



## UK property price update

November 2018





## 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 Faulkner and her team make it easy to access the information and support consumers' needs via FREE of charge [eBooks](#), checklists, [The Buy To Let Show](#), articles and one-to-one advice.



## Report Headlines

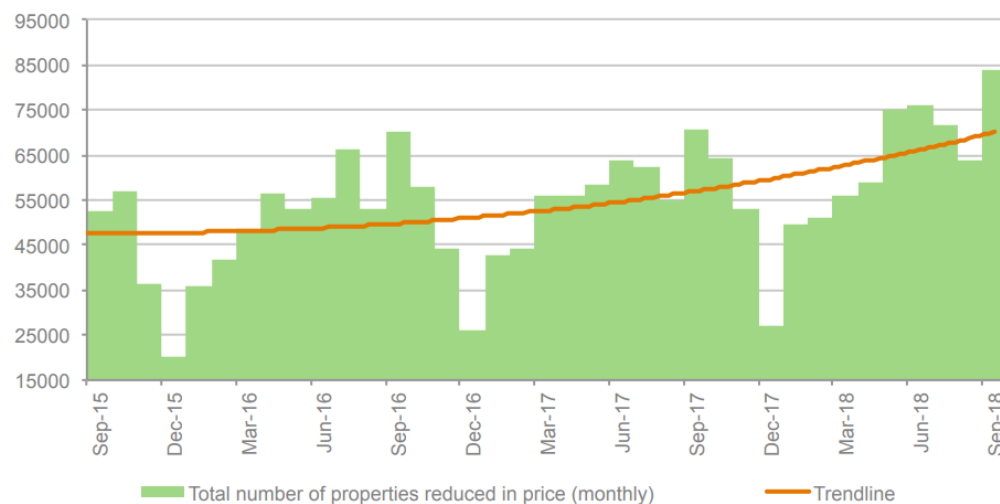
-  **Rightmove**  
*"Subdued prices provide first-time buyer opportunity this autumn"*
-  **Home.co.uk**  
*"Price cutting hits 7-year high as vendors' patience wanes"*
-  **NAEA Propertymark**  
*"Number of homes available to buy up 15 per cent"*
-  **RICS**  
*"Prices, demand, and supply all in decline as Brexit uncertainty persists"*
-  **Nationwide**  
*"Annual house price growth lowest since May 2013"*
-  **Halifax**  
*"Annual house price growth slows to 1.5% - lowest rate in five years"*
-  **LSL Acadata HPI**  
*"Annual price growth continues to slow but there are monthly price rises again"*
-  **LCPAca Residential Index**  
*"New build premium increases to almost 15%"*
-  **Hometrack**  
*"City house price inflation moderates to 3.2%, down from 3.8% a year ago"*

## AVERAGE PRICE VARIATIONS

Average prices across the indices vary from mortgaged-only prices from the Nationwide HPI (Oct 18) of £214,524, through to marketing prices (ie not necessarily sold) from Rightmove (Oct 18) of £307,245 and actual prices from LSL Acadata HPI of £304,433 (Oct 18). Average sold prices from the UK HPI stand at £232,797 (Aug 18).

## UK, England and Wales data

	High	Low	Current Month Aug-18	Current Month Sep-18	Current Month Oct-18	Annual Change	Annual Average (05 - 18)		
<b>Rightmove</b>	£241,474	£213,570	£301,973	£304,061	£307,245	0.9%	3.8%	Asking prices	E & W
<b>Nationwide</b>	£184,131	£147,746	£214,745	£214,922	£214,534	1.6%	2.7%	Mortgaged only	UK
<b>Halifax</b>	£199,766	£157,767	£229,958	£225,995	£227,869	1.5%	2.6%	Mortgaged only , seasonally adjusted	UK
<b>LSL Acadata HPI</b>	£231,829	£197,145	£303,199	£302,626	£304,433	1.0%	3.8%	Actual prices, includes cash sales	E & W
<b>LCPAca Residential Index</b>	£198,659	£190,649	£262,840	£266,993	n/a	2.4%	n/a	Actual prices, includes cash sales	E & W
<b>UK HPI</b>	£190,032	£154,452	£232,797	n/a	n/a	3.2%	3.4%	Sold prices, includes cash sales and new builds	UK



