



## UK property price update

August 2018





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## Report Headlines



### Rightmove

*"Summer sellers need to work harder as prices stand still"*



### NAEA Propertymark

*"Property market bounces back as buyers push through summer transactions"*



### RICS

*"Medium term expectations cast doubt on supply response"*



### Nationwide

*"July sees modest rebound in annual house price growth"*



### Halifax

*"Annual house price growth rises to 3.3% in July"*



### LSL Acadata HPI

*"Average house price in England and Wales in June stood at £303,960"*



### LCPAca Residential Index

*"Prices fall back from February high"*



### Hometrack

*"UK city house price inflation 4.6% year on year ranging from +7.6% to -2.8%."*

## AVERAGE PRICE VARIATIONS

Average prices across the indices vary from mortgaged-only prices from the Nationwide HPI (Jul 18) of £217,010, through to marketing prices (ie not necessarily sold) from Rightmove (Jul 18) of £309,191 and actual prices from LSL Acadata HPI of £303,960 (Jun 18). Average sold prices from the UK HPI stand at £226,351 (May 18). This means the average asking price from Rightmove is 36% higher than the average sold price from UK HPI.

## UK, England and Wales data

	High	Low	Current Month May-18	Current Month Jun-18	Current Month Jul-18	Annual Change	Annual Average (05 - 18)		
Rightmove	£241,474	£213,570	£308,075	£309,439	£309,191	1.4%	3.8%	Asking prices	E & W
Nationwide	£184,131	£147,746	£213,618	£215,444	£217,010	2.5%	2.7%	Mortgaged only	UK
Halifax	£199,766	£157,767	£224,439	£225,654	£230,280	3.3%	2.7%	Mortgaged only , seasonally adjusted	UK
LSL Acadata HPI	£231,829	£197,145	£305,654	£303,960	n/a	2.1%	3.8%	Actual prices, includes cash sales	E & W
LCPAca Residential Index	£218,762	£210,922	£283,932	£287,558	n/a	n/a	n/a	Actual prices, includes cash sales	E & W
UK HPI	£190,032	£154,452	£226,351	n/a	n/a	3.0%	3.2%	Sold prices, includes cash sales and new builds	UK



### KATE FAULKNER COMMENTS ON THE NATIONAL MARKET

“ Probably the most significant information from the national reports this month comes from Rightmove, which suggests 8.6% more properties are coming onto the market this month while buyer numbers haven’t increased. This means a much-needed improvement in agent stock levels – back now to the highest level seen since September 2015.

Overall this seems to be resulting in stagnating prices, although this is the national picture, which always comes with the health warning of ‘regional differences apply’!

Many agents will have a tricky task over the coming months to encourage sellers to put their properties on the market for the right price, rather than what they want or think their property should achieve.

Indeed, Rightmove suggest “a third of properties currently on the market have been reduced at least once since they first came on the market”. This is the highest level since 2011, a time when property prices were recorded as flat as a pancake.

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 18/ Q1 18	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in May 18/ Q1 18	Annual average increase since 2000	Highest yearly average increase since 2000
								Date % Increase
England	£194,764	£159,340	-18.19%	£243,583	25%	2.9%	6.7%	Jan-03 26.4%
Wales	£150,316	£123,104	-18.10%	£148,894	-1%	1.0%	6.0%	Jul-04 33.4%
Scotland	£145,641	£120,994	-16.92%	£149,004	2%	4.9%	n/a	Feb-05 19.0%
Northern Ireland (Q1)	£224,670	£97,428	-56.64%	£130,286	-42%	4.2%	n/a	Q1 07 51.5%

Source: [UK HPI](#)



## KATE FAULKNER COMMENTS ON COUNTRY AND REGIONAL DIFFERENCES

“ Northern Ireland and Scotland continue to beat Wales and English house price growth year on year, while not really seeing much recovery over the last decade.

And with a 2.9% increase in England being made up of a 0.4% fall in London through to a 6.3% increase year on year in East Midlands, the idea that there is ‘one property market’ is proving not just increasingly relevant for property price movements year on year, but also an established historic trend we can see going back as far as 2005.

With property prices in each country also growing at 1 to 4.9% we are also seeing a much more long-term lower capital growth trend way below the 6-7% seen historically.



