

April 2017 property price update

Estate agents need to adapt to survive

Despite a slowing market, and misleading headlines about house price crashes, I'm happy to report that people's confidence doesn't seem to be eroded by reports of a fall in property price growth. This is good news, because low confidence can drive down prices further.

Culturally, we do seem to be developing a more sensible approach to house prices, realising that growth isn't always good and that a slowdown can be healthy for everyone, as long as it doesn't lead to panic buying or selling.

While most of this month's reports reflect the fall in growth, some do stand out. Rightmove reports a "jump" in price growth in the Midlands, but this turns out to be just 1.3% – more of a little hop, in my view.

However, they also agree that prices are under pressure, reporting that, despite strong sales, "74% of the sales made were below the original asking price".

Regional differences

Regionally, Nationwide reports that, when it comes to annual price change, the gap between the weakest and strongest regions is narrowing but, "While regional growth rates have begun to converge, there remain significant disparities in price levels."

Nationwide reports: "The Outer South East was the strongest performing region in Q1 2017, with average prices up 6.4% year-on-year. The North continued to be the weakest performing region, with a slight decline in prices compared with Q1 2016."

Outside of these areas, Hometrack makes a valid point that "While growth in Manchester has hit close to 9%, the supply/demand dynamics are not strong enough in regional cities outside southern England to support double digit rates of house price growth" and previously successful local economies such as Aberdeen remind us all of how local factors as opposed to what's happening nationally tend to be the main driver of prices and volumes in this day and age - Aberdeen is registering falls of 5.9% year on year, according to Hometrack.

Sales volumes expected to fall

The most unexpected headline comes from NAEA Propertymark, who say "The number of sales agreed rose to a 10-year high in February, to 11 per branch" for the first time since September 2007. Considering the huge quarter we had last year when landlords were trying to beat the stamp duty rise, this is quite surprising and is in contrast to most reports, which suggest overall volumes are down.

Hometrack have some insightful data on volumes, and suggest they will fall by up to 5% in "the highest value cities" during 2017 due to affordability constraints, with only the likes of Birmingham and Newcastle expected to buck the trend.

Affordability

According to the Land Registry, property prices in three out of our four countries are still lower than they were 10 years ago and the Nationwide data shows that three of the 10 regions still haven't recovered to the price levels of 2007, so I find it remarkable that 10 years on from the credit crunch most media reports are concentrating on how 'unaffordable' property is, while in actual fact, the opposite is pretty much true.

When you also consider that mortgage rates are far lower than they were 10 years ago – with many at record rates – coupled with government support via the Help to Buy equity loan and ISAs, to some extent buyers have never seen such a good market outside the traditionally fast paced economies of London, Bristol, Cambridge and Oxford.

The future of estate agents

From an agent's perspective, the local nature of prices and rents – coupled with stock issues putting pressure on agents – means those who understand their local economy and how supply and demand work in their area can really set themselves apart from the competition. In my view, the agents who will continue to succeed are the ones who advise people on property decisions.

It's also vital that agents realise the need to encourage clients to take independent advice when it comes to property, checking they are on the right mortgage rate, and making sure, especially if they are a landlord, they are getting good financial advice on things like tax and inheritance.

The days of just selling or letting homes has gone; a local agent should be as important to people's property decisions as a financial advisor is to people's overall wealth – and one of the biggest opportunities for agents to establish themselves as lifelong consumer property advisors is by working to help first-time buyers onto the ladder.

Kate's guide to the individual indices

- [Rightmove](#) - Useful to measure average time to sell and sellers' sentiment. (E & W)
- [LSL Acadata HPI](#) – Analyses Land Registry figures, separates out London, good analysis on transactions. (E & W)
- [UK HPI](#) – 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

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

[First time buyer eBook](#)

[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 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.

For more information contact Kate Faulkner directly on 07974 750562 or kate@designsonproperty.co.uk