



UK property price update

December 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**
"Early Christmas gift for buyers as sellers lower their price expectations"
-  **Home.co.uk**
"Rising supply pushes market to the brink"
-  **NAEA Propertymark**
"Housing market slows amid uncertainty"
-  **RICS**
"Prices now seen falling nationally although some parts of the UK are still recording solid growth"
-  **Nationwide**
"Slight uptick in annual house price growth in November"
-  **Halifax**
"Annual house price growth slows to 0.3%"
-  **LCPAca Residential Index**
"Monthly price growth falls to just 0.1%"
-  **Hometrack**
"UK city house price inflation ranges from +7.7% in Leicester to -2.8% in Aberdeen"

AVERAGE PRICE VARIATIONS

Average prices across the indices vary from mortgaged-only prices from the Nationwide HPI (Nov 18) of £214,044, through to marketing prices (ie not necessarily sold) from Rightmove (Nov 18) of £302,023 and actual prices from LSL Acadata HPI of £304,433 (Oct 18). Average sold prices from the UK HPI stand at £232,554 (Sep 18).

UK, England and Wales data

	High	Low	Current Month Sep-18	Current Month Oct-18	Current Month Nov-18	Annual Change	Annual Average (05 - 18)		
Rightmove	£241,474	£213,570	£304,061	£307,245	£302,023	-0.2%	3.7%	Asking prices	E & W
Nationwide	£184,131	£147,746	£214,922	£214,534	£214,044	1.9%	2.6%	Mortgaged only	UK
Halifax	£199,766	£157,767	£225,995	£227,869	£224,578	0.3%	2.5%	Mortgaged only , seasonally adjusted	UK
LSL Acadata HPI	£231,829	£197,145	£302,626	£304,433	n/a	1.0%	3.8%	Actual prices, includes cash sales	E & W
LCPAca Residential Index	£198,659	£190,649	£266,993	£264,987	n/a	2.7%	n/a	Actual prices, includes cash sales	E & W
UK HPI	£190,032	£154,452	£232,554	n/a	n/a	3.5%	3.4%	Sold prices, includes cash sales and new builds	UK



KATE FAULKNER COMMENTS ON THE NATIONAL MARKET

“ So we’re in the final few months of data and analysis for 2018 and it’s fair to say that it’s pretty much performed as expected with the market slowing, especially driven by the South and East.

However, the market isn’t just slowing according to the latest data and, although you can’t rely too much on month on month data, most of the surveys are suggesting the market is going into reverse.

Although Hometrack state: *“Despite Brexit dominating the headlines, our lead housing indicators suggest no imminent deterioration in the outlook for prices or levels of market activity. The slowdown in London*

since 2016 has been a result of weaker market fundamentals. Uncertainty around Brexit has been a compounding factor.”

And in the main I agree. I do think from now, particularly with no indication before Christmas as to what is going to happen, that Brexit is going to hold the market back until a decision has been made.

One way I notice this is by the number of queries I get as to whether now is a ‘good time to buy or not’ and they are definitely going up, be it first-time buyers or investors asking the question!

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 Sep 18/ Q3 18	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in Sep 18/ Q3 18	Annual average increase since 2000	Highest yearly average increase since 2000
								Date % Increase
England	£194,764	£159,340	-18.19%	£249,408	28%	3.0%	6.9%	Jan-03 26.4%
Wales	£150,316	£123,104	-18.10%	£162,089	8%	5.8%	6.5%	Jul-04 33.4%
Scotland	£145,641	£120,994	-16.92%	£152,961	5%	5.8%	n/a	Feb-05 19.0%
Northern Ireland (Q3)	£224,670	£97,428	-56.64%	£135,060	-40%	4.8%	n/a	Q1 07 51.5%

Source: [UK HPI](#)



KATE FAULKNER COMMENTS ON COUNTRY DIFFERENCES

“ Overall, as far as the Land Registry figures by country are concerned, performance is pretty good – even in England which has seen a drag on growth from the South and East of England. Even Northern Ireland which is still experiencing prices ‘on average’ 40% lower than 10 years ago, is seeing good growth year on year. Wales and Scotland are seeing a bit of a stronger recovery, with prices up (on average) by nearly 6% - double the England average - year on year.



Derry in Northern Ireland. The country is seeing good year on year growth but is still experiencing prices much lower than a decade ago.

