

## August 2016 property price update

### Independent, free, expert advice on housing

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 consumers' needs via FREE of charge eBooks, checklists, daily articles and one-to-one advice.

### Summary of property price reports

#### UK, England and Wales data

	High	Low	Current Month May-16	Current Month Jun-16	Current Month Jul-16	Annual Change	Annual Average (05 - 16)		
Rightmove	£241,474	£213,570	£308,151	£310,471	£307,824	4.5%	4.5%	Asking prices	E & W
Nationwide	£184,131	£147,746	£204,368	£204,968	£205,715	5.2%	2.7%	Mortgaged only	UK
Halifax	£199,766	£157,767	£213,472	£216,823	£214,678	8.4%	2.5%	Mortgaged only , seasonally adjusted	UK
LSL Acadata HPI	£231,829	£197,145	£293,599	£293,444	£293,318	5.5%	4.2%	Actual prices, includes cash sales	E & W
UK HPI	£194,764	£159,340	£211,230	n/a	n/a	9.1%	3.2%	Sold prices, includes cash sales and new builds	E

#### **Kate Faulkner comments on the national market:**

*The national figures for the UK, England and Wales show that property price growth has softened since May time. This suggests that the continued slowdown and slight drop back in prices for some indices isn't Brexit related, but more due to the time of year and the forecasted fall back in pressure on purchases and therefore prices, following the huge surge in the market in the first quarter of the year as those that could, avoided the 3% stamp duty increase on second homes. First time buyers certainly held their own according the NAEA as "a third of total house sales in June were made to FTBs". This was the highest number of sales since October 2015.*

## Data by country and English region

Property Prices - Countries	Highest average house price pre-credit crunch 2007/08	Lowest average house price during recession 2009	Market low +/- versus market height	Latest month's data May-16/ Q1 16	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in May 16	Annual average increase since 2000	Highest yearly average increase since 2000	
								Date	% Increase
England	£194,764	£159,340	-18.19%	£226,807	16%	8.9%	7.1%	Jan-03	26.4%
Wales	£150,316	£123,104	-18.10%	£142,568	-5%	3.6%	6.5%	Jul-04	33.4%
Scotland	£145,641	£120,994	-16.92%	£141,142	-3%	4.0%	n/a	Feb-05	19.0%
Northern Ireland (Q1)	£224,670	£97,428	-56.64%	£117,524	-48%	5.9%	n/a	Q1 07	51.5%

Property Prices - Regions	Highest average house price pre-credit crunch 2007/08	Lowest average house price during recession 2009	Market low +/- versus market height	Latest month's data May-16	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in May 16	Annual average increase since 2000	Highest yearly average increase since 2000	
								Date	% Increase
North East	£139,400	£117,079	-16.01%	£124,466	-11%	3.2%	6.2%	Jan-04	34.8%
North West	£152,427	£124,654	-18.22%	£145,730	-4%	4.3%	6.8%	Jul-04	33.0%
Yorkshire & The Humber	£150,233	£123,833	-17.57%	£147,044	-2%	3.8%	6.9%	Jun-04	29.3%
East Midlands	£159,537	£129,876	-18.59%	£170,120	7%	7.9%	6.9%	Feb-03	33.9%
West Midlands	£165,807	£136,966	-17.39%	£173,566	5%	6.7%	6.5%	Jan-03	29.5%
South West	£212,666	£171,356	-19.42%	£231,469	9%	7.4%	6.8%	Jan-03	29.8%
East	£209,624	£168,263	-19.73%	£265,156	26%	12.8%	7.4%	Jan-03	28.9%
South East	£238,670	£191,156	-19.91%	£306,037	28%	12.9%	7.0%	Jun-00	25.0%
London	£298,596	£245,351	-17.83%	£472,163	58%	13.6%	8.4%	Apr-00	28.3%

Source: [UK HPI](#)

