

February 2016 Latest Property Price Summary

We track key reports on property prices produced on a monthly basis. This report summarises crucial numbers and what the 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.

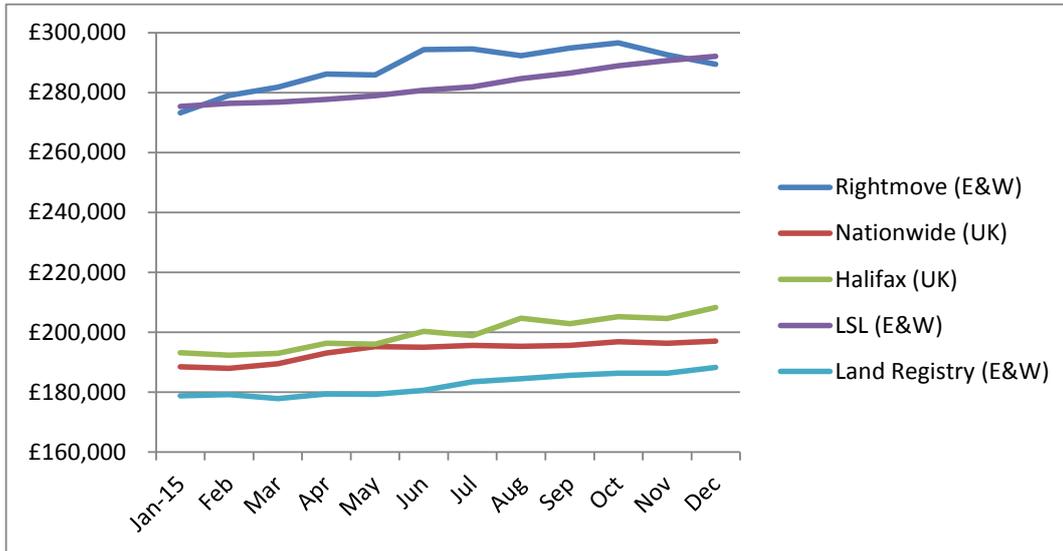
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Kate's view on individual indices

- [Rightmove](#) - Useful to measure average time to sell and sellers' sentiment. *(E & W)*
- [Nationwide](#) - Measures mortgaged property prices and affordability. *(UK)*
- [Halifax](#) - Measures mortgaged prices and produces individual research, ie seaside towns. *(UK)*
- [NAEA](#) - Tracks first time buyer sales and provides supply/demand figures from agents. *(UK)*
- [RICS](#) – Excellent for supply/demand analysis and on forecasting the market. *(UK)*
- [BBA](#) – Provides a huge amount of data on the economy/prices/transactions and financing. *(UK)*
- [Agency Express](#) - Analyses for sale/sold board, good for 'current' market trends. *(E, W & S)*
- [Hometrack](#) - City analysis across the UK and compares current prices annually and quarterly. *(E, W & S)*
- [LSL](#) – Analyses Land Registry figures, separates out London, good analysis on transactions. *(E & W)*

Latest National Market Movements



	High	Low	Current Month Dec-15	Current Month Jan-16	Annual Change	Annual Average (05-15)
Rightmove	£241,474	£213,570	£289,452	£290,963	7.4%	2.5%
Nationwide	£184,131	£147,746	£196,999	£196,829	4.5%	1.2%
Halifax	£199,766	£157,767	£208,286	£212,430	9.5%	0.9%
LSL	£231,829	£197,145	£292,077	n/a	6.6%	3.1%
Land Registry	£180,925	£149,899	£188,270	n/a	6.4%	0.9%

Kate Faulkner comments on the national market:

Most of the indices are showing 6-7% increases for the end of 2015, bar Halifax which seem to be recording a much higher increase of 9.5% for some reason. Rightmove report good news for first-time buyers saying "there's more property coming to market" with "asking prices pretty much the same as a month ago" and "prices have hardly increased month-on-month for properties with two bedrooms or fewer".

And, in a rare good market for both buyers and sellers, the trading up/down market should do well this year as confidence - which is key to property market success - is high. According to The Halifax Housing Market Confidence Tracker "a majority of people believe that average UK property prices will be higher 12 months from now". The question will be what will happen on 16th March when George Osborne clarifies the 3% Stamp Duty for second home owners and how will this affect the current buoyant market from 1st April?