### Home.co.uk

“As markets slow, vendors’ frustrations increase and prices began to drop. The ‘discounting level’ is one of the key indicators as to the health of any market. Low levels reflect strong market confidence and demand, but high levels of price cutting are symptomatic of falling confidence and demand. The last time we saw price cutting of this magnitude was back in September 2011 when Greater London was showing the first signs of recovery post-crisis. Back then, price cutting was in a downward trend as demand and confidence in the housing market were both on the rise. Moreover, the current total of properties for sale is much lower than in 2011 and therefore the current level of discounting is proportionally more. In fact, we need to go back to January 2009 to see this proportion of discounting relative to the total stock for sale (currently around 16% or one in six properties on the market).” (Oct 18)



### NAEA Propertymark

“In September, almost nine in ten (88 per cent) properties sold for less than the original asking price – the highest number ever recorded.” (Sep 18)

Source: [Home.co.uk](http://Home.co.uk)



## KATE FAULKNER COMMENTS ON THE NATIONAL MARKET

“ Although different regions are at different stages of the property cycle, it’s clear that the cycle is heading towards market stagnation. This is being driven by two things:

1. Most areas now have seen the ‘bounce back’ from the recession when we lost 50% of buyers (and sellers) for almost five years, so the lower transactions should have been expected as we move into a more normalised market.
2. Confidence is waning. Brexit is starting not to influence the market, but to influence people’s confidence. Unless you have to, why would you buy and sell with so much uncertainty at the moment?

These two factors, coupled with the loss of buy-to-let demand and more landlords selling up, are very much the cause of property prices starting to be reduced as people are keen to move before Christmas.

Unfortunately, though, until Brexit is sorted and we either crash out or get a deal, the news is going to continue to spread doom and gloom and this in turn is likely to prevent people pushing ahead with major moves.

Hopefully a deal will be done in November, but this won’t mean everything will be rosy. The deal has to be accepted by Europe and the UK Parliament and, based on recent news, that’s not looking likely.

However, as yet all this suggests a slowdown as opposed to a ‘crash’ and the falls we’ve seen in the prime market in London don’t appear to be rippling out to other areas as they have before. What we are seeing are the Home Counties, East of England and the South – which have grown by 40% or more over the last few years – starting to slip back as affordability bites.

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 18/ Q2 18	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in Aug 18/ Q2 18	Annual average increase since 2000	Highest yearly average increase since 2000 Date % Increase
England	£194,764	£159,340	-18.19%	£249,748	28%	2.9%	6.9%	Jan-03 26.4%
Wales	£150,316	£123,104	-18.10%	£162,374	8%	6.2%	6.5%	Jul-04 33.4%
Scotland	£145,641	£120,994	-16.92%	£153,309	5%	4.1%	n/a	Feb-05 19.0%
Northern Ireland (Q2)	£224,670	£97,428	-56.64%	£132,795	-41%	4.4%	n/a	Q1 07 51.5%

Source: [UK HPI](#)



## KATE FAULKNER COMMENTS ON COUNTRY DIFFERENCES

“ England prices year on year are just keeping up with inflation at 2.9% growth, but any more slippage means the 50% plus people who own their homes outright may see their property values start to fall in real terms.

Meanwhile, Wales is pretty much booming in comparison, seeing growth of 6.2%, although only recent buyers will have felt the benefit of this as, since a decade ago, average prices have only increased by 8% – or in cash terms, by £12,000, hardly helping people to move up the ladder much. No doubt, for some, their property value is unlikely to have improved at all as this is an average.

Scotland is just behind Wales, while in Northern Ireland the average property price is still just over £90,000 lower than it was 10 years ago, although the good news there is that there is steady year-on-year growth of 4%.

However, the property price bubble has well and truly burst here in England.



Barry Waterfront in Wales, a country where property growth is booming in comparison to England.