### Kate Faulkner comments on country and regional differences:

*The country stats show that England is performing well now and most regions have seen property prices recover beyond the pre-credit crunch heights - albeit partly thanks to the new UK HPI government statistics which replaced the Land Registry, ONS and ROS figures. However, Wales and Scotland still have a little way to go, while Northern Ireland could take another eight years to recover based on current year on year growth - perhaps showing one of the first true property price bubbles in the UK, especially if some properties aren't able to recover even by then, nearly 17 years or two decades since the credit crunch hit.*

## Data by top and lowest performing town and London borough

Five high growth areas YoY towns/cities	YoY %	Five low growth areas YoY towns/cities	YoY %	Five high growth areas last 10 years towns/cities	Five low growth areas last 10 years towns/cities
Peterborough	13.2%	Liverpool	2.4%	Brighton and Hove	Belfast
London	13.6%	Newcastle upon Tyne	2.7%	Reading	Glasgow
Bristol	14.6%	Lincoln	3.2%	Oxford	Liverpool
Milton Keynes	16.8%	Belfast	4.1%	Cambridge	Bradford
Reading	17.8%	Glasgow	4.9%	London	Newcastle upon Tyne

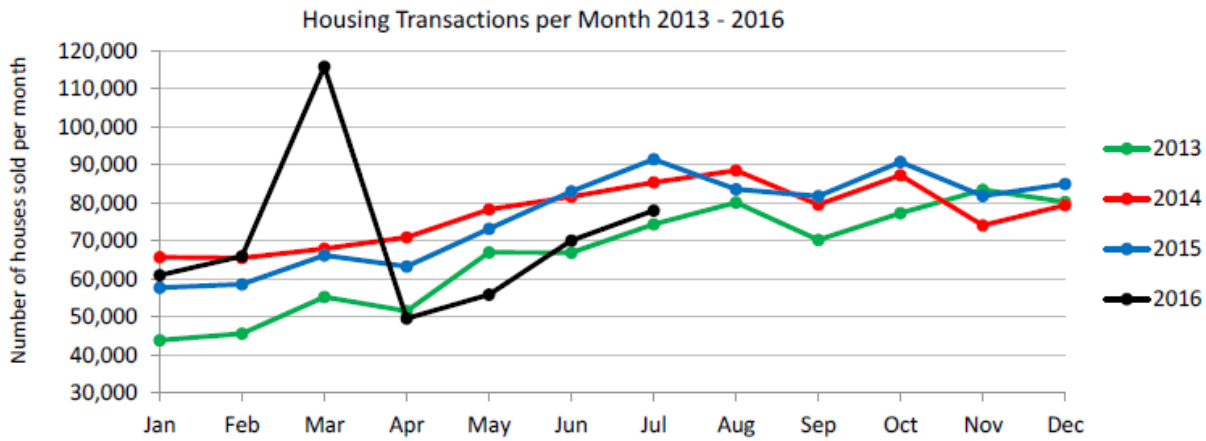
Three high growth areas YoY London	YoY %	Three low growth areas YoY London	YoY %	Three high growth areas last 10 years London	Three low growth areas last 10 years London
Waltham Forest	22.1%	Islington	4.9%	City of Westminster	Barking and Dagenham
Barking and Dagenham	21.1%	Hammersmith and Fulham	2.7%	Southwark	Redbridge
Newham	20.7%	Kensington and Chelsea	-2.5%	Haringey	Havering

Source: [UK HPI](#)

### Kate Faulkner comments on prices in towns and cities:

*Peterborough has joined the top five areas of high growth, which isn't a surprise as it's on the doorstep of London and Cambridge, and is just 45 minutes from the Capital. Strong economic growth has helped power houses such as Bristol, Milton Keynes and Reading to replicate the growth London boroughs have seen over the last few years. Areas which have the space to build new homes, such as Lincoln and Liverpool have seen less growth over time, but are still moving forward. Overall, suggesting a healthy market for both buyers and sellers. For London boroughs, we are now seeing the outer areas expand at the same rate as inner London has in the past, while the inner areas are now seeing slight falls or slower growth. Time will tell if this is a short term 'blip' or a sign that the amazing price growth seen over the last 20 years is finally coming to an end.*