© 2015 Daria Casement

Belfast's Titanic Quarter: Despite seeing little recovery, Northern Ireland's house price growth continues to outstrip that of England and Wales.

Image: © publicdomainstockphotos | Dreamstime.com

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-18	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in May 18	Annual average increase since 2000	Highest yearly average increase since 2000	
								Date	% Increase
North East	£139,400	£117,079	-16.01%	£128,680	-8%	1.3%	5.7%	Jan-04	34.8%
North West	£152,427	£124,654	-18.22%	£157,531	3%	2.9%	6.4%	Jul-04	33.0%
Yorkshire & The Humber	£150,233	£123,833	-17.57%	£158,966	6%	2.9%	6.6%	Jun-04	29.3%
East Midlands	£159,537	£129,876	-18.59%	£190,216	19%	6.3%	6.8%	Feb-03	33.9%
West Midlands	£165,807	£136,966	-17.39%	£192,322	16%	5.0%	6.3%	Jan-03	29.5%
South West	£212,666	£171,356	-19.42%	£251,877	18%	3.9%	6.5%	Jan-03	29.8%
East	£209,624	£168,263	-19.73%	£288,808	38%	2.4%	7.1%	Jan-03	28.9%
South East	£238,670	£191,156	-19.91%	£322,096	35%	2.2%	6.5%	Jun-00	25.0%
London	£298,596	£245,351	-17.83%	£478,853	60%	-0.4%	7.5%	Apr-00	28.3%

Source: UK HPI



## RICS

“It is noticeable that with the exception of London, the South East and East Anglia, all other parts of the country are recording results consistent with further (if in most cases modest) house price growth. The Newly Agreed Sales data is displaying a little more monthly volatility at a country/regional level but the South East is showing the most consistent negative set of results with London not far behind. At the other end of the scale, the feedback for Northern Ireland and Scotland suggests these two areas are displaying greater resilience.” (Jun 18)



## LSL Acadata HPI

“Annual price growth in the capital has started to accelerate over the last month and without London and the South East, growth would have been a little lower – just 2.0%. While Greater London is the only region to have seen growth accelerate, it is far from being the strongest performer.

“The North East continues its strong performance, with prices up 3.7%, led by strong markets in Darlington (up 7.9% annually) and Northumberland (up

8.7%). The West Midlands is also growing well, with prices up 3.2%, and prices in Warwickshire hitting a new peak average and up 5.7% over the year; prices in the West Midlands conurbation are also growing above average, up 5.4% – the strongest growth among the 12 major urban centres in England and Wales, with Leicester, up 4.3%, also growing strongly. It is in Rutland (East Midlands) where annual and monthly growth is strongest, however. Prices there are up 7.0% in May to hit a new peak price, and up 18.5% over the year. However, it did have the lowest number of transactions in the country, which in part accounts for the big swings. Overall, though, the East Midlands was the only region where prices were up in all of its unitary authorities.” (Jul 18)



## Hometrack

“Manchester is registering the highest annual growth rate (7.4%), followed by Liverpool (7.2%), Birmingham (6.8%) and Leicester (6.5%). House prices are falling in real terms across six cities (growth below the 2.4% rate of consumer price inflation) - Southampton, Oxford, Belfast, London, Cambridge and Aberdeen.” (Jun 18)

