

June 2015 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](#) *"Brakes removed from housing market as pre-election uncertainty is lifted."*
- [Home.co.uk](#) *"Property prices push higher despite political palpitations."*
- [NAEA](#) *"Step in the right direction for first time buyers."*
- [RICS](#) *"Prices gain further momentum as supply tightens once more and demand picks up speed."*
- [Nationwide](#) *"Annual house price growth slows in May."*
- [Halifax](#) *"House prices in the three months to May were 2.0% higher than in the preceding three months."*
- [Agency Express](#) *"A sombre month for May."*
- [Acadata](#) *"House prices hit new highs in May despite slower growth."*
- [Land Registry](#) *"The April data shows a monthly price increase of 0.9 per cent."*

Kate Faulkner comments on Report Headlines:

"Three of the main reports suggest the market is moving forward, while others such as Nationwide and Agency Express are picking up a slowdown. LSL's data highlights the London market growth is slowing versus the rest of the South. It's interesting that a slowing market has resulted with the media not really covering the property market in the national news so much since the election. With consumers not having a daily dose of scare stories about rising prices or prices falling, that gives agents and property professionals the opportunity to issue local reports on what's really happening in their area."

Regional Property Price Differences

Rightmove

"Due to the shortage of suitable property for sale, even the election uncertainty only caused prices to drop in three out of the ten regions: London (which would have been hit hardest by mansion tax), the North East and Yorkshire & the Humber. (May 15)"

Home.co.uk

"Home prices pushed on up despite political uncertainty over the last month, reflecting increasing and widespread confidence in the property market. In fact, average prices rose in all English regions, Scotland and Wales. Confidence is on the up even in the formerly lacklustre northern regions (the North East and North West), which have both jumped by a healthy 0.6% since April. (May 15)"

Acadata

"London house prices have dropped for the third successive month since the start of the year. It is the higher-priced boroughs which have seen the biggest price falls, as a side effect of costlier stamp duty on top-end properties. For instance, home values in Kensington and Chelsea - the most expensive London borough- have dropped 6.0% in the past year, and are now 16% below their peak in September 2014. Outside of London, house price growth compared to the previous month has risen in four regions, being the North, the North West, the East Midlands and the South West, with the largest rise being seen in the North, up from 2.3% to 3.6%. This contrasts with the pattern observed last month when all the regions, with the exception of Wales, had seen a fall in their respective rates of growth. We are therefore possibly witnessing a period of catch-up in house prices in the areas that previously had lower than average price increases. (May 15)"

Hometrack

"House price inflation across the 20 Cities Index accelerated in the three months to April as low mortgage rates and scarcity of supply keep an upward pressure on house prices. There is more scope for catch-up in house prices - 11 cities still have prices below 2007 levels, by as much as 15% in Liverpool and 49% in Belfast. (Apr 15)"

Land Registry

"The region with the most significant annual price increase is London with a movement of 10.9 per cent. North East saw the only annual price fall with a decrease of 0.6 per cent. Yorkshire & The Humber experienced the greatest monthly price rise with a movement of 2.7 per cent. Wales saw the largest monthly decrease with a fall of 1.1 per cent. (Apr 15)"

Kate Faulkner comments on Regional Price Differences:

"The Hometrack Cities Index highlights that despite property price increases being reported, after eight years of a property recession, there are still 11 cities with prices lower than they were pre-credit crunch. Liverpool is still 15% lower and Belfast an astonishing 49% below 2007 levels. With price growth of around 3% annually predicted over the coming years, some of these areas may take 10 or more years to recover their property values. In the meantime, those areas which have recovered and moved way beyond 2007 heights, such as London, a new 'affordability ceiling' appears to be kicking in, perhaps due to MMR and the limit to lending of mortgages at 4.5x income. We are into new territory as far as property price changes and hopefully by the second half of this year we will see a longer term pattern emerging."

Demand for Property

NAEA

"In the build up to the General Election, demand in April remained similar to the previous month with 344 house hunters registered per branch (343 in March), however this was down significantly from April last year, when 392 house hunters were recorded per member branch. This can be in part attributed to uncertainty around the property market for buyers in the lead up to the General Election. The average percentage of sales made to First Time Buyers (FTBs) increased from 22% in March, to 26% in April. (Apr 15)"

RICS

"New buyer enquiries increased in May after several months in which demand had remained broadly flat. Significantly, ten out of the twelve areas covered in the survey registered a pick-up in enquiries, while buyer interest was more or less unchanged in Wales and the South East. The gentle improvement in demand has yet to be reflected in the agreed sales data which shows transactions edged up very slightly, effectively reversing the modest falls recorded in the preceding two months. Nevertheless, several parts of the UK are now seeing solid activity growth, most notably the South West, Northern Ireland and Yorkshire and Humber. At the other end of the scale, sales are still dwindling in London and the North West (a lack of suitable stock may form part of the explanation). (May 15)"