Image: © Giorgio Galeotti, Flickr

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 Sep-18	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in Sep 18	Annual average increase since 2000	Highest yearly average increase since 2000	
								Date	% Increase
North East	£139,400	£117,079	-16.01%	£132,049	-5%	3.5%	5.8%	Jan-04	34.8%
North West	£152,427	£124,654	-18.22%	£162,915	7%	3.3%	6.6%	Jul-04	33.0%
Yorkshire & The Humber	£150,233	£123,833	-17.57%	£162,009	8%	2.6%	6.7%	Jun-04	29.3%
East Midlands	£159,537	£129,876	-18.59%	£194,803	22%	6.0%	7.0%	Feb-03	33.9%
West Midlands	£165,807	£136,966	-17.39%	£199,763	20%	6.1%	6.5%	Jan-03	29.5%
South West	£212,666	£171,356	-19.42%	£260,142	22%	4.3%	6.7%	Jan-03	29.8%
East	£209,624	£168,263	-19.73%	£294,027	40%	2.0%	7.2%	Jan-03	28.9%
South East	£238,670	£191,156	-19.91%	£328,059	37%	1.7%	6.6%	Jun-00	25.0%
London	£298,596	£245,351	-17.83%	£482,241	62%	-0.3%	7.5%	Apr-00	28.3%

Source: [UK HPI](#)

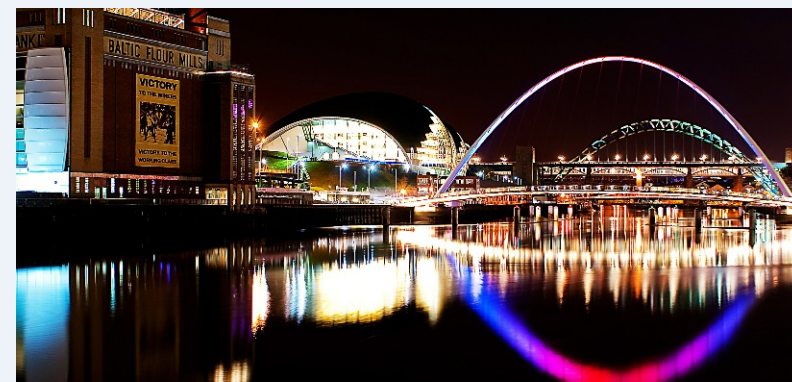


KATE FAULKNER COMMENTS ON REGIONAL DIFFERENCES

“ In England, regionally it’s mixed, with London going ‘backwards’ but after large growth. Meanwhile, the Midlands is topping the performance charts.

Interestingly though, the ‘ripple effect’ isn’t working in the way it did prior to 2005, with the North East still seeing property prices 5% lower than a decade ago, yet price growth year on year is just 3.5%, half that of the Midlands.

The property market is definitely changing from a capital growth perspective, and it is essential agents and others service providers really understand the implications of lower capital growth.



Gateshead in the North East, a region which is still seeing prices 5% lower than they were 10 years ago.

Image: © creativcommonsstockphotos | Dreamstime.com

Home.co.uk

“At the extremes, we currently have London losing 2.3% per annum while Welsh prices soar, adding +7.4% to their values. Wales is now the leader in price growth and well ahead of the West Midlands (+4.9%), the North West (+4.5%) and Yorkshire (+4.6%) year-on-year and, for the time being, a world away from the woes of the South. Growth in the East Midlands is dropping off even more rapidly. Scottish asking prices are rising slowly with annualised growth of only +1.8%.” (Nov 18)

RICS

“When disaggregated, much of the weakness continues to stem from London and the South East, with trends in the latter deteriorating a little further during October. East Anglia, the South West and the North East also returned negative readings, albeit to a lesser extent than both of the aforementioned areas. By way of contrast, prices continue to rise in most other parts of the UK, with the strongest growth once again coming in Northern Ireland and Scotland.” (Oct 18)

Hometrack

“The 20-city index is currently registering annual house price inflation of 3.2%. Price growth at a city level ranges from +7.7% in Leicester to -2.8% in Aberdeen. Six cities are registering annual growth of more than 6%, while in London the average prices are falling by -0.4%. Over the last year the rate of growth has slowed the most in cities across southern England.”



