

## September 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.

### Index

- Report Headlines Page: 1
- Regional Property Price Differences Page: 2
- Demand for Property Page: 3
- Supply of Property Page: 4

### Report Headlines:-

- [Rightmove](#) "Strongest August market since credit crunch as sellers stay away."
- [Home.co.uk](#) "UK property drought worsens driving prices higher."
- [NAEA](#) "Housing demand continues to grow, remaining at eleven year high."
- [RICS](#) "Steady demand growth and a lack of stock continue to drive prices higher."
- [Nationwide](#) "Annual house price growth softens in August."
- [Halifax](#) "Annual house price growth rises to 9.0%"
- [Agency Express](#) "August's property market springs no surprises."
- [LSL](#) "Strongest July for home sales since 2007."
- [Hometrack](#) "City level house price growth accelerating."
- [Land Registry](#) "The July data shows a monthly price increase of 1.7 per cent."

#### **Kate Faulkner comments on Report Headlines:**

*This month's reports are great news from a sales and price perspective, with buyers keen to purchase and sales volumes being reported as strong – basically business growth all around. There is some conflict between Rightmove's index saying sellers are staying away, while the NAEA are saying demand is as high as 11 years ago and stock up by 25%. Whichever is correct, the reality reported by Rightmove is that more people won't move unless they can find property to buy; they need to better understand the true cost of moving isn't as inhibitive as first thought and affordability, although tough in some areas, isn't a problem everywhere. As an industry it's important to recognise we do have a housing crisis – but we shouldn't believe nor let people locally believe - it's one that affects everyone, everywhere, especially when over 50% of people in England own their property outright without a mortgage and many areas have prices at the same level as 10 years ago. In Nottingham city our average house prices are the same as 2003 – locally people find that surprising.*

## Regional Property Price Differences

### Home.co.uk

*“Those regions which have suffered the greatest reductions in supply over the last seven years have also shown the greatest price growth. London shows the biggest contraction in supply over the last eight years, of 69%. For the buyer, this means the competition is fierce and prices have skyrocketed. At the other extreme, the North East and Yorkshire show prices remain below their pre-crisis peaks (-8.7 and -4.0% respectively). In Wales and the North West, prices also remain below their 2007 levels. (Aug 15)”*

### RICS

*“Prices are reported to be rising across the majority of areas with Northern Ireland, the North West and East Anglia seeing the strongest momentum. The North East remains the sole exception, where prices were reported to have fallen for the third consecutive month.*

*“Looking ahead, the strongest near term price expectations were returned by respondents in Northern Ireland, the North West and London. Meanwhile, the North East is the only region in which prices are not anticipated to rise over the coming three months, although respondents are expecting prices to increase during the year ahead. Indeed, at the twelve month horizon, all areas of the UK are projected to see sizeable house price growth, with confidence most elevated in East Anglia and Northern Ireland. (July 15)”*

### LSL

*“This month East Anglia has taken over the top spot from the South East in terms of the region with the highest rate of annual house price growth, at 6.3%, based on data for June 2015. Greater London has fallen one further place since last month to eighth position, with a 1.8% increase in annual price growth, only marginally above the North and Wales, which both saw an annual increase of a modest 1.7%. This month the rate of house price growth compared to the previous month has risen in six English regions, the highest increase in the annual rate being seen in East Anglia, up 0.4%, and has fallen in four, with Greater London seeing the largest decline annually, down by a half from last month’s growth rate of 3.6%. (July 15)”*

### Hometrack

*“All cities with the exception of Aberdeen are registering house growth ahead of growth in average earnings (currently 2.4%). The highest year on year growth is 10.9% in Cambridge followed by Oxford, London and Bristol. The lowest growth rate is being registered in Aberdeen (-0.7%) where the weakness in the oil price is impacting the local economy and demand for housing. Other cities with below average house price growth are Newcastle, Liverpool and Sheffield where annual growth is running between 2.5% and 4.5%. There is room for further catch-up in house prices. Nine of the twenty cities still have average prices that are lower than 2007 levels although this gap is narrowing rapidly.*

### Land Registry

*“The region with the most significant annual price increase is the East with a movement of 8.9 per cent. The North East saw the lowest annual price increase of 0.4 per cent. The East also experienced the greatest monthly price rise with a movement of 2.8 per cent. Wales saw the only monthly price decrease with a fall of 0.3 per cent. (July 15)”*

### **Kate Faulkner comments on Regional Price Differences:**

*“Hometrack sums things up best: “the relative performance of house prices since 2007 remains wide and reflects different economic and demand side drivers of house prices.” We absolutely do not have “one” market anymore. Differing economic performance, population changes and property supply mean micro markets for big, expensive houses in some areas sell brilliantly, while in others no buyers can be found and it’s the same for small flats or houses in other areas. If we want a successful property market, it’s up to everyone at a local level to work together to report what’s really happening in their market so the media can report the facts, not the fiction.*

## Demand for Property

### NAEA

*“During July, demand for housing continued to grow. The number of house-hunters registered per branch increased from 439 in June to 462 this month - the highest demand for housing in eleven years. The number of sales per member branch remains the same as last month, with nine sales agreed in July. Alarmingly, in July, agents reported a decrease in sales to FTBs, with under a quarter (23%) of sales made to this group. This is however an increase from last year, when only 20% sales were made to FTBs in July. (July 15)”*

### RICS

*“At the national level, new buyer enquiries rose for the fourth month in succession. The vast majority of areas reported some degree of growth with the South East region the sole exception. Despite the steady and sustained improvement in demand, newly agreed sales were more or less unchanged at the national level in July. This adds support to the idea that, although there is interest from buyers, the supply shortage is preventing transaction rising.*