Halifax

"The ongoing economic recovery, increasing employment, real earnings growth and very low mortgage rates, are all supporting housing demand. This combination has kept annual house price inflation well above earnings growth although activity levels are subdued. (May 15)"

Agency Express

"Five of the twelve regions recorded by the Property Activity Index reported increases in properties 'Sold'. Scotland was the most prominent performer reporting record bests for May, rising by 15.6%. The largest declines made for properties 'Sold' in this month's Property Activity Index were recorded by the North East and the South East. The North East fell by -10.50%, however it did see an increase of 0.70% over the three month rolling period. Properties 'Sold' in South East fell by -7% marking the region's largest decline for the month since the Index's first records in 2007. (May 15)"

Hometrack

"Housing demand has been spurred by record low mortgage rates and an improving economic outlook encouraging more buyers to enter the market. (Apr 15)"

Bank of England

"The number of loan approvals for house purchase was 68,076 in April, compared to the average of 60,679 over the previous six months. (Apr 15)"

Severn Trent

"The average number of daily transactions in April was down 1.7% year on year but this is by far the closest it has been to previous years transaction levels since July 2014. It was up by 9.7% on March's figures which is a larger increase than we would normally expect due to seasonal trending. April included the single highest day for transactions for over a year on April 14th. (Apr 15)"

Land Registry

"In the months November 2014 to February 2015, sales volumes averaged 64,196 transactions per month. This is a decrease from the same period a year earlier, when sales volumes averaged 73,156 per month. (Apr 15)"

Kate Faulkner comments on Demand for Property:

"It is great news to see the property volume trend on its way up after volumes fell by half during the rough times. However, with the turnover dropping substantially since the 80s when 12% of private stock was bought and sold, we are now down to 5.5% (according to Hometrack data). This means people are typically staying in their homes for 18 to 19 years, which is also the time a BTL investor would typically hold a property. If volumes don't pick up further, the future for property companies will either be to expand into other sectors related to buying and selling, such as financial services, or make sure they capture more of the potential new build sales. These aren't necessarily just outright ownership sales, but in London, for example, there are substantial numbers of shared ownership properties being built - who is best place to sell them, estate agents or housing associations?"

Supply of Property

Rightmove

"In the three months after the May 2010 election there was a 17% jump in the number of properties coming to market compared to the previous quarter. With a majority government in power and record spring traffic on Rightmove, early indications from estate agents suggest that the next quarter could see another surge in property coming to market. (May 15)"

Home.co.uk

"Supply of property for sale remains low compared to pre-crisis levels (45% less than it was seven years ago) and this tendency looks set to continue. Greater London and the South East show the largest increases year-on-year (+16% and +13% respectively), but the total volume entering the market remains restricted and the figure for the UK overall is a mere 8%. (May 15)"

NAEA

"Supply was down 10 per cent from last month, with 43 properties available per branch compared to 48 last month. This April was down 2 from 45 April 2014. This is also a result of the uncertainty around the property market in the lead up to the Election. (Apr 15)"

RICS

"Hopes of an immediate post-election bounce in new vendor instructions appear misplaced, as fresh listings declined (on a seasonally adjusted basis) for a fourth consecutive month and have now failed to see any meaningful growth since the end of 2013. The sharpest contraction was once again seen in London and the North West. By way of contrast, the only reported rise in new instructions came in Scotland. (May 15)"

Halifax

"Housing supply remains extremely tight with the stock of properties available for sale currently at its lowest level for many years. (May 15)"

Agency Express

"Regional month on month data recorded by the Property Activity Index reveals that London may have already seen the effect of the surge, with new listings 'For Sale' rising 10.5%. Further increases have also been recorded for Yorkshire and Humberside rising by 7.6% and Scotland by 7%. (May 15)"

Acadata

"Overall, completed house sales in England and Wales have risen 10% since April, to total 67,300 in May. But this still represents a 14% drop compared to a year ago. In the short-term, the General Election did ruffle some feathers, but as we return to smoother ground, it's becoming clear that there's a more structural problem holding back the market - and that the lack of properties on the market is starting to choke off activity. This will need urgently addressing, as with the current momentum in the economy, and the government pumping up demand via commitments to starter homes and support for first-time buyers; price rises will only speed up if housing supply doesn't put pedal to metal. (May 15)"

Kate Faulkner comments on Supply of Property:

"The lack of supply will be a major feature of the property market moving forward with an ageing population and people living in their properties for longer and owning them to let as a result. Many people seem to live in their 'forever home' for 25 years or more before they look to downsize and investors tend to hold for 15-20 years. The industry will need to make a shift of focus too. With over 50% of people owning their homes outright in England, ie without a mortgage, giving full financial advice when more sellers are likely to be trading down, for example, on what do with the equity released, is a strategy all agents need to be considering. The more people who own their properties outright, the less mortgages are required - and last month's figures suggested 38% of properties were bought with cash, so earnings from this sector could fall."

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 Propertychecklists.co.uk, make it easy to access the information and support you need via the FREE of charge checklists, daily articles and advice:-

- [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.co.uk

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