Report Headlines

Rightmove "Active start to 2016 and surprisingly good news for first-time buyers"

NAEA "Supply of available housing halves in ten years"

RICS "Near term price expectations reach 20 month high"

Nationwide "House price growth remains steady in January"

Halifax "Quarterly house price growth at 2.2%"

LSL "House prices increase £18,000 in 2015"

Hometrack "City house price inflation accelerates to 15 month high of 11.4%"

Land Registry "The annual price change now stands at 6.4 per cent"

Country Property Price Differences

Kate Faulkner comments on regional differences:

LSL's index has some super data in it this month which shows there was a total of 900,650 home sales in 2015, a decline of 2.6% from the previous year, but sales in the second half of the year were above the same period in 2014. Usefully, the research delves deeper to show an increase in detached home sales - up 5% year-on-year - in the final quarter of 2015. The reason this data is useful is it provides great commentary at a regional level and good insight into which property types and areas are doing well from a volume of sales perspective as well as price.

The other interesting insight from the reports this month is the commentary on the impact of George Osborne's attack on landlords. LSL point out that "A recent Sunday Times analysis in conjunction with a major estate agency suggested that from the sales the firm recorded in 2015, only a third of homes sold to investors attracted any kind of offer from someone who wanted the property as a main residence (whether first time buyer or not), and that investor purchases made up around 15% of total sales." In other words BTL investors are not really competing with 'normal buyers' at all. Hometrack broadly agree, with their stats suggesting "8 out of every 10 sale.... still go to owner-occupiers." So although landlords and investors are being heavily penalised for buying homes, the idea that this is going to somehow make life 'easier' for buyers is highly unlikely. The question that needs answering post April is if investor demand is 'choked off' in areas with a high demand for rented property, what will happen to rents and prices in these local markets if supply is switched from the PRS to the sales market?

Property Prices - Country	Latest Month's Data - Dec 15	Current Price +/- versus Market Height	Year on year change in price in Dec	Annual average increase since 2000	Land Registry Highest Yearly Average Increase Since 2000	
					Date	% Increase
England & Wales	£ 188,270	4%	6.4%	6.4%	Jan-03	24.7%
Wales	£ 121,780	-13%	3.4%	5.8%	Jul-04	28.7%
Scotland *	£ 170,001	6%	0.7%	n/a	n/a	n/a
Northern Ireland **	£ 154,376	-38%	9.4%	n/a	n/a	n/a

* Ros.gov Data (Dec 15)

** University of Ulster & NIHE (Q3 15)

Property Prices - Country	2007/8 Height	Market Low	Market Low +/- versus Market Height	Latest Month's Data - Dec 15	Current Price +/- versus Market Height	Year on year change in price in Dec	Annual average increase since 2000	Land Registry Highest Yearly Average Increase Since 2000	
								Date	% Increase
Regions									
North East	£ 129,519	£ 94,940	-26.70%	£ 99,069	-24%	0.8%	4.9%	Apr-03	30.9%
North West	£ 137,582	£106,141	-22.85%	£ 116,152	-16%	5.0%	5.6%	Jul-04	27.2%
Yorkshire & The Humber	£ 145,571	£113,887	-21.77%	£ 125,492	-14%	3.8%	5.9%	Jan-03	27.3%
East Midlands	£ 147,541	£118,668	-19.57%	£ 137,171	-7%	4.2%	5.9%	Jan-03	31.8%
West Midlands	£ 153,944	£126,365	-17.91%	£ 142,731	-7%	4.8%	5.5%	Feb-03	26.7%
South West	£ 195,465	£158,279	-19.02%	£ 196,134	0%	6.8%	6.4%	Jan-03	28.2%
East	£ 194,114	£157,445	-18.89%	£ 218,837	13%	10.6%	7.0%	Feb-03	27.2%
South East	£ 228,328	£185,432	-18.79%	£ 261,581	15%	9.5%	6.5%	Jun-00	23.5%
London	£ 351,512	£292,977	-16.65%	£ 514,097	46%	12.4%	8.6%	Apr-00	29.0%

