

## November 2017 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, articles and one-to-one advice.

### Summary of property price reports

#### Report Headlines

<a href="#">Rightmove</a>	<i>"Second-stepper sellers most likely to find a buyer before Christmas as prices jump 1.1%"</i>
<a href="#">NAEA Propertymark</a>	<i>"Estate agents agree - 'house buying process is outdated'"</i>
<a href="#">RICS</a>	<i>"Demand backdrop continues to deteriorate"</i>
<a href="#">Nationwide</a>	<i>"Slight pick up in annual house price growth in October"</i>
<a href="#">Halifax</a>	<i>"Annual house price growth rises to 4.5%"</i>
<a href="#">LSL Acadata HPI</a>	<i>"Growth in house prices slows yet remains positive in many areas"</i>
<a href="#">Hometrack</a>	<i>"City house price inflation is running at 4.9% per annum down from 6% a year ago"</i>

#### Key facts:

Average prices across the indices vary from mortgaged only prices from the Nationwide HPI (Oct 17) of £211,085, through to marketing prices (*ie not necessarily sold*) from Rightmove (Oct 17) of £313,435, a 48% difference. Average sold prices from the UK HPI stand at £243,520 (Aug 17).

#### UK, England and Wales data

	High	Low	Current Month Aug-17	Current Month Sep-17	Current Month Oct-17	Annual Change	Annual Average (05 - 17)		
Rightmove	£241,474	£213,570	£313,663	£310,003	£313,435	1.4%	4.3%	Asking prices	E & W
Nationwide	£184,131	£147,746	£210,495	£210,116	£211,085	2.5%	2.7%	Mortgaged only	UK
Halifax	£199,766	£157,767	£222,293	£225,109	£225,826	4.5%	2.7%	Mortgaged only, seasonally adjusted	UK
LSL Acadata HPI	£231,829	£197,145	£297,398	£297,287	n/a	1.3%	3.9%	Actual prices, includes cash sales	E & W
UK HPI	£194,764	£159,340	£243,520	n/a	n/a	5.3%	3.6%	Sold prices, includes cash sales and new builds	E

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

*If you iron out the 'average' property price growth from 2000, each year property prices grew by 6-8% across the UK. With inflation running at an average of 3% and some years offering price growth in double digits of 25-35%, in the past property has given great investment returns. People have made money from property since 2000, whether that was their aim or not. The figures since 2005 show the stark difference in property performance across the UK with 6-8% annual increases dropping to an average of just 3.6% (based on UKHPI data), pretty much meaning price growth has halved. Take the latest annual figures and, although the UK HPI data still shows a 5.3% growth, this is likely to fall back to the 1-2.5% levels the other indices are now showing. The question is how long will it take the public to realise that property is not the money-maker it has been in the past? Or will their love of property continue to blind them into thinking it will always be the 'best place to put your money'.*

# Country and regional summary (data from UK HPI)

## UK HPI Market analysis by country

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 Aug 17/ Q2 17	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in Aug 17/ Q2 17	Annual average increase since 2000	Highest yearly average increase since 2000	
								Date	% Increase
England	£194,764	£159,340	-18.19%	£243,520	25%	5.3%	7.2%	Jan-03	26.4%
Wales	£150,316	£123,104	-18.10%	£150,258	0%	3.4%	6.4%	Jul-04	33.4%
Scotland	£145,641	£120,994	-16.92%	£146,354	0%	3.9%	n/a	Feb-05	19.0%
Northern Ireland (Q2)	£224,670	£97,428	-56.64%	£128,650	-43%	4.4%	n/a	Q1 07	51.5%

Source: [UK HPI](#)

### Kate Faulkner comments on country differences:

Having seen the national picture show tiny amounts of property price growth, the starkness of the differences by country and region is incredible, yet hardly mentioned by the media. The latest BBC report on BBC 4 You and Yours showed that 58% of wards across England and Wales had lower house prices than 10 years ago – taking into account inflation. And our stats show that Wales and Scotland on average haven't grown at all for 10 years, even though they have seen 3-4% growth year on year. Northern Ireland has clearly had its 'property price bubble burst' yet still the media dominate their headlines with 'housing is unaffordable'.