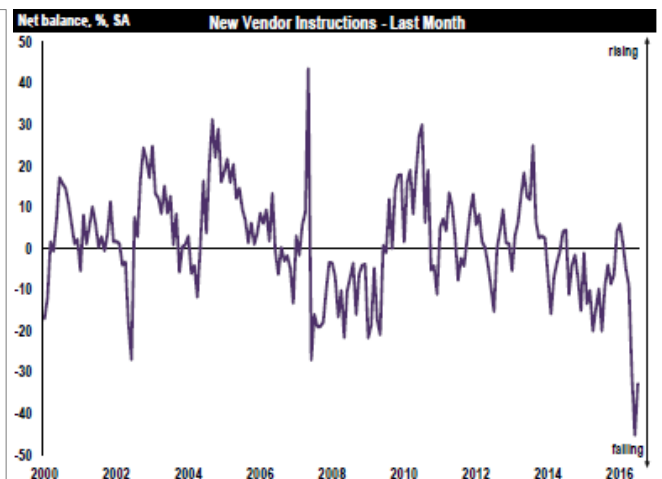
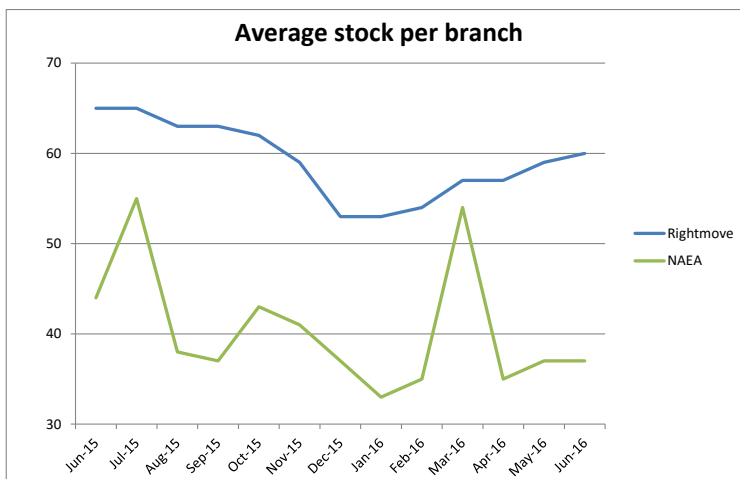
## Data on the number of sales and transactions



Source: [LSL Acadata HPI](#)

### Kate Faulkner comments on transactions, demand and supply:

According to LSL, despite current volumes from April through to June being 20% lower than last year, “looking at the first six months of each year, [they] estimate that overall transactions are some 4% higher in 2016 than 2015”, which is good news cumulatively from an agency perspective, however clearly volumes may not feel that rosy in the aftermath of the government’s stamp duty change. This is reflected in both the NAEA and RICS indices which both show existing stock levels and new vendor instructions on the slide while the RICS has also seen a fall in buyers, NAEA reports a 9% month on month increase. Meanwhile though, new stock is coming through from developers, with NHBC saying Q2 16 was the strongest they have seen since Q4 2007 just as the crash started to impact.



## Data on the number of new builds and properties for sale

During Q2 2016:

- The number of NHBC new home registrations was 41,222, a 1% increase on the same period last year (40,931)
- 31,753 were registered in the private sector, 6% increase compared to last year (30,086)
- 9,469 were registered in the public sector, -10% decrease compared to last year (10,845)

“These registrations reflect continued industry confidence in the run-up to the EU Referendum at the end of June. Indeed, this period was the strongest quarter since Q4 2007, albeit still some way off levels seen over a decade ago.”

Source: [NHBC](#)

## Has Brexit bashed the property market: summary of indices' commentary?

The big question everyone is asking is will Brexit impact the property market - especially after George Osborne threatened house price falls of 18% if people voted no! In the main, most indices are reporting that it's too early to tell what the main impact will be and for now, the research is giving mixed messages.