REGIONS (SSR)	Oct - Dec 2014	Oct - Dec 2015	% change
NORTH WEST	22,700	24,695	8.8%
WALES	10,575	11,102	5.0%
WEST MIDLANDS	20,011	20,786	3.9%
EAST MIDLANDS	19,943	20,379	2.2%
YORKS & HUMBERSIDE	19,981	20,387	2.0%
EAST ANGLIA	11,376	11,474	0.9%
SOUTH WEST	26,386	26,353	-0.1%
SOUTH EAST	58,074	57,660	-0.7%
NORTH	11,311	10,935	-3.3%
GREATER LONDON	27,662	26,656	-3.6%
ENGLAND & WALES	228,019	230,427	1.1%

Source: [LSL - Dec 15](#)

Property Price Towns and City Differences

Kate Faulkner comments on prices in towns and cities:

LSL's data shows the biggest monthly boost was in Bournemouth "with a 2.9% (£7,371) upswing - driven by more tech jobs in the city" and the "Strongest sales surge was found in the North West, up 8.8% year-on-year as buyers seek more property for their money". In addition, "The fastest growth year-on-year across the country has been experienced in Luton where home values are up 17.5%, with trains here only taking 23 minutes to get into St Pancras Station."

Hometrack's city data shows that economic powerhouse Cambridge continues to outperform London with a 14.4% increase, while London grows at 13.8% with Bristol not far behind at 12.8%. However beyond these areas, price growth is only achieving 8-10% even in strong property markets such as Oxford. From the Land Registry data, property prices in Liverpool and Manchester, although still (by their measure) way behind price heights achieved in 2008, are seeing strong 5%+ price growth year on year, potential good news for those currently trapped in negative equity.

Cities	2007/8 Height	Market Low	Market Low +/- versus Market Height	Latest Month's Data - Dec 15	Current Price +/- versus Market Height	Year on year change in price in Dec
Scotland						
Glasgow *	£ 130,629	£105,000	-19.62%	£ 142,306	9%	10.2%
Edinburgh *	£ 185,000	£168,000	-9.19%	£ 238,553	29%	2.1%

* Ros.gov Data (Dec 15)

City	2007/8 Height	Market Low	Market Low +/- versus Market Height	Latest Month's Data - Dec 15	Current Price +/- versus Market Height	Year on year change in price in Dec
Northern Ireland						
Belfast **	£ 258,332	£135,385	-47.59%	£ 168,784	-35%	9.4%

** University of Ulster & NIHE (Q3 15)

Towns/Cities/Counties	2007/8 Height	Market Low	Market Low +/- versus Market Height	Latest Month's Data - Dec 15	Current Price +/- versus Market Height	Year on year change in price in Dec	Annual average increase	Land Registry Highest Yearly Average Increase Since 2000	Date	% Increase
England & Wales										
Liverpool	£ 124,934	£ 87,986	-29.57%	£ 97,328	-22%	6.1%	5.5%	Jul-04	42.7%	
Bradford	£ 125,925	£ 91,102	-27.65%	£ 96,980	-23%	2.5%	5.1%	Oct-04	29.1%	
Manchester	£ 121,340	£ 89,621	-26.14%	£ 102,976	-15%	5.9%	6.1%	Sep-04	24.4%	
Leeds	£ 155,110	£120,678	-22.20%	£ 133,276	-14%	3.0%	5.8%	May-03	28.3%	
Newcastle upon Tyne	£ 143,040	£114,028	-20.28%	£ 120,883	-15%	1.8%	5.8%	Apr-03	32.5%	
Birmingham	£ 136,345	£109,972	-19.34%	£ 123,864	-9%	5.5%	5.4%	Apr-03	28.8%	
Peterborough	£ 134,523	£103,729	-22.89%	£ 120,743	-10%	2.9%	5.9%	Dec-02	26.9%	
Nottingham	£ 105,214	£ 81,782	-22.27%	£ 92,535	-12%	3.2%	5.0%	Feb-03	33.5%	
Sheffield	£ 139,484	£112,582	-19.29%	£ 126,641	-9%	3.8%	6.5%	Apr-03	26.7%	
Leicester	£ 131,434	£106,103	-19.27%	£ 121,560	-8%	3.9%	6.6%	May-03	33.3%	
Bournemouth	£ 192,914	£152,100	-21.16%	£ 192,652	0%	5.9%	6.0%	Feb-03	25.5%	
Southampton	£ 160,228	£132,012	-17.61%	£ 160,254	0%	6.9%	5.8%	Feb-03	27.4%	
Cardiff	£ 159,475	£131,853	-17.32%	£ 156,415	-2%	4.0%	5.9%	May-03	28.8%	
Portsmouth	£ 161,407	£128,349	-20.48%	£ 166,261	3%	8.6%	6.2%	Feb-03	27.4%	
Norfolk	£ 163,779	£134,922	-17.62%	£ 165,349	1%	5.4%	7.1%	Feb-03	27.2%	
Milton Keynes	£ 176,806	£141,250	-20.11%	£ 197,052	11%	10.9%	7.0%	Feb-03	28.9%	
Cambridgeshire	£ 196,770	£160,406	-18.48%	£ 220,076	12%	7.6%	6.9%	Feb-03	21.9%	
Bristol	£ 188,869	£148,839	-21.19%	£ 217,680	15%	11.0%	7.8%	Feb-03	29.8%	
Reading	£ 217,746	£177,338	-18.56%	£ 266,045	22%	17.1%	6.3%	Jun-00	32.1%	
Oxfordshire	£ 249,860	£211,963	-15.17%	£ 296,698	19%	6.9%	6.6%	Jul-00	23.4%	
Brighton and Hove	£ 232,584	£187,183	-19.52%	£ 291,854	25%	9.1%	8.7%	Jul-00	35.5%	
London	£ 351,512	£292,977	-16.65%	£ 514,097	46%	12.4%	8.6%	Apr-00	29.0%	