Image: © By Cane\_Giapponese | Wikimedia Commons

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-18	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in Aug 18	Annual average increase since 2000	Highest yearly average increase since 2000	
								Date	% Increase
North East	£139,400	£117,079	-16.01%	£133,538	-4%	2.9%	5.9%	Jan-04	34.8%
North West	£152,427	£124,654	-18.22%	£163,487	7%	3.3%	6.7%	Jul-04	33.0%
Yorkshire & The Humber	£150,233	£123,833	-17.57%	£163,964	9%	3.7%	6.8%	Jun-04	29.3%
East Midlands	£159,537	£129,876	-18.59%	£194,718	22%	6.5%	7.0%	Feb-03	33.9%
West Midlands	£165,807	£136,966	-17.39%	£199,000	20%	5.1%	6.5%	Jan-03	29.5%
South West	£212,666	£171,356	-19.42%	£257,659	21%	2.9%	6.6%	Jan-03	29.8%
East	£209,624	£168,263	-19.73%	£292,107	39%	1.6%	7.2%	Jan-03	28.9%
South East	£238,670	£191,156	-19.91%	£329,264	38%	1.9%	6.6%	Jun-00	25.0%
London	£298,596	£245,351	-17.83%	£486,304	63%	-0.2%	7.6%	Apr-00	28.3%



## KATE FAULKNER COMMENTS ON REGIONAL DIFFERENCES

“ The regional performance from a price perspective shows the ripple effect we have seen in the past – of London leading a downturn or upturn and then the rest of the country following region by region – just isn’t happening.

Much of property price analysis is focused on London but the most interesting property region for me is the North East, because we just haven’t seen a ‘bounce’ there. After a decade, we are still seeing prices 4% lower than they were 10 years ago and prices are still one of the lowest year on year, growth-wise: just 2.9%, way below the normal 6% year-on-year growth the region is used to seeing.

I don’t think I have ever seen a situation where property prices have grown by 63% in London, yet are still 4% lower in the North East and year on year, prices are falling in London and the North East growing by just 2.9%.

The Midlands though is the star performer this year and seems to have had its bounce, so perhaps the North East has missed its bounce due to the doom and gloom in the economy and from Brexit. The question is whether that will kick in once news becomes more cheery in 2019.

## Home.co.uk

*“At a regional level, in the East of England prices have begun to drop following several years of rapid growth. Greater London, the South East, the East of England and the North East are now all indicating negative price growth over the last 12 months. The North East is the only region not to have experienced a market recovery post-crisis, and prices simply continue to slide. Prices in the South East continue to fall. Annualised price growth has slipped further and is now down to -1.5%. Wales is currently the crown prince of price growth, ahead of the West Midlands (5.3%) and the North West and Yorkshire (both showing +4.5% growth YoY. Meanwhile, growth in the East Midlands is dropping off rapidly. Rising supply is putting an end to the boom in the region and marketing times are beginning to increase. Scottish asking prices remain subdued. Annualised growth of only 1.1% (sub-inflation) indicates a tougher market than before.” (Oct 18)*

## RICS

*“In the October survey, 10% more respondents saw a fall in prices at the headline level. This is the weakest reading since September 2012, and mostly stems from London and the South East, with the price balance in the South East deteriorating during October. East Anglia, the South West and the North East also saw negative price balances, but prices continue to rise in other parts of the UK, with the strongest growth in Northern Ireland and Scotland.” (Oct 18)*

## LSL Acadata HPI

*“With overall annual price growth well below the rate of inflation of 2.2% (as of September), house prices in England and Wales are seeing real term falls in most regions, and are now growing at their slowest rate in over six years, since April 2012. The West Midlands and East Midlands are bucking the trend, however, with growth of 3.1% and 2.8% respectively. All regions have seen annual house price growth reduce in the last month, with the slowdown most pronounced in the North East, dropping by 1.7% to -0.2%, and in London and Wales, with growth slowing from 3.0% to 1.8% in both cases.” (Oct 18)*

## Hometrack

*“Liverpool is the fastest growing city with annual inflation at 6.9% followed by Birmingham (6.5%) and Leicester (6.4%). There are five cities where house price inflation is running at over 6%, more than twice the rate of earnings growth (2.7%), as prices rise off a low base and affordability remains attractive.*