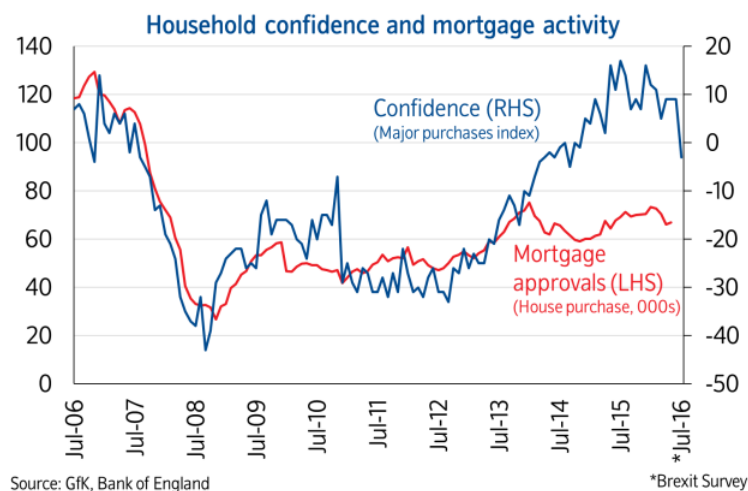
Rightmove gives a good lead indicator of the impact as it's one of the first places buyers come to and sellers appear on. Their view is:-

*"The summary so far based on two weeks of post-Brexit-vote statistics is that the housing market remains steady, underpinned by the same fundamentals that have led to its recovery since the last downturn."*

Nationwide, one of the UK's biggest lenders suggest that:-

*"It will be tempting for commentators to assign any trends in the coming months to the impact of the referendum. Housing market transactions were always likely to soften over the summer after the surge in activity in March, as buyers brought forward purchases of second homes to avoid the stamp duty levy, which took effect in April. Determining how much of any fall-back in activity is the result of the tax changes and how much is due to the referendum will be difficult."*

Their confidence index does show however that the uncertainty over what happens next in the economy "may lead to weaker demand for homes. Leading indicators are consistent with softening ahead."



The RICS provides useful insight into the market post the Brexit vote. Firstly they report that *“instantly following the Brexit result, three in five (57 per cent) reported a drop in demand from prospective buyers and three in five (58 per cent) saw supply fall in the week immediately following the vote”*.

Reports by their agents suggest that *“activity has picked up after an initial wobble, while others cite the Brexit vote as having only a modest or even negligible impact thus far”*.

The best and to some extent most comprehensive insight from the RICS is the market commentary at the end of the index from their surveyors, all of which show there is a mixed picture when it comes to the impact of Brexit:

RICS agents' market comments:-

**Douglas Farmer, Hopes Auction, Wigton:** *“Hiding behind Brexit is easy but there is still an air of uncertainty in the market.”*

**Simon Bainbridge, Savills, Darlington:** *“After some uncertainty post Brexit, the market has settled and some confidence is returning.”*

**Simon Croft, Feather Smailes Scales, Harrogate:** *“Brexit has made no difference to the market in this area.”*

**Martin Pendered, Martin Pendered & Co, Wellingborough:** *“The impact of the referendum has been much less than expected, but this may be disguised by the holiday period but indications are that the market is still buoyant.”*

**Mike Arthan, Barbers, Shropshire:** *“July activity levels better than expected after Brexit vote.”*

**Richard Franklin, Franklin Gallimore, Tenbury Wells:** *“Stock levels low and inertia following Brexit are key features. Until the economic outlook becomes more certain, cannot see why aspirational purchasers would participate in current market.”*

**Guy Gowing, Arnolds Keys, Norfolk:** *“The immediate aftermath of the Brexit decision caused huge uncertainty and panic, however since the appointment of our new Prime Minister calm has been restored and its business as normal.”*

**Andrew Morgan, Morgan & Davies, Lampeter:** *“We expected less activity post Brexit result but to the contrary, the market has accepted this, with lifestyle buyers leading the charge to rural Wales.”*