Summary of Property Price Indices comments on Town and City Differences

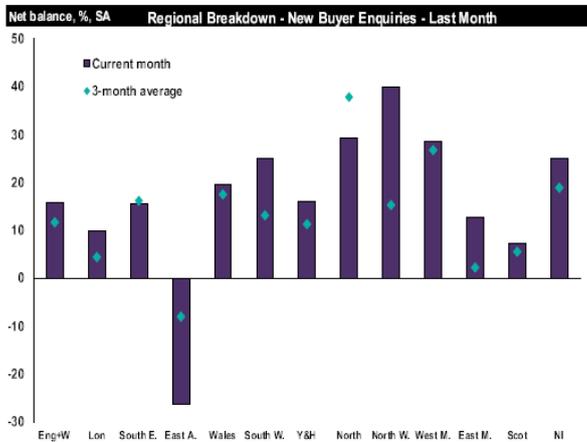
- RICS *“All parts of the UK reported some price rises, with East Anglia and the South East seeing the firmest price momentum. (Dec 15)”*
- LSL *“Out of the ten regions in England & Wales, the South East has the highest rate of house price inflation at 8.1%. All 25 of the local authority areas in the South East are recording positive movements in their respective prices, topped by Luton at 18.5%, closely followed by Reading at 16.2%. The East Midlands has moved up to second place displacing East Anglia into third position, with growth in prices in the City of Nottingham and the county of Nottinghamshire at 10.6% and 8.8% respectively, assisting its overall rate of 6.7%. Greater London is currently in fourth position at 5.6%. (Dec 15)”*
- Hometrack *“Hometrack’s UK Cities House Price Index has recorded a further jump in the annual rate of house price growth to 11.4%, up from 10.2% the previous month and 8.9% twelve months ago. This represents the highest rate of growth for 15 months. Cambridge continues to perform like London and has registered the highest annual rate of growth at 14.4% followed by London (13.8%) and Bristol (12.8%). All these high growth markets are growing at a broadly similar rate to the levels seen a year ago. Turmoil in global financial markets is raising concerns over the impact on the UK economy and possible knock-on impacts for the housing market. The annual rate of house price in Aberdeen has slowed from +13.5% a year ago to -1.4% today and looks set to remain weak over 2016. Newcastle and Sheffield are recording the next lowest growth rates of 3.7%, still higher than average earnings, and in cities where the housing recovery is at a much earlier stage. (Dec 15)”*
- Land Registry *“The region with the most significant annual price increase is London with a movement of 12.4 per cent. The North East saw the smallest annual price increase of 0.8 per cent. London also experienced the greatest monthly price rise with a movement of 2.1 per cent. Wales saw the most significant monthly price decrease with a fall of 0.8 per cent. (Dec 15)”*

Demand for Property

Kate Faulkner comments on demand for property:

