

July 2015 Latest Property Price Summary

We track key reports on property prices produced on a monthly basis. This report summarises crucial numbers and what experts are saying 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](#) *"Prices surge to new record as buyers act but sellers hold back."*
- [Home.co.uk](#) *"Shock monthly rise of £10,000 for the average London home."*
- [NAEA](#) *"House buyers at the highest level in eight months."*
- [RICS](#) *"Demand sees further moderate rise while price momentum accelerates."*
- [Nationwide](#) *"Annual house price growth slows again in June."*
- [Halifax](#) *"House prices in the three months to June were 3.3% higher than in the preceding three months."*
- [Agency Express](#) *"Property Activity Index reveals a sizzling summer."*
- [LSL](#) *"House price growth at two-year low, but sales jump 15% in June."*
- [Hometrack](#) *"House price growth continues to accelerate."*
- [Land Registry](#) *"The May data shows no monthly price change."*

Kate Faulkner comments on Report Headlines:

"Another mixed picture this month with regards to property price changes. The Hometrack Index clearly shows that cities are doing well price wise, and according to Your Move and the Reeds Rains Index, much of this increase is down to a post-election market surge, as volumes have grown to an unexpected high level in June, which is good news for the industry. Despite economic issues of Grexit and China, these don't appear to be impacting on the market as yet. This is due to the UK's economic growth, low inflation and cracking value mortgages, together with a real rise in wages impacting positively on people's confidence, a key factor in driving both volumes and prices upwards."

Regional Property Price Differences

Rightmove

“Six out of ten regions have set new record price highs this month as the supply/demand imbalance and consequent upwards price pressure continue to head further north. As well as the four southern regions, both the East Midlands and West Midlands reached all-time price highs this month. London has seen the strongest monthly price performance, up by 5.7%, aided by the higher-priced boroughs seeing more top-end owners willing to come to market now that the threat of the Mansion Tax has been removed. Indeed much of this month’s national average asking price rise is due to a strong increase at the upper end of the market. (Jun 15)”

Home.co.uk

“The regional picture of the UK property market remains highly disparate. At one extreme we observe a slower London market with precariously high pricing and at the other extreme the North is showing genuine signs of recovery as marketing times fall, although prices there have yet to recover their 2007 highs. We are observing a two-tier property market. In the first tier we have three regional markets that are outperforming the rest of the country (Greater London, the South East and the East of England). In the second tier we have the 6 other English regions, Scotland and Wales, which are all indicating price rises below that of the national average. (Jun 15)”

LSL

“This month the rate of house price growth compared to the previous month has risen in two English regions: the West Midlands and Yorkshire and Humberside, along with Wales. The largest rise was observed in the West Midlands, up from 3.7% to 4.0%, while the largest reduction in the rate of house price growth was observed in Greater London, being 2.3% lower this month compared to last. (Jun 15)”

Hometrack

“The year on year rate of house price growth across UK cities is 8.7%, higher than 6.5% growth recorded across the UK. At a city level year on year growth ranges from 3.2% in Edinburgh to 12.3% in Oxford. The upward momentum in house prices is originating from a broad range of cities. The strongest levels of growth in the three months to May 2015 have been registered in Bristol (4.5%), Glasgow, Edinburgh and Belfast (4.2%) and Nottingham (3.9%). (May 15)”

Land Registry

“The regions with the most significant annual price increase are London and the South East with a movement of 9.1 per cent. Wales saw the only annual price fall with a decrease of 0.6 per cent. The East and the North East experienced the greatest monthly price rise with a movement of 1.6 per cent. Wales also saw the largest monthly decrease with a fall of 1.7 per cent. (May 15)”

Kate Faulkner comments on Regional Price Differences:

“The regional picture this month shows how unbelievably diverse property prices are. With a media that tends to report more from a ‘London perspective’ it is vital that agents use their data to make sure local buyers and sellers understand what’s happening locally and aren’t tainted by national reports which can lead to overpricing. Having studied how long house prices grew for in London, it appears when growth does start to hit, it carries on for around two years at most, then price growth falls back. Prices tend to rise to around 5% year on year, then increase by 10% and finally peaking at 15-20%. However, what we don’t know yet is whether the growth we’ve seen in London will be mirrored around the rest of the country.”