The main negative views seem to be London based:-

**Kevin Ryan, Carter Jonas, Mayfair:** *“SDLT, ATED (Annual Tax on Enveloped Dwellings), the Brexit vote and the holiday period have combined to create the perfect storm of inactivity.”*

Both LSL Acadata and Hometrack housing experts agree that it's too early to tell what will happen with LSL saying:-

*“There's consensus in the housing market over Brexit: it's still too early to tell what the long-term impact will be. While the vote to leave has definitely resulted in uncertainty, there's near unanimity among commentators that the impact is yet to show in the figures..... external commentaries and the LSL Acadata HPI data suggest that any slow-down is unlikely to be of the scale suggested by HM Treasury in the run up to the vote.....”*

While Hometrack conclude:-

*“It is still very early days to assess the true impact of the EU referendum vote on activity and house prices. Hometrack's view, based on our Cities Index and analysis of listings data, remains that sales volumes are likely to slow and price growth will moderate over the second half of the year.”*

## Regional and towns/cities property prices

### Comparison of regional property price changes year on year by each index

Property Prices - Regions	Rightmove Average Price Jun-15	Rightmove Average Price Jun-16	Rightmove % Change YoY	Nationwide Average Price Q2 15	Nationwide Average Price Q2 16	Nationwide % Change YoY	LSL Acadata HPI Average Price Jun-15	LSL Acadata HPI Average Price Jun-16	LSL % Change YoY	UK HPI Average Price May-15	UK HPI Average Price May-16	UK HPI % Change YoY
North East	£144,210	£ 148,662	3.1%	£125,189	£123,914	-1.0%	£149,900	£153,314	2.3%	£120,610	£124,466	3.2%
North West	£176,067	£ 183,482	4.2%	£146,908	£149,572	1.8%	£170,689	£178,089	4.3%	£139,668	£145,730	4.3%
Yorkshire & The Humber	£173,844	£ 178,388	2.6%	£147,387	£148,587	0.8%	£171,658	£175,582	2.3%	£141,654	£147,044	3.8%
East Midlands	£188,962	£ 198,090	4.8%	£160,482	£166,956	4.0%	£186,350	£190,623	2.3%	£157,709	£170,120	7.9%
West Midlands	£201,223	£ 209,273	4.0%	£165,873	£174,389	5.1%	£195,913	£201,260	2.7%	£162,631	£173,566	6.7%
South West	£287,776	£ 302,022	5.0%	£215,363	£227,447	5.6%	£251,556	£265,287	5.5%	£215,498	£231,469	7.4%
East	£309,407	£ 338,499	9.4%	£198,826	£209,791	5.5%	£282,144	£308,407	9.3%	£235,052	£265,156	12.8%
South East	£388,617	£ 415,335	6.9%	£244,119	£265,638	8.8%	£333,296	£357,404	7.2%	£271,147	£306,037	12.9%
London	£613,922	£ 643,117	4.8%	£429,711	£472,384	9.9%	£556,961	£590,203	6.0%	£415,817	£472,163	13.6%