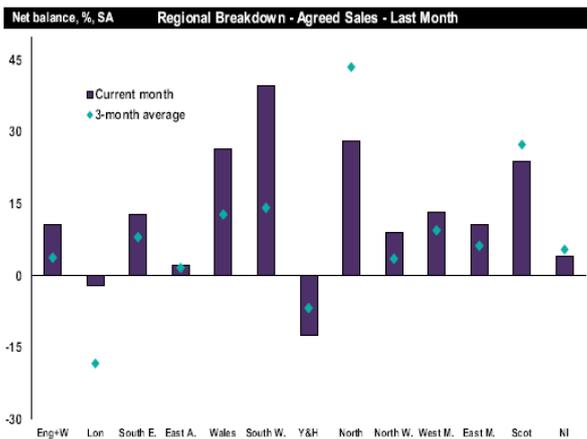
Despite all the headlines saying what a buoyant market 2015 was, in reality, the actual number of sales moved slightly upwards according to Halifax who researched the HMRC data to conclude: "UK home sales totalled 1.23 million in 2015; marginally higher than the 1.22 million recorded in 2014". As LSL confirm, "sales picked up during the year with transactions in the second half of 2015 6% higher than in the same period in 2014". Data from Rightmove suggests that "demand as measured by visits to the Rightmove website in the first working week of 2016 is up by 21% on the same period in 2015." However, we will have to wait for a few months to see if this actually translates into higher buying and selling activity rather than people more keen to look this year than last! The concern remains in that, according to Nationwide, "construction activity will lag behind strengthening demand, putting upward pressure on house prices and eventually reducing affordability".

Regional Enquiries - Past month



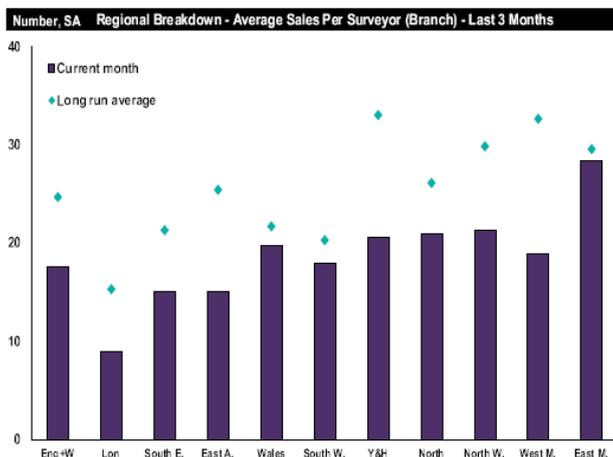
Source: [RICS – Dec 15](#)

Regional Newly Agreed Sales - Past month



Source: [RICS – Dec 15](#)

Regional Average Sales Per Surveyor - Past three months



Source: [RICS – Oct-Dec 15](#)

Summary of Indices Commentary on the Demand for Property

Rightmove

"Demand during the first working week of 2016 is up by 21% on the same period in 2015. (Jan 16)"

NAEA

"Sales to first time buyers (FTBs) increased this month, with under a quarter (24%) sales made to the group. This is a decrease from December 2014, when 26% sales were made to FTBs. The average number of sales completed per branch fell in December, dropping from eight in November, to seven. (Dec 15)"

RICS

"Demand rose across all parts with the exception of East Anglia where 26% more contributors reported a decrease rather than an increase in enquiries. (Dec 15)"

LSL

"This is the strongest December for sales since 2006, up 7.1% year-on-year as buyers compete for fewer homes on the market, with buyer demand in December increasing 8.5% compared to November 2015. (Dec 15)"

Agency Express

"National figures show buoyant month on month increases in properties 'Sold' rising by 31.2%. (Jan 16)"

Bank of England

"The number of loan approvals for house purchase was 70,837 in December, compared to the average of 69,462 over the previous six months. (Dec 15)"

BBA

"The number of mortgage approvals in December was 24% higher than a year ago, with remortgaging up 31% and house purchase up 19%. (Dec 15)"