*“House prices are falling on an annual basis in two cities, Aberdeen (-4.4%), London (-0.4%). London has attracted significant focus as a market experiencing the greatest downward pressure on house prices. The annual rate of growth in London has been negative for the last seven months, largely a result of quarterly price falls in the six months to January 2018. Since then the quarterly rate of growth has been positive and this has supported the annual rate of growth.” (Oct 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 Aug 18/ Q2 18	How much higher/ lower are latest prices vs height in 2007/8	Year on year change in price in Aug 18/ Q2 18	Annual average increase since 2000	Highest yearly average increase since 2000	
								Date	% Increase
Belfast (Q2)	£213,626	£87,890	-58.86%	£125,386	-41%	4.5%	n/a	Q1 07	57.1%
Newcastle upon Tyne	£164,935	£134,016	-18.75%	£165,359	0%	4.1%	6.1%	Feb-04	39.2%
Bradford	£139,640	£115,089	-17.58%	£140,314	0%	2.1%	6.4%	Sep-04	36.5%
Liverpool	£130,249	£106,826	-17.98%	£131,811	1%	3.6%	6.5%	Jul-04	59.0%
Glasgow	£130,473	£104,370	-20.01%	£136,353	5%	8.9%	n/a	Jan-05	19.2%
Sheffield	£144,875	£120,193	-17.04%	£162,363	12%	3.2%	6.8%	Sep-04	31.9%
Leeds	£161,439	£130,128	-19.39%	£183,651	14%	4.5%	6.9%	Apr-03	30.7%
Edinburgh	£225,750	£183,029	-18.92%	£256,999	14%	6.2%	n/a	May-07	17.3%
Lincoln	£128,707	£106,017	-17.63%	£149,987	17%	4.0%	7.3%	Feb-03	38.0%
Nottingham	£119,010	£93,696	-21.27%	£141,294	19%	5.7%	6.5%	Mar-03	37.9%
Norwich	£166,498	£123,698	-25.71%	£202,449	22%	2.3%	7.3%	Oct-02	37.9%
Peterborough	£156,264	£123,752	-20.81%	£192,373	23%	4.4%	7.1%	Dec-02	30.2%
Birmingham	£148,578	£122,773	-17.37%	£183,362	23%	3.5%	6.6%	Feb-03	36.4%
Bournemouth	£206,227	£163,937	-20.51%	£254,793	24%	6.1%	6.5%	Apr-03	32.5%
Southampton	£168,795	£134,665	-20.22%	£208,661	24%	-0.6%	6.2%	Apr-03	29.7%
Cardiff	£170,496	£139,651	-18.09%	£210,975	24%	6.9%	6.7%	May-03	30.7%
Portsmouth	£169,633	£130,868	-22.85%	£213,498	26%	3.9%	6.5%	Mar-03	29.1%
Leicester	£135,317	£110,071	-18.66%	£170,577	26%	5.5%	7.6%	Mar-03	35.4%
Manchester	£140,431	£111,679	-20.47%	£177,594	26%	5.2%	8.7%	Jun-04	34.9%
Milton Keynes	£194,666	£147,827	-24.06%	£267,100	37%	2.6%	7.4%	Feb-03	32.0%
Reading	£216,724	£176,087	-18.75%	£301,616	39%	-3.6%	6.1%	Jun-00	35.9%
Brighton and Hove	£257,108	£202,054	-21.41%	£366,270	42%	0.4%	7.6%	Jul-00	35.4%
Bristol	£195,196	£153,648	-21.29%	£282,624	45%	3.5%	7.9%	Apr-03	29.7%
Oxford	£289,855	£223,319	-22.95%	£420,797	45%	1.3%	7.0%	Jun-00	29.5%
Cambridge	£283,241	£224,469	-20.75%	£442,986	56%	-2.9%	7.8%	May-00	27.5%
London	£298,596	£245,351	-17.83%	£486,304	63%	-0.2%	7.6%	Apr-00	28.3%

Source: [UK HPI](#)





## KATE FAULKNER COMMENTS TOWN AND CITY DIFFERENCES

“ It’s no surprise cities and towns are reflective of the regional performances. However, as the Hometrack survey shows, property price inflation in towns and cities is definitely better than in more rural areas, so here the picture tends to look more improved than the average.