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 Aug-17	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in Aug 17	Annual average increase since 2000	Highest yearly average increase since 2000	
								Date	% Increase
North East	£139,400	£117,079	-16.01%	£130,731	-6%	3.7%	6.1%	Jan-04	34.8%
North West	£152,427	£124,654	-18.22%	£159,865	5%	6.5%	6.9%	Jul-04	33.0%
Yorkshire & The Humber	£150,233	£123,833	-17.57%	£158,689	6%	4.8%	7.0%	Jun-04	29.3%
East Midlands	£159,537	£129,876	-18.59%	£183,762	15%	6.4%	7.0%	Feb-03	33.9%
West Midlands	£165,807	£136,966	-17.39%	£188,447	14%	5.3%	6.6%	Jan-03	29.5%
South West	£212,666	£171,356	-19.42%	£251,984	18%	6.4%	6.9%	Jan-03	29.8%
East	£209,624	£168,263	-19.73%	£288,440	38%	6.4%	7.5%	Jan-03	28.9%
South East	£238,670	£191,156	-19.91%	£324,983	36%	4.8%	6.9%	Jun-00	25.0%
London	£298,596	£245,351	-17.83%	£484,362	62%	2.6%	8.0%	Apr-00	28.3%

Source: [UK HPI](#)

## Top 5 lowest and top performing towns/cities and London Boroughs

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	%
Leicester	8.2%	Reading	-1.5%	Bristol	42%	Belfast (Q2 )	-44%
Manchester	8.6%	Belfast (Q2 )	1.0%	Brighton and Hove	42%	Glasgow	-4%
Cambridge	8.6%	Lincoln	1.2%	Oxford	48%	Liverpool	-3%
Edinburgh	10.4%	Cardiff	2.5%	London	62%	Newcastle upon Tyne	-1%
Peterborough	11.0%	Oxford	2.5%	Cambridge	65%	Bradford	-1%

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	%
Camden	13.0%	Bromley	0.1%	City of Westminster	78%	Hammersmith and Fulham	46%
Hackney	11.7%	Kensington and Chelsea	-1.5%	Haringey	73%	Tower Hamlets	46%
Tower Hamlets	6.3%	City of Westminster	-2.5%	Waltham Forest	72%	Hounslow	44%

Source: [UK HPI](#)

## Country and regional summary – cont'd

### **Kate Faulkner comments on regional, city/town differences:**

*It's really time now for the property industry to think about what it can do over the coming years to help people understand the reality of what's happening. Property is more affordable in many areas. First-time buyers can get on the ladder (although it's tough in areas like London and the south) and although welcome, the Bank of Mum and Dad is not necessarily a 'need' but a 'luxury gift' our third generation home owners can afford to give. For those who don't have access to the Bank of Mum and Dad, Help to Buy schemes can be useful.*

*Agents and lenders have a choice; continue to allow low transactions based on myth and nonsense about affordability and stamp duty in some areas of the country or make a concerted effort to help solve people's housing questions and problems at a local level and act as their property adviser, rather than just sell and let properties. People need more help and the industry needs more transactions in both the sale and rental market. From my perspective, local experts sharing local knowledge about the reality of their property market is a must if we aren't going to see more transactions fall and possibly see prices dip over the coming year. Whether a homeowner, tenant or an investor, now is the time for estate agents to really engage with their local community – people won't be walking through the door as much, so it's time to go out and give helpful advice, even if it doesn't deliver a direct lead there and then.*

**RICS** *“Respondents in London continue to report downward pressure on prices, with the net balance coming in at -63% (the poorest reading since 2009). Similarly, the price gauge remains negative in the South East (albeit to a significantly lesser extent than in the capital), while East Anglia and the North East also returned readings below zero. By way of contrast, the price balances elsewhere remain generally firm, with the North West of England, Wales, Scotland and Northern Ireland all returning numbers consistent with further house price gains.” (Oct 17)*

**LSL Acadata HPI** *“In Greater London, prices fell by 0.8% in August to take the average down 0.7% on the same time last year, however the fortunes of the individual boroughs vary widely. The 11 boroughs in the top third of the market have seen prices fall an average of 2.5% in the last 12 months; the 11 mid-priced boroughs are down 0.8%; and prices in the cheapest third have continued to rise, by 2.7%. The UK is still seeing solid growth in the East of England, up 4.5% annually, and the South West, up 4%. The North West and East Midlands are also seeing good figures, up 3.9% and 3.7%, respectively. Wales, the West Midlands and Yorkshire and the Humber all show more modest growth although the annual rate in these regions has increased. Annual price increases in six out of ten England and Wales regions are also still higher than annual earnings growth in the UK, which currently stands at 2.1%.” (Sep 17)*