### Performance of major towns across the UK

Property Prices Towns/Cities <i>England, Wales, Scotland &amp; NI</i>	Highest average house price pre-credit crunch 2007/08	Lowest average house price during recession 2009	Market low +/- versus market height	Latest month's data May-16/ Q1 16	How much higher/ lower are latest prices vs height in 2007/8	Year on year change in price in May 16/ Q1 16	Annual average increase	Highest yearly average increase since 2000 Date % Increase
Belfast (Q1 )	£213,626	£87,890	-58.86%	£110,043	-48%	4.1%	n/a	Q1 07 57.1%
Glasgow	£130,473	£104,370	-20.01%	£114,071	-13%	4.9%	n/a	Jan-05 19.2%
Liverpool	£130,249	£106,826	-17.98%	£116,324	-11%	2.4%	6.5%	Jul-04 59.0%
Bradford	£139,640	£115,089	-17.58%	£125,422	-10%	5.3%	6.5%	Sep-04 36.5%
Newcastle upon Tyne	£164,935	£134,016	-18.75%	£154,014	-7%	2.7%	6.4%	Feb-04 39.2%
Leeds	£161,439	£130,128	-19.39%	£162,425	1%	7.2%	7.0%	Apr-03 30.7%
Sheffield	£144,875	£120,193	-17.04%	£146,578	1%	5.4%	7.0%	Sep-04 31.9%
Nottingham	£119,010	£93,696	-21.27%	£123,672	4%	10.4%	6.4%	Mar-03 37.9%
Manchester	£140,431	£111,679	-20.47%	£147,705	5%	7.9%	8.6%	Jun-04 34.9%
Birmingham	£148,578	£122,773	-17.37%	£156,716	5%	7.7%	6.4%	Feb-03 36.4%
Edinburgh	£225,750	£183,029	-18.92%	£239,201	6%	5.4%	n/a	May-07 17.3%
Lincoln	£128,707	£106,017	-17.63%	£136,433	6%	3.2%	7.6%	Feb-03 38.0%
Peterborough	£156,264	£123,752	-20.81%	£168,449	8%	13.2%	7.1%	Dec-02 30.2%
Leicester	£135,317	£110,071	-18.66%	£146,038	8%	8.9%	7.6%	Mar-03 35.4%
Bournemouth	£206,227	£163,937	-20.51%	£226,167	10%	6.8%	6.5%	Apr-03 32.5%
Norwich	£166,498	£123,698	-25.71%	£183,853	10%	7.4%	7.6%	Oct-02 37.9%
Cardiff	£170,496	£139,651	-18.09%	£188,278	10%	6.0%	6.9%	May-03 30.7%
Portsmouth	£169,633	£130,868	-22.85%	£188,301	11%	9.4%	9.1%	Mar-03 29.1%
Southampton	£168,795	£134,665	-20.22%	£191,585	14%	9.9%	6.5%	Apr-03 29.7%
Bristol	£195,196	£153,648	-21.29%	£248,371	27%	14.6%	8.0%	Apr-03 29.7%
Milton Keynes	£194,666	£147,827	-24.06%	£247,986	27%	16.8%	7.9%	Feb-03 32.0%
Brighton and Hove	£257,108	£202,054	-21.41%	£335,295	30%	10.2%	8.0%	Jul-00 35.4%
Reading	£216,724	£176,087	-18.75%	£295,363	36%	17.8%	6.8%	Jun-00 35.9%
Oxford	£289,855	£223,319	-22.95%	£404,882	40%	10.2%	7.6%	Jun-00 29.5%
Cambridge	£283,241	£224,469	-20.75%	£435,162	54%	10.8%	8.7%	May-00 27.5%
London	£298,596	£245,351	-17.83%	£472,163	58%	13.6%	8.4%	Apr-00 28.3%

Source: [UK HPI](#)

If your town or city isn't featured above, visit the [Hometrack data](#) which covers 65 towns and cities.

## What's happening to property prices for individual buyers in the property market?

The data below gives an indication of which type of buyer pays what average price for a property. Currently in England, first time buyers pay the least - an average of £191,099 (don't forget, this is completely skewed by London) and in Wales for example they are paying an average of just over £123,000.

Cash buyers are typically paying £212,618 while new build buyers pay the most at £293,461, however, they don't typically carry out any renovation and would expect to have lower maintenance costs versus buying a second home, and potentially have even lower running costs if the energy efficiency is greater.