Typically, according to Nationwide, property prices rise in excess of inflation by 2.7%. However, over the last 10 years, that just hasn’t happened – and it is unlikely to in the next five at least. From 2008 to 2017, inflation in the UK has grown by 27%. That means just seven out of the 26 towns and cities which we track have increased

ahead of this rate. And this low growth is as bad news for the market as Brexit or a poor economy as it means people aren’t gaining enough equity to move up or down the ladder.

This is reflected in Savills’ recent forecast report which shows that the real loss of transactions in the market is the fall from 653,000 mortgaged moves per year to just 370,000, partly due to people staying in their properties longer, which they believe has increased from an average of nine years in 2007 to 13.5 years, and this is unlikely to change any time soon.

## 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	%
Nottingham	5.7%	Reading	-3.6%	Brighton and Hove	42%	Belfast (Q2)	-41%
Bournemouth	6.1%	Cambridge	-2.9%	Bristol	45%	Newcastle upon Tyne	0%
Edinburgh	6.2%	Southampton	-0.6%	Oxford	45%	Bradford	0%
Cardiff	6.9%	London	-0.2%	Cambridge	56%	Liverpool	1%
Glasgow	8.9%	Brighton and Hove	0.4%	London	63%	Glasgow	5%

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	%
Kensington and Chelsea	7.3%	Greenwich	-5.1%	Waltham Forest	84%	Hounslow	47%
Redbridge	7.3%	Hammersmith and Fulham	-6.0%	Hackney	76%	Hammersmith and Fulham	41%
Merton	5.0%	City of Westminster	-7.6%	Merton	72%	Tower Hamlets	39%

Source: [UK HPI](#)

## Country and regional transactions

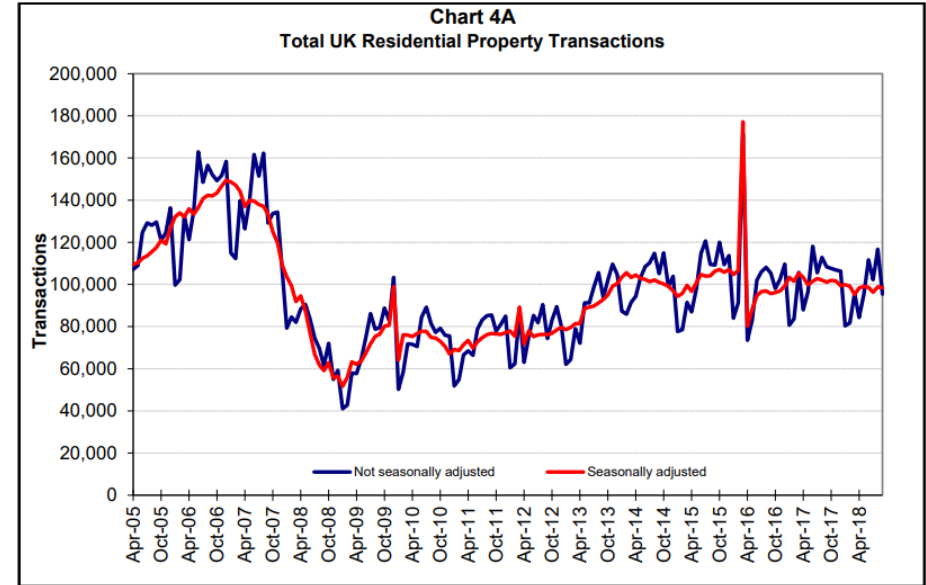
Most commentary focuses on what is happening to property prices, but as anyone in the property industry knows, property prices are driven by what happens to supply and demand, which is why performance is so localised, pretty much to a property on a street.