**Hometrack** *“Across the 20-city index, annual growth ranges from -1.8% in Aberdeen to +6.7% in Edinburgh. There are five cities where the current level of nominal house price growth is below the rate of consumer price inflation – Aberdeen, Cambridge, Oxford, London and Cardiff.*

*“While most cities are registering house price growth below that a year ago, there are six cities where the annual rate of growth is higher, most notably in Scotland. Edinburgh is the fastest growing city covered by the index (6.7%), overtaking Manchester (6.5%) and Birmingham (5.9%) where the rate of inflation has moderated slightly. Glasgow has also recorded a marked increase in the rate of house price inflation from 1.8% a year ago to 5.3% today. While Aberdeen has registered a 15% decline in average prices since 2015, the rate of annual rate of growth has slowed to -1.8%.*

*“The annual rate of price inflation in London has stabilised at 2.3% per annum. This is well down on the 8% annual average growth rate since 2010. House price growth across the markets covered by the London City index range from +4% in Epping Forest and Gravesham to -5% in the City of London. There are six markets where house prices are falling in nominal terms, primarily those in inner London. However, low nominal rates of house price growth mean average values are currently falling in real terms across 85% of the markets covered by the London City index. Further price falls in real terms are inevitable as prices re-align to what buyers are willing to spend.” (Sep 17)*

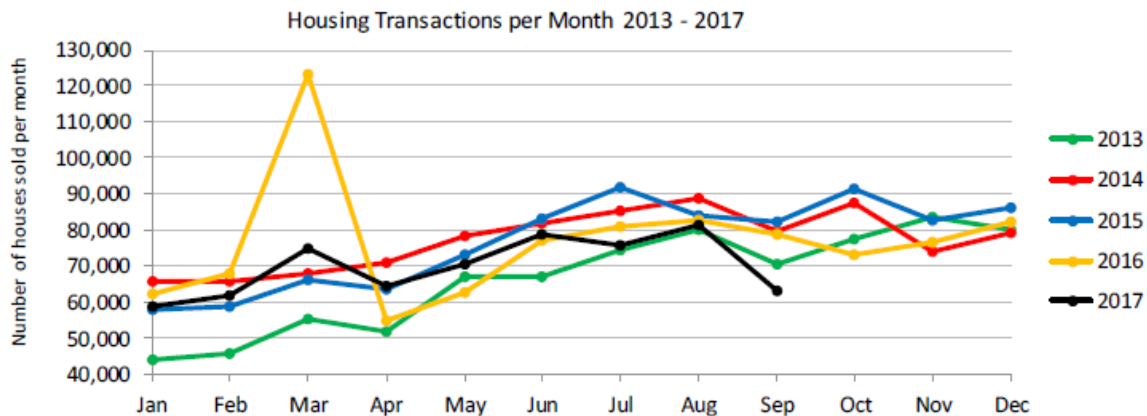
## Detailed analysis of towns/cities current versus over time