Land Registry

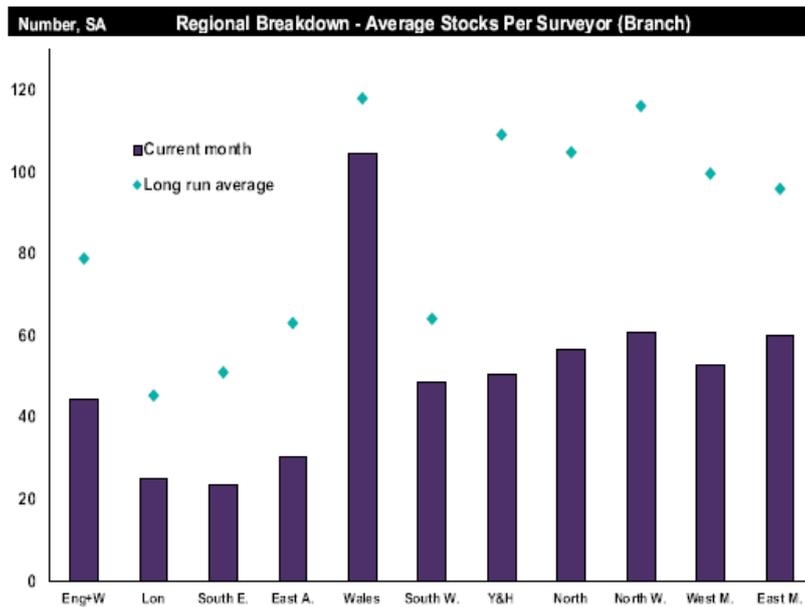
"In the months July 2015 to October 2015, sales volumes averaged 80,691 transactions per month. This is a decrease from the same period a year earlier, when sales volumes averaged 84,517 per month. (Dec 15)"

Supply of Property

Kate Faulkner comments on supply of property:

This is probably the single most feared issue in the property market at the moment. Buyer demand is definitely up and strong, but the supply of property isn't coming through. Unlike many industries, production can't be scaled up and down quickly in line with demand. As such, agents are going to have to continue to find ways of attracting new instructions while high street offices will be battling competition from cheaper, mainly on-line propositions. The scariest stat, though, from all the reports is from the NAEA who recorded that there were "37 properties available in December 2015, compared to 72 in December 2005" showing stock levels per agent had halved. This is no doubt why the bigger agents are on a spending spree to buy up smaller, locally successful agents.

Regional Average Stock Per Surveyor



Source: [RICS - Dec 15](#)

Average Stock Per Branch	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Rightmove	58	59	61	62	63	65	65	63	63	62	59	53
NAEA	44	43	48	43	46	44	55	38	37	43	41	37
Average Sales Per Branch												
NAEA	8	8	10	8	9	9	9	10	9	9	8	7

	New Listings		Properties Sold	
	Jan 16	Jan 15	Jan 16	Jan 15
NATIONAL	93.7	51.4	31.2	1.0
Central England	118.2	48.8	37.0	6.2
East Anglia	120.4	68.9	52.5	7.2
East Midlands	74.9	26.1	30.8	-21.1
London	85.5	55.4	13.9	19.2
North East	64.2	71.1	4.5	-8.1
North West	73.8	43.0	21.7	-6.4
Scotland	40.7	26.1	5.4	11.2
South East	91.3	69.8	35.2	-4.6
South West	111.9	53.1	23.5	-5.1
Wales	124.4	53.1	43.2	-1.5
West Midlands	126.9	38.0	35.1	-10.7
Yorks & Humber	74.5	52.1	29.2	3.3

Source: [Agency Express](#)

Summary of Indices Commentary on the Supply of Property

Rightmove

"A lack of property coming to market has been an upwards driver of both prices and unfulfilled demand, though encouragingly there has been a slight 1.8% year-on-year uplift in the number of newly-marketed properties.

"There is welcome and unexpected news for first-time buyers with a 6.6% year-on-year increase in the number of fresh-to-the-market homes in their target sector of two bedrooms or fewer, the highest since 2007. (Jan 16)"

NAEA

"The available supply of housing decreased in December, to just 37 houses per member branch. This is the joint lowest for 2015 and almost half that of December 2005, when there were an average 72 houses available per branch. (Dec 15)"

RICS

"New instructions to sell edged up slightly for the first time since January 2015, with more parts of the UK seeing a rise in new instructions, however modest, rather than a fall for the first time in over two years. (Dec 15)"

Agency Express

"All regions reported an increase in new property listings 'For Sale'. The most prominent performers included Wales and the West Midlands. After three consecutive months of decline, Wales saw an injection of properties coming on to the market rising by 124.4%. Following the same trend the West saw new listings 'For Sale' rise by 126.9%. (Jan 16)"

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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