## Current versus historic price movements

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 18/ Q1 18	How much higher/ lower are latest prices vs height in 2007/8	Year on year change in price in May 18/ Q1 18	Annual average increase	Highest yearly average increase since 2000	
								Date	% Increase
Belfast (Q1 )	£213,626	£87,890	-58.86%	£123,149	-42%	5.2%	n/a	Q1 07	57.1%
Liverpool	£130,249	£106,826	-17.98%	£122,228	-6%	0.9%	6.1%	Jul-04	59.0%
Bradford	£139,640	£115,089	-17.58%	£131,753	-6%	0.3%	6.0%	Sep-04	36.5%
Newcastle upon Tyne	£164,935	£134,016	-18.75%	£159,300	-3%	3.7%	5.8%	Feb-04	39.2%
Glasgow	£130,473	£104,370	-20.01%	£126,529	-3%	6.6%	n/a	Jan-05	19.2%
Sheffield	£144,875	£120,193	-17.04%	£159,297	10%	6.6%	6.7%	Sep-04	31.9%
Leeds	£161,439	£130,128	-19.39%	£177,983	10%	4.3%	6.7%	Apr-03	30.7%
Edinburgh	£225,750	£183,029	-18.92%	£251,371	11%	9.9%	n/a	May-07	17.3%
Lincoln	£128,707	£106,017	-17.63%	£144,270	12%	2.2%	7.1%	Feb-03	38.0%
Nottingham	£119,010	£93,696	-21.27%	£138,686	17%	6.6%	6.4%	Mar-03	37.9%
Cardiff	£170,496	£139,651	-18.09%	£201,233	18%	3.9%	6.5%	May-03	30.7%
Peterborough	£156,264	£123,752	-20.81%	£186,093	19%	6.6%	6.9%	Dec-02	30.2%
Birmingham	£148,578	£122,773	-17.37%	£180,320	21%	6.9%	6.5%	Feb-03	36.4%
Bournemouth	£206,227	£163,937	-20.51%	£250,808	22%	6.3%	6.4%	Apr-03	32.5%
Manchester	£140,431	£111,679	-20.47%	£170,903	22%	7.5%	8.4%	Jun-04	34.9%
Norwich	£166,498	£123,698	-25.71%	£204,119	23%	4.0%	7.4%	Oct-02	37.9%
Leicester	£135,317	£110,071	-18.66%	£167,203	24%	7.7%	7.5%	Mar-03	35.4%
Southampton	£168,795	£134,665	-20.22%	£208,787	24%	3.7%	6.3%	Apr-03	29.7%
Portsmouth	£169,633	£130,868	-22.85%	£214,466	26%	6.9%	6.5%	Mar-03	29.1%
Milton Keynes	£194,666	£147,827	-24.06%	£260,701	34%	-0.1%	7.3%	Feb-03	32.0%
Bristol	£195,196	£153,648	-21.29%	£272,600	40%	3.8%	7.7%	Apr-03	29.7%
Brighton and Hove	£257,108	£202,054	-21.41%	£359,079	40%	2.4%	7.5%	Jul-00	35.4%
Reading	£216,724	£176,087	-18.75%	£303,919	40%	-0.8%	6.2%	Jun-00	35.9%
Oxford	£289,855	£223,319	-22.95%	£419,933	45%	1.7%	7.0%	Jun-00	29.5%
Cambridge	£283,241	£224,469	-20.75%	£450,426	59%	4.3%	7.9%	May-00	27.5%
London	£298,596	£245,351	-17.83%	£478,853	60%	-0.4%	7.5%	Apr-00	28.3%

Source: [UK HPI](#)

## Best and worst 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	%
Edinburgh	9.9%	Reading	-0.8%	London	60%	Belfast (Q1 )	-42%
Leicester	7.7%	London	-0.4%	Cambridge	59%	Liverpool	-6%
Manchester	7.5%	Milton Keynes	-0.1%	Oxford	45%	Bradford	-6%
Portsmouth	6.9%	Bradford	0.3%	Reading	40%	Newcastle upon Tyne	-3%
Birmingham	6.9%	Liverpool	0.9%	Brighton and Hove	40%	Glasgow	-3%

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	%
Hackney	8.3%	City of Westminster	-10.0%	City of Westminster	76%	Hammersmith and Fulham	37%
Haringey	8.3%	Brent	-5.6%	Waltham Forest	72%	Hounslow	41%
Tower Hamlets	7.7%	Hammersmith and Fulham	-5.6%	Lewisham	71%	Barking and Dagenham	44%

Source: [UK HPI](#)



### KATE FAULKNER COMMENTS TOWN AND CITY DIFFERENCES



According to the UK HPI, year on year, the biggest fall of the towns we monitor was Reading – showing prices nearly fell by 1%, while being up 40% over the decade. In contrast, Edinburgh saw prices rise by 9.9%, but just up 11% over the decade. It’s a wonder with these kind of changes that we are still reporting year on year and indeed month on month stats so much. Surely what we should be saying is that there are four types of market currently and then advising sellers or buyers to which one the property they are selling or buying belongs:

- Rising rapidly year on year, but hardly grown over the last decade (Edinburgh, Sheffield, Leeds)
- Good growth year on year, with reasonable growth over the decade (Norwich, Bournemouth, Peterborough)
- Static to falling back year on year, but good growth seen over the last decade (Reading, London, Milton Keynes)
- Low growth year on year, with poor growth over the last decade (Bradford, Newcastle, Liverpool)