*“Nevertheless, areas such as Wales, Northern Ireland, the West Midlands and the South West have been seeing sales rise in recent months. By way of contrast, transactions fell in the South East and Yorkshire, while remaining broadly flat in London. Going forward, contributors still expect sales to gain momentum in the near term across all parts of the UK. (July 15)”*

### Halifax

*“UK home sales declined by 4% between June and July, but remained above 100,000. The volume of mortgage approvals for house purchases increased by 3%. Strengthening demand and highly constrained supply are likely to mean that house price growth continues to be robust in the short-term (Aug 15)”*

### Agency Express

*“The national figures for properties ‘Sold’ fell by -10.4% and while a seasonal adjustment is expected during this period, the decline in figures have been greater than those recorded in 2014 where we witnessed an increase of 1.9% in properties ‘Sold’. All 12 regions recorded by the Property Activity Index reported declines in properties ‘Sold’. The largest decline was made by the East Midlands who for the first time in 7 months fell by -19.9%. The North East also fell recording a drop of -16.9%, as did East Anglia falling by -13.4%. (Aug 15)”*

### Bank of England

*“The number of loan approvals for house purchase was 68,764 in July, compared to the average of 64,186 over the previous six months. (July 15)”*

### LSL

*“Home sales reached 90,000 in July, a boost of 13% from the previous month. This marks the first time this year that sales levels have overtaken the equivalent month in 2014 - and is actually the strongest July since 2007, when the market was building up to its pre-crisis peak.*

*“Turning the North-South divide on its head, the strongest sales growth has been taking part outside of London and the South East. The North and Yorkshire & Humberside have seen the fastest sales growth, with Q2 sales jumping 29% and 25% respectively on the previous quarter. It is purchases of detached properties which have seen the biggest quarterly boost – in the North, sales of this type of home increased by 41%. However, first-time buyer sales have hit the brakes since the start of 2015, and sales of flats have seen the slowest improvement, rising just 12% during Q2. (July 15)”*

### Land Registry

*“From February 2015 to May 2015, sales volumes averaged 61,283 transactions per month. This is a decrease from a year earlier, when sales volumes averaged 70,029. (July 15)”*

### **Kate Faulkner comments on Demand for Property:**

*“LSL tend to look in depth at volumes and they are seeing a real growth in July in areas outside of London. Agents in the South have benefited from the market, so it’s good this is now spreading elsewhere as it will boost economic activity. But as with regional price differences, there are property type differences too with demand for larger properties benefiting versus flats. And there is a big problem looming which is largely going unreported. Some city centre flats are still selling out at less than 50% of their original price and may not recover in my lifetime. Someone, somewhere needs to find a good solution to help trapped owners in this situation.”*

## Supply of Property

### Rightmove

*“Our year-on-year statistics show the number of properties coming to market this month compared to the same period in 2014 is down by 8%. A factor in this is the lack of new-build supply over the last twenty years, exacerbated by current new home volumes still being well below the levels reached just before the credit crunch. The historic new-build shortfall results in there being a smaller overall housing stock available to come to market, while the current new-build shortfall limits the number of existing property owners looking to sell their house in order to buy the limited number of suitable brand new homes available. (Aug 15)”*

### Home.co.uk

*“The number of properties on the market in England and Wales is 11% lower than in August last year and 39% less than in August 2007. Whilst national supply levels are at an all-time low and trending down, a more detailed regional analysis of supply shows how this key market driver varies across the nation. What is evident is that those regions which have suffered the greatest reductions in supply over the last seven years have also shown the greatest price growth. The lack of supply is felt most keenly in London and the East of England, where volumes of properties entering the market are down 23% and 16% respectively. (Aug 15)”*

### NAEA

*“The supply of available housing grew to meet increasing demand this month, with 25% more housing stock available than in June. This is the highest that availability has been in two years, increasing from 44 in June to 55. (July 15)”*

### RICS

*“New vendor instructions dropped back for a sixth consecutive month with a net balance of 22% of contributors reporting a decrease. The decline was widespread with 9 of the 12 areas of the UK that we monitor experiencing a decline, led by a particularly sharp fall in East Anglia. Meanwhile, Northern Ireland and the North East of England were the only markets to see a noticeable pick up in new vendor listings. Respondents in all areas agree that the lack of property for sale is causing somewhat of a vicious cycle, as the limited choice on offer at present is deterring would-be movers and therefore further restricting new instructions (44% of respondents, in total, felt this was the case). (July 15)”*

### Agency Express

*“The Property Activity Index highlighted a decline in properties coming on to the market with only 2 of the 12 regions recording increases in new listings ‘For Sale’. The North West bucked the seasonal trend with a robust increase of 17.5%, marking their best August since the Index’s first records in 2007. Wales also reported a healthy increase of 3% recording their largest rise in properties ‘Sold’ since March earlier this year. (Aug 15)”*

### **Kate Faulkner comments on Supply of Property:**

*“Interesting that RICs has a different view on vendor instructions to the NAEA, with one saying it’s up and another down. In contrast, Northern Ireland is definitely seeing a revival, both in prices and sales volumes, but it’s not reported accurately. This revival is definitely a recovery following a 50% fall in prices, so it’s good news, but needs to be put into context. Moving forward, agents and the new build industry, whether stock is from housing associations, councils or traditional developers, need to work together to promote the stock that is available now and 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 [Propertychecklists.co.uk](http://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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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 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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