### *Average price per buyer type for England:-*

England	Monthly change %	Annual change %	Average price
Cash	1.0	7.9	£212,618
Mortgage	1.1	9.4	£233,971
First time buyer	1.1	9.1	£191,099
Former owner occupier	1.0	8.8	£256,593
New build	9.6	17.9	£293,461
Existing resold property	0.4	8.3	£222,455

### *Average price per buyer type for Wales:-*

Wales	Monthly change %	Annual change %	Average price
Cash	0.8	2.8	£138,308
Mortgage	0.9	4.1	£145,106
First time buyer	0.5	3.5	£123,331
Former owner occupier	1.3	3.7	£164,959
New build	8.1	11.8	£193,224
Existing resold property	0.4	3.1	£139,615

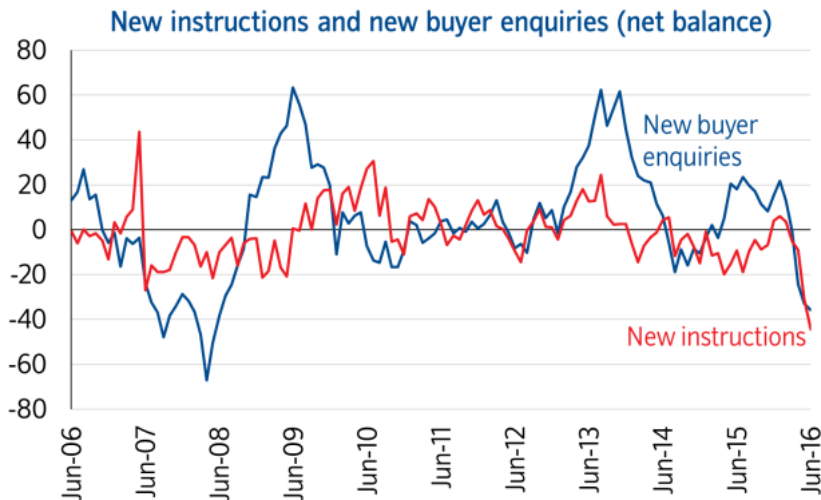
### *Average price per buyer type for London:-*

London	Monthly change %	Annual change %	Average price
Cash	1.2	12.2	£495,900
Mortgage	1.6	14.0	£464,845
First time buyer	1.8	13.6	£413,743
Former owner occupier	1.2	13.5	£531,755
New build	9.5	20.6	£506,273
Existing resold property	0.8	13.0	£469,356

Source: [UK HPI](#)

## Demand and supply charts and data for the property market

The charts below show what's happening to demand with the RICS data showing that buyer demand has fallen in the last few months, but as vendor instructions have fallen at an equivalent rate, supply and demand dynamics remain the same, in other words a shortage of stock versus demand continues to maintain house price growth.



Source: RICS

### Latest demand and supply trends over the last Quarter

This data comes from Agency Express and gives an indication over a three month period of what's happening to supply ie new listings and demand ie properties sold over time.

The data shows that *"new listings 'For Sale' falling by -3.2% and properties 'Sold' by -3.8%"* supporting other indices that show we are seeing both a fall in stock for sale and the number of sales going through.

	NEW LISTINGS		PROPERTIES SOLD	
	MAY - JUL 16	MAY - JUL 15	MAY - JUL 16	MAY - JUL 15
NATIONAL	-3.2	-0.2	-3.8	2.6
Central England	-2.3	-2.6	-5.9	2.2
East Anglia	-1.2	-0.7	-5.2	2.2
East Midlands	-3.4	1.9	-3.6	6.1
London	-2.2	-4.2	-8.8	-0.3
North East	-4.2	6.5	-8.9	5
North West	-3.3	-0.3	-2	5.6
Scotland	-4.4	0.5	-1.8	5.9
South East	-5.2	0.7	-4.2	3.1
South West	-4.8	1.4	-1	2.8
Wales	-4.6	-0.8	-0.6	7.5
West Midlands	0.2	-0.2	1	-0.5
Yorks & Humber	-4.4	0.9	-3.3	-0.2

Source: [Agency Express](#)



## Kate's guide to the 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 Acadata HPI](#) – Analyses Land Registry figures, separates out London, good analysis on transactions. (E & W)
- [Land Registry](#) – Tracks sold property price data, good for accurate information, but doesn't reflect current market conditions. (E,W,S & NI)

## Independent, free, expert advice on housing

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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 and first-time buyers, and is often asked to chair debates and present at industry conferences.

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

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