## Country and regional 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.

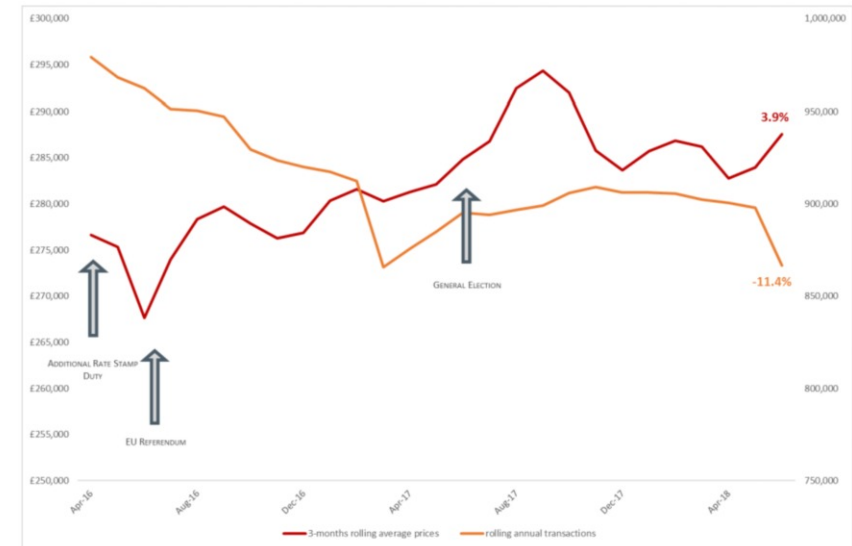
### TRANSACTIONS ANALYSIS BY REGION

REGION	Mar - May		
	2016	2017	2018
NORTH EAST	7,781	7,887	7,579
NORTH WEST	24,185	22,443	22,288
YORKS & HUMBERSIDE	18,084	17,091	16,799
EAST MIDLANDS	18,100	16,192	15,426
WEST MIDLANDS	18,459	16,836	16,338
EAST OF ENGLAND	23,973	20,888	19,357
GREATER LONDON	24,368	18,495	16,509
SOUTH EAST	34,626	29,540	27,129
SOUTH WEST	22,619	20,600	19,065
ENGLAND	192,195	169,972	160,490
WALES	9,780	9,659	9,388
ENGLAND & WALES	201,975	179,631	169,878

Mar - May	
2016/18	2017/18
-3%	-4%
-8%	-1%
-7%	-2%
-15%	-5%
-11%	-3%
-19%	-7%
-32%	-11%
-22%	-8%
-16%	-7%
-16%	-6%
-4%	-3%
-16%	-5%

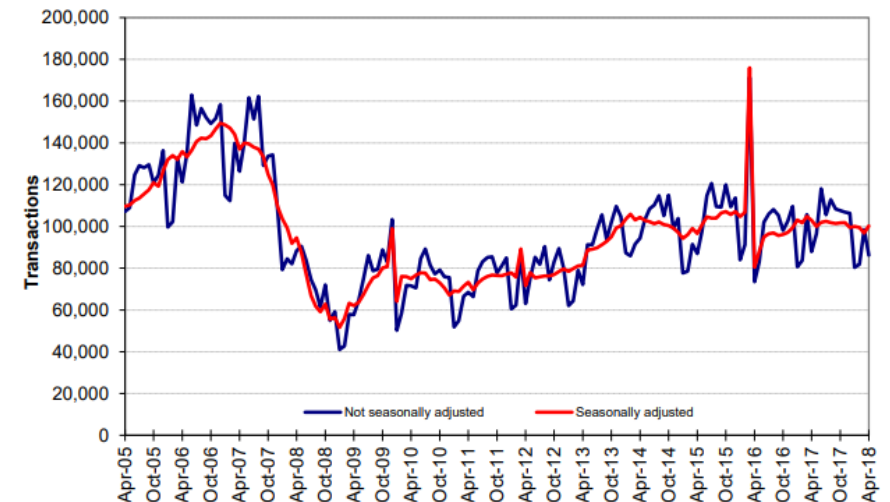
Source: [LSL Acadata HPI](#)

