	43.3	17.6	27.4
Yorks & Humber	16	21.5	25.1	0.8

Source: [Agency Express](#)

Kate's comments:

"The market is starting to settle down after a crash, a recovery and now it's becoming 'more stable'. However, it is still starved of enough stock which can only really increase with the provision of much needed new supply from developers, housing associations and local authorities. Currently people are staying in their homes for longer, while others choose the flexibility of renting and both of these trends reduce the number of properties coming on the market for sale."

SIGN UP to [Propertychecklists.co.uk](#) for FREE to access checklists for all your property projects, including:-

- [Preparing your Home for Sale](#)
- [How to Work Out my Property Market](#)
- [Help to Buy](#)

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 [Propertychecklists](#), 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](#)

For Industry Professionals

If you are you a property professional or journalist who needs up to date, accurate, facts and figures about residential property, subscribe to our [Property Information Portal](#).

For Media Professionals

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](#) [Propertychecklists](#)

Email: kate@designsonproperty.co.uk

Telephone: **01652 641722**

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 20 TV and radio interviews, has been quoted every month in major newspapers and magazines and being featured in many local newspapers.

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