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 Aug 17/ Q2 17	How much higher/ lower are latest prices vs height in 2007/8	Year on year change in price in Aug 17/ Q2 17	Annual average increase	Highest yearly average increase since 2000	
								Date	% Increase
Belfast (Q2 )	£213,626	£87,890	-58.86%	£120,351	-44%	1.0%	n/a	Q1 07	57.1%
Glasgow	£130,473	£104,370	-20.01%	£125,634	-4%	5.7%	n/a	Jan-05	19.2%
Liverpool	£130,249	£106,826	-17.98%	£126,862	-3%	5.5%	6.7%	Jul-04	59.0%
Newcastle upon Tyne	£164,935	£134,016	-18.75%	£162,876	-1%	2.8%	6.3%	Feb-04	39.2%
Bradford	£139,640	£115,089	-17.58%	£138,890	-1%	4.6%	6.7%	Sep-04	36.5%
Leeds	£161,439	£130,128	-19.39%	£176,015	9%	4.1%	7.0%	Apr-03	30.7%
Edinburgh	£225,750	£183,029	-18.92%	£246,611	9%	10.4%	n/a	May-07	17.3%
Sheffield	£144,875	£120,193	-17.04%	£158,343	9%	4.3%	7.0%	Sep-04	31.9%
Lincoln	£128,707	£106,017	-17.63%	£141,953	10%	1.2%	7.4%	Feb-03	38.0%
Nottingham	£119,010	£93,696	-21.27%	£134,658	13%	7.5%	6.6%	Mar-03	37.9%
Cardiff	£170,496	£139,651	-18.09%	£196,625	15%	2.5%	6.7%	May-03	30.7%
Bournemouth	£206,227	£163,937	-20.51%	£240,417	17%	4.7%	6.5%	Apr-03	32.5%
Portsmouth	£169,633	£130,868	-22.85%	£200,551	18%	5.5%	6.5%	Mar-03	29.1%
Birmingham	£148,578	£122,773	-17.37%	£175,943	18%	7.0%	6.8%	Feb-03	36.4%
Manchester	£140,431	£111,679	-20.47%	£166,982	19%	8.6%	8.8%	Jun-04	34.9%
Peterborough	£156,264	£123,752	-20.81%	£186,105	19%	11.0%	7.3%	Dec-02	30.2%
Leicester	£135,317	£110,071	-18.66%	£161,616	19%	8.2%	7.8%	Mar-03	35.4%
Norwich	£166,498	£123,698	-25.71%	£200,581	20%	4.7%	7.7%	Oct-02	37.9%
Southampton	£168,795	£134,665	-20.22%	£207,825	23%	4.3%	6.6%	Apr-03	29.7%
Milton Keynes	£194,666	£147,827	-24.06%	£267,436	37%	5.5%	7.9%	Feb-03	32.0%
Reading	£216,724	£176,087	-18.75%	£304,015	40%	-1.5%	6.6%	Jun-00	35.9%
Bristol	£195,196	£153,648	-21.29%	£277,243	42%	5.9%	8.3%	Apr-03	29.7%
Brighton and Hove	£257,108	£202,054	-21.41%	£365,601	42%	5.1%	8.1%	Jul-00	35.4%
Oxford	£289,855	£223,319	-22.95%	£429,940	48%	2.5%	7.5%	Jun-00	29.5%
London	£298,596	£245,351	-17.83%	£484,362	62%	2.6%	8.0%	Apr-00	28.3%
Cambridge	£283,241	£224,469	-20.75%	£465,971	65%	8.6%	8.6%	May-00	27.5%

Source: [UK HPI](#)

## Property transactions

Most commentary focuses on what is happening to property prices, but as anyone in the property industry knows, property prices are driven by what happens to supply and demand, which is why performance is so localised, pretty much to a property on a street.



### TRANSACTIONS ANALYSIS BY REGION

REGION	Jun - Aug			Jun - Aug	
	2015	2016	2017	2015/17	2016/17
NORTH EAST	9,300	7,843	8,562	-8%	9%
NORTH WEST	26,669	24,253	25,679	-4%	6%
YORKS & HUMBERSIDE	20,828	18,818	19,732	-5%	5%
EAST MIDLANDS	20,431	18,302	18,215	-11%	0%
WEST MIDLANDS	20,600	18,728	19,387	-6%	4%
EAST OF ENGLAND	28,412	24,515	23,673	-17%	-3%
GREATER LONDON	29,395	19,974	19,958	-32%	0%
SOUTH EAST	42,878	34,874	35,295	-18%	1%
SOUTH WEST	27,507	23,056	23,990	-13%	4%
WALES	11,037	9,900	11,027	0%	11%
<b>ENGLAND &amp; WALES</b>	<b>237,057</b>	<b>200,263</b>	<b>205,518</b>	<b>-13%</b>	<b>3%</b>

Source: [LSL Acadata HPI](#)

#### [LSL Acadata HPI](#)

"We estimate the number of housing transactions in September 2017 in England & Wales at 63,000, based on Land Registry numbers and their methodology for accounting for domestic property sales. This is down by 22% on August's total, however, transactions in August were 8% higher than might be expected at that time of year." (Sep 17)