### England & Wales price and volume changes since April 2016



Source: [LCPAca Residential Index](#)

### Total UK Residential Property Transactions



Source: [Gov.uk](#)



Property transactions 2011-2017	Total 2011	Total 2012	YoY %	Total 2013	YoY %	Total 2014	YoY %	Total 2015	YoY %	Total 2016	YoY %	Total 2017	YoY %	Total 2011- 2017	2011 vs 2017 %
<b>Region</b>															
East Midlands	53934	55383	2.62%	65340	18.0%	78252	19.8%	78460	0.3%	82100	4.6%	79620	-3.0%	492873	47.6%
East of England	80402	81818	1.7%	95562	16.8%	112461	17.7%	109413	-2.7%	107822	-1.5%	101171	-6.2%	688368	25.8%
London	90715	95567	5.1%	111183	16.3%	118831	6.9%	113031	-4.9%	102879	-9.0%	91319	-11.2%	723140	0.7%
North East	26821	26426	-1.5%	30031	13.6%	35392	17.9%	36116	2.0%	37051	2.6%	38489	3.9%	230193	43.5%
North West	71464	70757	-1.0%	84474	19.4%	101580	20.3%	106339	4.7%	111868	5.2%	112971	1.0%	658952	58.1%
Scotland	69871	72468	3.6%	84204	16.2%	94222	11.9%	96765	2.7%	100133	3.5%	103547	3.4%	621211	48.2%
South East	120140	124522	3.5%	144750	16.2%	166998	15.4%	163252	-2.2%	157765	-3.4%	149384	-5.3%	1026331	24.3%
South West	74543	77070	3.3%	89773	16.5%	105366	17.4%	105580	0.2%	107346	1.7%	103182	-3.9%	662569	38.4%
Wales	30558	31065	1.6%	36267	16.7%	42258	16.5%	43453	2.8%	45532	4.8%	47293	3.9%	276236	54.8%
West Midlands	56070	57446	2.4%	66902	16.5%	79624	19.0%	81336	2.2%	85240	4.8%	84721	-0.6%	511035	51.1%
Yorkshire and The Humber	55429	56816	2.4%	66585	17.2%	78935	18.5%	79369	0.5%	82071	3.4%	83960	2.3%	502864	51.5%

Source: [LSL Acadata HPI](#)



## LSL Acadata HPI

*“In June 2018, we estimate that there were 66,250 transactions - based on Land Registry figures - 2% up on our revised May total. This rise in numbers needs to be set against the seasonal trend of the last twenty years, where a considerably higher 9% increase in sales volumes is the ‘norm’ for this time of year, so on a seasonally-adjusted basis, turnover has declined by some 7%. We estimate that transactions in the first six months of 2018 are 8% below the same period in 2017. Part of this decline in sales, on a seasonal basis, will be due to the weather, not least in February - snow, rain and travel disruption are not conducive to house-hunting. However, part of the decline in sales over recent months has been due to a lack of confidence among buyers.” (Jun 18)*



## LCPAca Residential

*“Annual transactions remain suppressed, falling a further 3.2%. They are at their lowest level since the introduction of Graduated SDLT. This subdued activity is now starting to have a very tangible effect on the UK, both amongst house builders and estate agents. Currently, with the uncertainty created around Brexit, there does not appear to be anything significant on the horizon which will help buck this trend. Whilst increasing affordability through falling prices may benefit first time buyers and second steppers, it tends to have the counter effect of suppressing sales activity.” (Jun 18)*

continued...

## **NAEA Propertymark**

*“The proportion of sales made to FTBs rose by five percentage points to 29 per cent in June – the highest amount recorded since February. The number of sales agreed per branch rose from eight in May to nine in June, as buyers push through summer property transactions.” (Jun 18)*