### TRANSACTIONS ANALYSIS BY REGION

REGION	Jul - Sep		
	2016	2017	2018
NORTH EAST	7,871	8,349	8,917
NORTH WEST	24,929	26,151	25,713
YORKS & HUMBERSIDE	19,203	19,509	19,628
EAST MIDLANDS	18,937	18,001	18,152
WEST MIDLANDS	19,454	19,344	19,325
EAST OF ENGLAND	24,863	23,562	22,803
GREATER LONDON	20,241	19,985	20,158
SOUTH EAST	35,904	35,360	33,934
SOUTH WEST	23,875	24,207	23,543
ENGLAND	195,277	194,468	192,173
WALES	10,399	11,012	11,211
ENGLAND & WALES	205,676	205,480	203,384

Jul - Sep	
2016/18	2017/18
13%	7%
3%	-2%
2%	1%
-4%	1%
-1%	0%
-8%	-3%
0%	1%
-5%	-4%
-1%	-3%
-2%	-1%
8%	2%
-1%	-1%

Source: [LSL Acadata HPI](#)



Source: [Gov.uk](#)

Property transactions	Total	Total	YoY	Total	YoY	Total	YoY	Total	YoY	Total	YoY	Total	YoY	Total	2011 vs
2011-2017	2011	2012	%	2013	%	2014	%	2015	%	2016	%	2017	%	2011-2017	2017 %
Region															
East Midlands	53936	55388	2.62%	65342	18.0%	78257	19.8%	78468	0.3%	82137	4.7%	80347	-2.2%	493875	49.0%
East of England	80403	81822	1.7%	95568	16.8%	112463	17.7%	109433	-2.7%	107867	-1.4%	102259	-5.2%	689815	27.2%
London	90718	95577	5.1%	111190	16.3%	118843	6.9%	113052	-4.9%	102933	-9.0%	92519	-10.1%	724832	2.0%
North East	26822	26427	-1.5%	30034	13.6%	35401	17.9%	36119	2.0%	37059	2.6%	38878	4.9%	230740	44.9%
North West	71467	70758	-1.0%	84478	19.4%	101589	20.3%	106363	4.7%	111942	5.2%	114069	1.9%	660666	59.6%
Scotland	69871	72468	3.6%	84204	16.2%	94222	11.9%	96765	2.7%	100128	3.5%	103479	3.3%	621137	48.1%
South East	120141	124525	3.5%	144754	16.2%	167016	15.4%	163280	-2.2%	157829	-3.3%	150913	-4.4%	1028458	25.6%
South West	74544	77073	3.3%	89782	16.5%	105376	17.4%	105597	0.2%	107408	1.7%	104421	-2.8%	664201	40.1%
Wales	30570	31072	1.6%	36275	16.7%	42271	16.5%	43460	2.8%	45555	4.8%	47760	4.8%	276963	56.2%
West Midlands	56074	57450	2.4%	66908	16.5%	79633	19.0%	81350	2.2%	85263	4.8%	85549	0.3%	512227	52.6%
Yorkshire and The Humber	55433	56821	2.4%	66597	17.2%	78938	18.5%	79375	0.6%	82114	3.5%	84850	3.3%	504128	53.1%

Source: [LSL Acadata HPI](#)



## LSL Acadata HPI

*“In October 2018, there were an estimated 75,000 transactions – based on Land Registry counts for England & Wales – 3% higher than our still estimated September figure of 72,500 sales. This increase is in line with the seasonal uplift in sales volumes for the time of year, based on the last 20 years of data. The October 2018 sales volumes are some 6% down on the same month in 2017, but 2% higher than October 2016. However, we estimate that housing transactions for England & Wales in the first ten months of 2018 are some 4% lower than for the same period in 2017, and duly reflected in house prices.” (Oct 18)*



## LCPAca Residential

*“Transactions have fallen on an annual basis by 3.2% and now stand at 779,638. Falling transactions is the common theme throughout all the sectors reported on, and it appears there is still very little cause for optimism.” (Sep 18)*



## NAEA Propertymark

*“Sales to FTBs increased marginally to 22 per cent in September, after sales to the group hit a three year low in August of 20 per cent. The number of sales agreed per branch remained the same in September, with an average of nine per branch.” (Sep 18)*



## Bank of England

*“The number of mortgages approved for house purchase was broadly unchanged at 65,000 in September. This gives us an indication of the potential trend in new mortgage lending in coming months. The number of approvals for remortgaging remains close to its recent peak, although it fell back on the month to 49,000.” (Sep 18)*