#### [NAEA PropertyMark](#)

"Despite supply and demand for properties both increasing, the number of sales agreed per branch remained at eight in September – the same as July and August. Sales made to FTBs remained at 23 per cent in September, the same as the previous two months." (Sep 17)

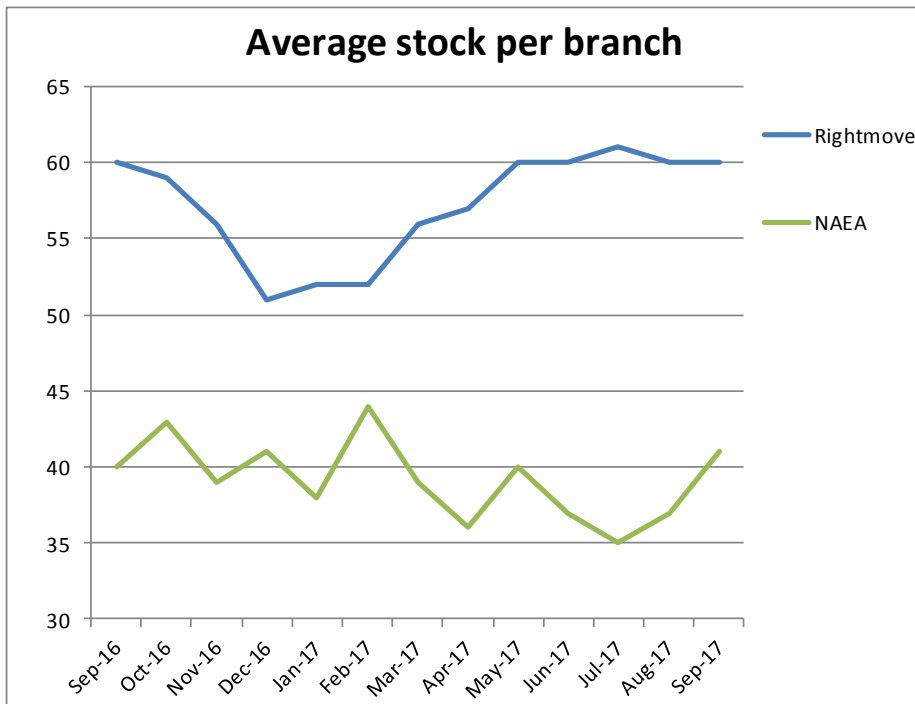
#### [Bank of England](#)

Mortgage approvals for house purchase fell slightly to 66,232 in September, close to their recent average, with approvals for remortgaging at 47,598, which is an increase on the previous month." (Sep 17)

#### [UK Finance](#)

"House purchase approvals of 41,584 in September were a little stronger than the monthly average of 41,006 over the previous six months and 7% higher than in September last year. Remortgaging approvals of 29,570 were well up on the monthly average of 25,577 over the previous six months and 20% higher than in September 2016." (Sep 17)

## Property demand and supply



**RICS** *“In terms of activity, the New Buyer Enquiries series continued to signal a softening in demand, with the national net balance coming in at -20% (unchanged from September). Likewise, agreed sales were also reported to have fallen, as 20% more respondents noted a decline in transactions (as opposed to a rise) over the month. What’s more, Wales, Scotland and the North East were the only areas to have seen any pick-up during October, while sales trends were either flat or negative across the rest of the UK.*

*“Following a couple of months in which new instructions had held broadly stable, the latest results point to a renewed deterioration in the flow of fresh listings coming to market. Even so, given the drop in average sales per estate agent branch, stock levels have now risen slightly from the record low seen in June earlier this year.” (Oct 17)*

### **Kate Faulkner comments on property transactions:**

*It is likely to take until February/March to know what is really likely to happen to the 2018 property market. The RICS is always a great lead indicator of whether a market is picking up or slowing and this month’s report certainly indicates that both demand and supply is softening, suggesting transactions are going to fall. As ever, if demand falls as much as supply, then prices may just stagnate, whereas if people start to panic a little and become ‘desperate’ to move, this could look at driving prices down further and may mean some bargains available for brave investors.*

*The reality remains we are in a situation where our population is rising and the need for properties to buy and to rent is increasing, but people can only afford to pay so much and if there is a lack of properties to move into, we are likely to see a continued rise in stagnation as people ‘stay put’ and in homelessness at the vulnerable end of the market.*