## **Bank of England**

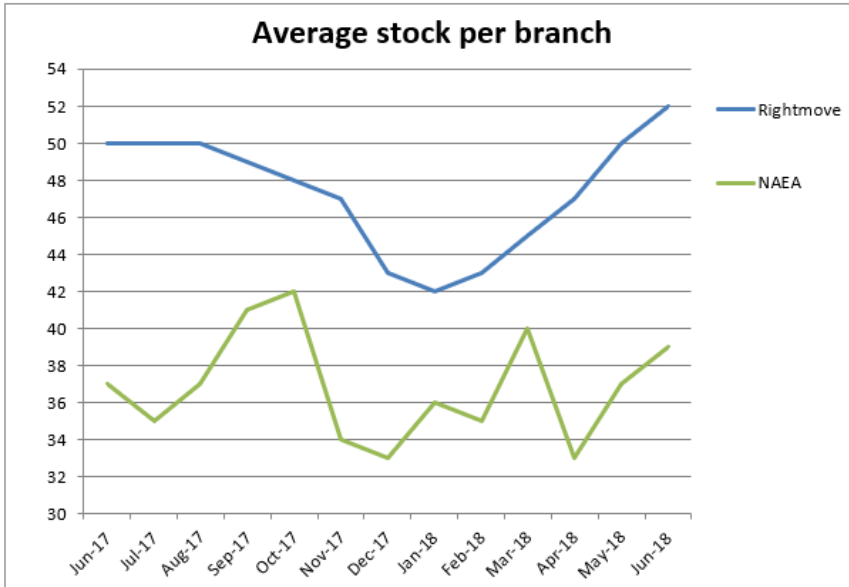
*“In June, the annual growth rate for mortgage lending remained unchanged at 3.2%, and has now been around 3% since late 2016. Although this is above the growth rate between 2009 and 2013, it remains modest compared to the pre-crisis period. In value terms, households borrowed an extra £3.9 billion secured against their homes in June, which slightly exceeds the average of the past year.” (Jun 18)*

## **UK Finance**

*“There were 32,200 new first-time buyer mortgages completed in the month, some 8.1 per cent more than in the same month a year earlier. The £5.4bn of new lending in the month was 12.5 per cent more year-on-year. The average first-time buyer is 30 and has a gross household income of £42,000.*

*“There were 31,100 new homemover mortgages completed in the month, some 4.4 per cent more than in the same month a year earlier. The £6.6bn of new lending in the month was 4.8 per cent more year-on-year. The average homemover is 39 and has a gross household income of £55,000.*

*“There were 40,800 new homeowner remortgages completed in the month, some 36 per cent more than in the same month a year earlier. The £7.5bn of remortgaging in the month was 44.2 per cent more year-on-year.” (May 18)*



## Rightmove

*“The number of sales being agreed by estate agents is consistent with the same month in 2017 and is holding up well considering the uncertain political background and stretched buyer affordability. In fact, there are signs that activity is improving as the year progresses with sales agreed year-to-date now down just 3.9%, compared to 5.4% that we reported back in May. Most regions in the middle and north of Britain have brisk market conditions where buyers eagerly soak up extra supply of suitable property coming to market, and where there is enough momentum to support an increase in prices.” (Jul 18)*



## RICS

*“The New Instructions net balance has recorded positive numbers for two consecutive months; this is the first time that this has been case since the early part of 2016. However, whether this can be sustained remains to be seen especially as the run rate on new appraisals of property by valuers is still reportedly down on the same period last year for the whole country. A cautious view on activity is also justified by the (twelve-month) Sales Expectations series which saw the net balance slip to zero, the lowest figure since October last year.” (Jun 18)*



## KATE FAULKNER COMMENTS ON PROPERTY TRANSACTIONS, DEMAND AND SUPPLY



Transaction wise, I think we are now seeing the ‘additional demand’ generated from the lack of buying during the recession pretty much flushed through the market. With a loss of 50% of buyers during the credit crunch from 2007, in some areas for as long as five years, it’s not a surprise that transactions grew through to 2017 and are now starting to fall back to, perhaps, more ‘normal’ long-term levels. The question is over the next 12 months with lower capital growth, lower

transaction levels, which agents will survive when the loss of business and tenant fees hits? With Countrywide and Foxtons share prices struggling, coupled with more agents ‘going to the wall’ according to several reports, all agents – traditional and online – are going to have to find a way to capture the business that is out there and provide an excellent service to ensure longevity.



## How can Kate Faulkner and Propertychecklists.co.uk help you?

### FOR MEDIA PROFESSIONALS

If you need Kate to appear on TV, radio or for general comment, please contact directly:

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### FOR CONSUMERS

If you have a consumer query about a property decision or project, please email [enquiries@designsonproperty.co.uk](mailto:enquiries@designsonproperty.co.uk) or telephone 01652 641722