Current versus historic price movements

Property Prices Towns/Cities <i>England, Wales, Scotland & 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 Sep 18/ Q3 18	How much higher/ lower are latest prices vs height in 2007/8	Year on year change in price in Sep 18/ Q3 18	Annual average increase since 2000	Highest yearly average increase since 2000	
								Date	% Increase
Belfast (Q3)	£213,626	£87,890	-58.86%	£129,203	-40%	5.4%	n/a	Q1 07	57.1%
Newcastle upon Tyne	£164,935	£134,016	-18.75%	£161,443	-2%	2.2%	5.9%	Feb-04	39.2%
Bradford	£139,640	£115,089	-17.58%	£140,264	0%	2.5%	6.4%	Sep-04	36.5%
Liverpool	£130,249	£106,826	-17.98%	£134,564	3%	3.8%	6.6%	Jul-04	59.0%
Glasgow	£130,473	£104,370	-20.01%	£137,507	5%	10.4%	n/a	Jan-05	19.2%
Leeds	£161,439	£130,128	-19.39%	£183,892	14%	4.2%	6.9%	Apr-03	30.7%
Sheffield	£144,875	£120,193	-17.04%	£167,850	16%	4.4%	7.0%	Sep-04	31.9%
Edinburgh	£225,750	£183,029	-18.92%	£264,745	17%	7.7%	n/a	May-07	17.3%
Lincoln	£128,707	£106,017	-17.63%	£153,585	19%	4.6%	7.4%	Feb-03	38.0%
Bournemouth	£206,227	£163,937	-20.51%	£249,206	21%	3.3%	6.3%	Apr-03	32.5%
Nottingham	£119,010	£93,696	-21.27%	£144,840	22%	5.8%	6.6%	Mar-03	37.9%
Cardiff	£170,496	£139,651	-18.09%	£207,632	22%	5.0%	6.6%	May-03	30.7%
Norwich	£166,498	£123,698	-25.71%	£206,783	24%	2.9%	7.5%	Oct-02	37.9%
Peterborough	£156,264	£123,752	-20.81%	£196,677	26%	6.2%	7.2%	Dec-02	30.2%
Portsmouth	£169,633	£130,868	-22.85%	£213,525	26%	2.5%	6.5%	Mar-03	29.1%
Birmingham	£148,578	£122,773	-17.37%	£187,629	26%	5.6%	6.8%	Feb-03	36.4%
Southampton	£168,795	£134,665	-20.22%	£215,125	27%	2.4%	6.4%	Apr-03	29.7%
Leicester	£135,317	£110,071	-18.66%	£174,815	29%	7.8%	7.8%	Mar-03	35.4%
Manchester	£140,431	£111,679	-20.47%	£181,590	29%	6.9%	8.8%	Jun-04	34.9%
Milton Keynes	£194,666	£147,827	-24.06%	£268,350	38%	2.0%	7.5%	Feb-03	32.0%
Brighton and Hove	£257,108	£202,054	-21.41%	£363,106	41%	-1.0%	7.6%	Jul-00	35.4%
Reading	£216,724	£176,087	-18.75%	£308,576	42%	-2.0%	6.3%	Jun-00	35.9%
Bristol	£195,196	£153,648	-21.29%	£285,262	46%	3.2%	8.0%	Apr-03	29.7%
Oxford	£289,855	£223,319	-22.95%	£424,231	46%	1.1%	7.0%	Jun-00	29.5%
Cambridge	£283,241	£224,469	-20.75%	£442,610	56%	-1.2%	7.8%	May-00	27.5%
London	£298,596	£245,351	-17.83%	£482,241	62%	-0.3%	7.5%	Apr-00	28.3%



KATE FAULKNER COMMENTS TOWN AND CITY DIFFERENCES

“ Of all the towns/cities that top the charts this month it’s Glasgow that leads the way with the ONLY double digit growth of all of the 26 places we track. Other good performers include Leicester at +7.8% with Edinburgh just behind, closely followed by Manchester and Peterborough.

In contrast, areas ‘down south’ and in London are seeing falls, but it’s also quite scary for the market that in areas such as Newcastle, Bradford and Liverpool, prices are hardly rising at all year on year – and have not really risen at all over the last 10 years.

Much of people’s ability to be able to move since home ownership overtook renting in 1975 is the growth in equity which allows people to move ‘up the ladder’.

The question is what happens when this equity growth doesn’t materialise? Do people just ‘stay put’ or are they able to save to continue to find the additional funds to move upwards?

These are essential questions for the industry to be able to answer – sooner rather than later – and indeed work out how to motivate sellers in this ‘new property price era’.

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	%
Peterborough	6.2%	Reading	-2.0%	Reading	42%	Belfast (Q3)	-40%
Manchester	6.9%	Cambridge	-1.2%	Bristol	46%	Newcastle upon Tyne	-2%
Edinburgh	7.7%	Brighton and Hove	-1.0%	Oxford	46%	Bradford	0%
Leicester	7.8%	London	-0.3%	Cambridge	56%	Liverpool	3%
Glasgow	10.4%	Oxford	1.1%	London	62%	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	18.0%	Wandsworth	-5.6%	Kensington and Chelsea	80%	Hounslow	46%
Brent	10.1%	Greenwich	-6.2%	Brent	79%	Tower Hamlets	42%
Redbridge	3.9%	Hackney	-7.8%	City of Westminster	76%	Hammersmith and Fulham	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.