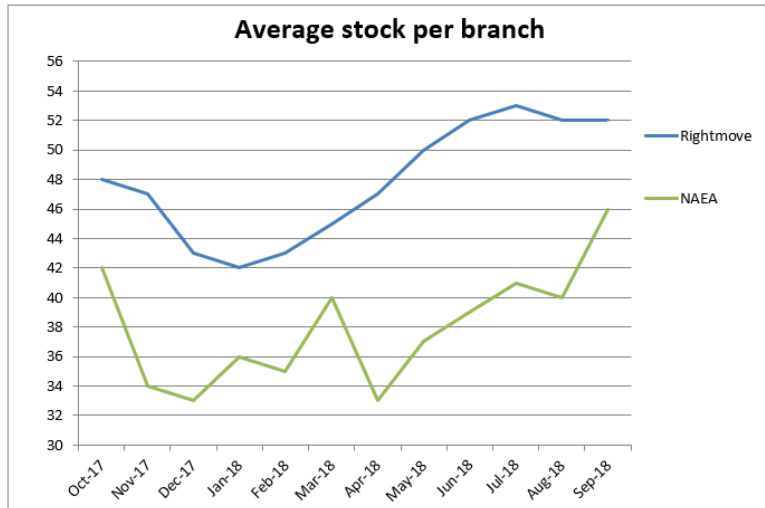


## UK Finance

*“There were 35,500 new first-time buyer mortgages completed in the month, some 2 per cent more than in the same month a year earlier. The £6.1bn of new lending in the month was 5.2 per cent more year-on-year. The average first-time buyer is 30 and has a gross household income of £42,000.*

*“There were 38,000 new homemover mortgages completed in the month, some 2.3 per cent fewer than in the same month a year earlier. The £8.5bn of new lending in the month was the same year-on-year. The average homemover is 39 and has a gross household income of £57,000.*

*“There were 37,100 new homeowner remortgages completed in the month, some 0.3 per cent fewer than in the same month a year earlier. The £6.5bn of remortgaging in the month was the same year-on-year.” (Aug 18)*

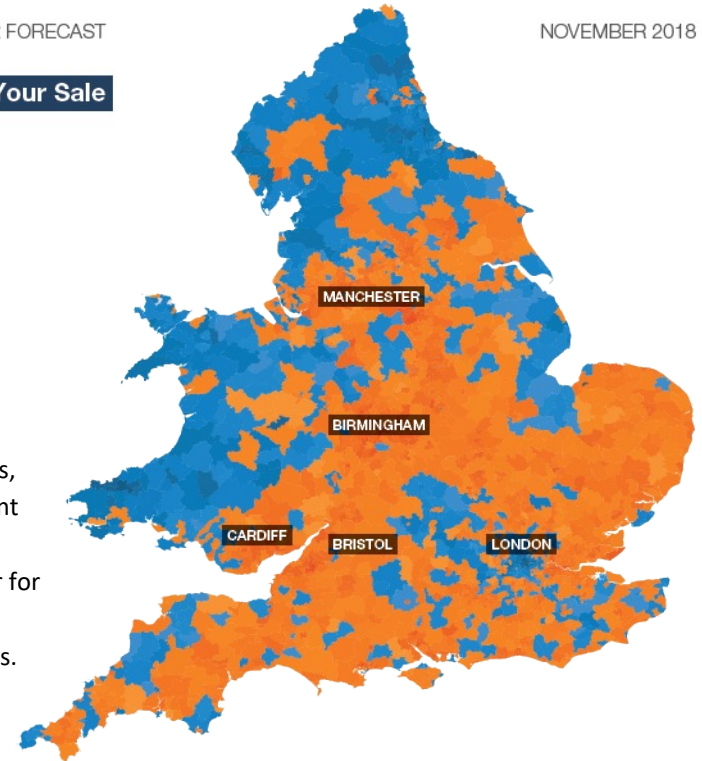


## PropCast™ | THE HOUSE SELLING WEATHER FORECAST

NOVEMBER 2018

**The Hotter Your Market - The Easier Your Sale**

### England and Wales



### Tracking buyer demand

The Advisory track current market conditions, so buyers and sellers can gain an independent view of how easy it would be to buy and sell their home in their area. This makes it easier for good agents who are honest about market conditions to value and manage expectations.