Demand for Property

Home.co.uk

“Typical time on the market for Greater London leaps 54% in just 12 months as higher prices slow down the market. Time on the market data for the rest of the UK shows the northern regional markets, Scotland and Wales have all increased their momentum over the last 12 months. However, the southern regions such as the South East, East of England and South West are indicating slight increases in marketing times as higher prices have lessened demand. (Jun 15)”

NAEA

“An average of 383 house-hunters registered per branch in May, up from 344 in April. Findings show this May witnessed the highest year on year demand for ten years. May continued to show a positive move forward for FTBs, with an increase in the number of sales, as government incentives such as the Help to Buy ISA make it marginally easier for those getting on the ladder for the first time. (May 15)”

RICS

“Buyer demand rose in each area except the South East with the headline new buyer enquiries series coming in at 17. Demand in Scotland and Northern Ireland remains on an upward trend while London and the West Midlands also saw a pick-up in enquiries over the month. (Jun 15)”

Halifax

“Economic growth, higher employment, increasing real earnings growth and very low mortgage rates are all supporting housing demand with signs of a recent modest pick-up in demand. (Jun 15)”

Agency Express

“11 of 12 regions continued to buck seasonal trends displaying month-on-month increases for properties ‘Sold’. London reported a rise of 24.9%, a substantial increase over figures recorded for June 2014 where the region saw an 8.3% rise. The North East recorded their best figures for properties ‘Sold’ in June since the Property Activity Index’s first records in 2007; rising by 39%. This month’s only decline in properties ‘Sold’ was recorded by Yorkshire and Humberside. Struggling to keep pace over the past three months the region recorded a fall of -1.60%, a considerable slowdown when compared to 2014’s figures of 17.8%. (Jun 15)”

Bank of England

“The number of loan approvals for house purchase was 64,434 in May, compared to the average of 61,844 over the previous six months. (May 15)”

Severn Trent

“The average number of daily transactions in June was down 3.1% year on year. It was however, up 1.2% on the average number of daily transactions in May. (Jun 15)”

LSL

“Home sales across England and Wales soared 15% month-on-month in June, reaching a total of 73,000. It’s clear the General Election distorted the usual tide of the market, with many buyers waiting until afterwards to complete on their purchases. In the first half of 2015, sales are 13% lower than the same period last year. But June’s sharp upward spike shows the start of this calibration back to firmer territory, as confidence in the political landscape solidifies with a majority government. (Jun 15)”

Land Registry

“In the months December 2014 to March 2015, sales volumes averaged 61,789 transactions per month. This is a decrease from the same period a year earlier, when sales volumes averaged 69,282 per month. (May 15)”

Kate Faulkner comments on Demand for Property:

“May’s data is showing that people held off buying (and selling) pre-election while June’s activity made up for any low levels of activity. It appears the market today is very much being driven by those at the ‘top of the chain’ trading down with cash or those buying in at the bottom with First Time Buyers definitely back. What will be interesting over the coming months is whether the budget is going to impact adversely on buy to let investors. In the past, I have always said investors need to decide if they want to invest for income or capital growth, but much of the budgetary changes potentially impact adversely on BTL’s ability to deliver income versus other ways of investing. The budget has increased the importance for agents who want to advise their clients properly on property investment to link up with independent financial advisors and tax experts.”

Supply of Property

Rightmove

“Unfortunately an increase in demand has been met with a tightening in new supply, with the number of properties coming to market down 8.5% on the same period a year ago. Indeed there has been a 3.9% month-on-month fall in new listings, meaning that fewer properties have come to market after the election than before it. (Jun 15)”

Home.co.uk

“Supply of property for sale remains steady across the UK; down by just 2% (May 2015 vs. May 2014). (Jun 15)”

NAEA

“The average number of properties available for sale per branch decreased from 43 in April to 46 in May. Supply has almost halved in ten years, with 81 properties available to buy in May 2005. (May 15)”

RICS

“Supply of new stock to the market decreased once again in June with the headline RICS New Instructions balance remaining in negative territory for the fifth consecutive month. Stocks per surveyor reached a new low of 49.5 per branch in June. Despite the lack of new supply, the RICS agreed sales balance showed a further marginal increase in transactions in June with the headline balance remaining unchanged at 5. (Jun 15)”

Halifax

“Supply remains very tight with the stock of homes available for sale currently at record low levels. This shortage has been a key factor maintaining house price growth at a robust pace so far in 2015. (Jun 15)”

Agency Express

“Properties coming on to the market in London again leads the way with an increase of 57.4%, however is down on 2014’s figures of 84.5%. Neighbouring region the South East were also a strong performer this month rising by 37.8%, but again were marginally down on the previous year’s figures of 39.8%. Central England produced robust figures the 37.2% increase marked their largest rise in new listings ‘For Sale’ since the beginning of the year. (Jun 15)”

Kate Faulkner comments on Supply of Property:

“The reality is now setting in that people who own are staying in their homes for much longer than they have before. This is denying the market the stock it needs for ‘everyone’ to move. It continues to mean that new build is the only way forward to put a roof over our growing populations’ heads in the future. The problem we have is this stock needs to be affordable and in areas like London and the South East, that means more shared ownership properties as it’s clear this government isn’t going to back social house building programmes. New planning rules that are being proposed may mean stock will come through more quickly, but agents who want to grow, need to widen their reach to working alongside new build developers and housing associations, relying on second home sales into the future may limit the ability to grow.”

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:-

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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 20 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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