	New Listings		Properties Sold	
	Aug - Oct 18	Aug - Oct 17	Aug - Oct 18	Aug - Oct 17

NATIONAL	7.4	-2.1	10.6	-0.1
Central England	12.5	0.7	8.9	1.9
East Anglia	5.8	-1.5	2.9	-1.0
East Midlands	11.9	-5.9	12.5	-0.9
London	-3.8	-6.0	1.3	-1.8
North East	10.2	-4.4	9.8	-3.6
North West	4.4	-3.4	9.0	-1.1
Scotland	10.6	-3.2	21.9	4.4
South East	7.2	0.4	7.1	0.5
South West	3.0	-2.5	6.9	-0.9
Wales	11.3	-2.0	15.0	-1.8
West Midlands	14.7	1.4	22.8	3.1
Yorks & Humber	11.7	-1.0	18.8	1.6

Source: Agency Express

	Top 10 cold markets		Buyer demand Nov 18
1	NW8	London	6°
2	WC2	London	7°
3	W1	London	8°
4	L2	Liverpool	9°
5	SW1	London	10°
6	SW5	London	10°
7	W2	London	10°
8	N1C	London	10°
9	SW10	London	10°
10	W9	London	10°

	Top 10 hot markets		Buyer demand Nov 18
1	B44	Birmingham	74°
2	BS3	Bristol	71°
3	B27	Birmingham	69°
4	B37	Birmingham	68°
5	B42	Birmingham	66°
6	B34	Birmingham	64°
7	BS5	Bristol	64°
8	NP44	Cwmbran	64°
9	WR4	Worcester	64°
10	CF82	Cardiff	64°

Source: The Advisory



## RICS

*“The weaker trend in prices is being driven by the lack of demand from new buyers, which is in part a result of heightened political uncertainty, ongoing affordability pressures, a modest upward move in interest rates and a lack of fresh stock coming onto the market. In October, 14% more respondents reported a fall in buyer interest, which is the third report in a row in which demand has deteriorated (at a UK level).*

*“In terms of new instructions, and the supply pipeline, virtually all UK regions saw a further decline as average stock remains very close to an all-time low. Furthermore, there appears little chance of any meaningful turnaround, as a net balance of 30% of respondents reported the number of appraisals to be down on year on year basis.*

*“Given these conditions, it is little surprise that sales remain subdued, with the third consecutive monthly decline in transactions. In fact, sales were reported to be either flat or negative across eleven of the twelve UK regions/countries during October.” (Oct 18)*



## NAEA Propertymark

*“The number of house hunters registered per branch rose by six per cent last month, from 320 in August, to 338 in September. Despite this short-term trend, demand is down by 14 per cent year-on-year, as there were 394 house hunters registered per branch in September 2017.” (Sep 18)*



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



Demand and supply is key to understanding what happens to prices. It's clear at the moment there is more stock sticking on the market, especially as we are seeing how many people are reducing their property prices in order to secure a sale. Perhaps the only areas where this doesn't apply are the North East and Yorkshire and Humberside, whereas everywhere else in England and Wales transactions seem to be sliding.

New data from The Advisory allows agents and consumers to find out how their market is performing right down to postcode level. This month they suggest the 'hottest' markets are in postcodes B44 (Birmingham), BS3 (Bristol) and B27 (Birmingham), while the toughest markets are in NW8, WC2 and W1 (all London).

From a forecasting perspective, if we do get to Brexit smoothly over the next few months, the market may bounce back next year, but it's likely to be subdued to Christmas. The problem then comes if the uncertainty continues into the New Year, making people decide to stay put for another year, saving more, spending on a decent holiday or upgrading their home. This could depress the market so much that we see volumes fall back towards recession levels – although Savills are more optimistic and expect volumes to remain the same as this year over the next five years.

However, this doesn't mean a crash, just a fall in transactions; currently prices are, in the main, still holding up fairly well despite the lack of good news.



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

### FOR MEDIA PROFESSIONALS

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### FOR CONSUMERS

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