LCPAca Residential

“Transaction levels throughout England and Wales have fallen by -0.7% across the year and are now at 806,403. Whilst most of the properties in England and Wales have not been as heavily impacted by the recent changes to tax legislation as London, it appears the political climate surrounding Brexit has created considerable uncertainty. This has resulted in a fall off of activity, exacerbated by lacklustre price growth which deters potential sellers from putting their property on the market.” (Oct 18)



NAEA Propertymark

“Since sales to FTBs hit a three-year low in August (20 per cent), the percentage of properties sold to the group has been on the rise – increasing from 22 per cent in September, to 23 per cent in October. The number of sales agreed per branch fell in October – from nine in September, to eight.” (Oct 18)



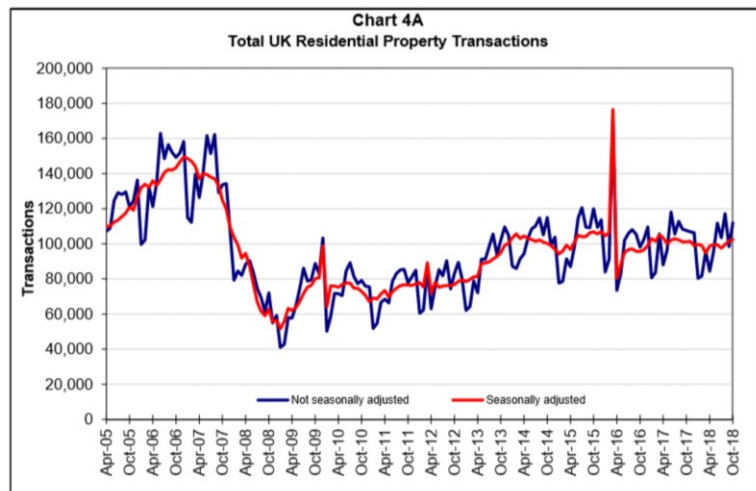
Bank of England

“The number of mortgages approved for house purchase has been broadly stable for the past couple of years, and ticked up to 67,000 in October, the highest since January 2018. The number of approvals for remortgaging was unchanged on the month at 49,000.” (Oct 18)

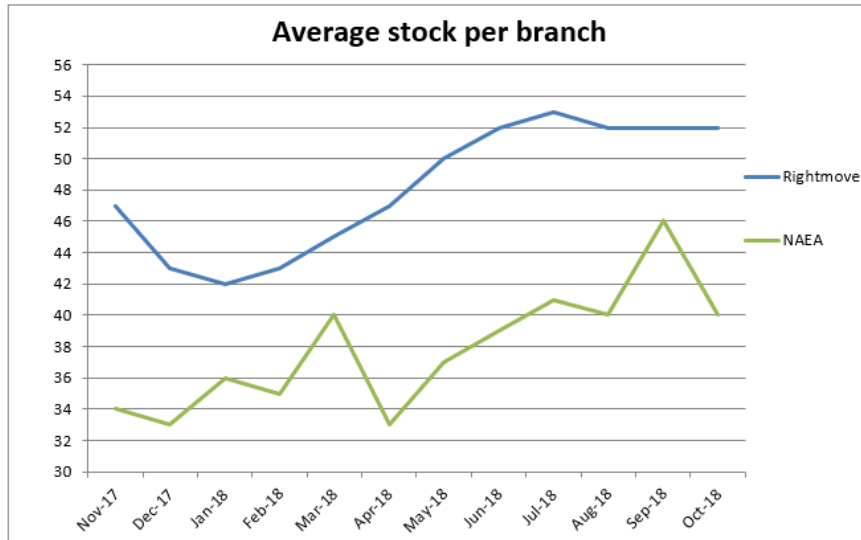


UK Finance

“There were 29,400 new first-time buyer mortgages completed in the month, some 4.5 per cent fewer than in the same month a year earlier. The £5.0bn of new lending in the month was the same year-on-year. The average first-time buyer is 30 and has a gross household income of £42,000. There were 29,400 new homemover mortgages completed in the month, some 8.4 per cent fewer than in the same month a year earlier. The £6.5bn of new lending in the month was 5.8 per cent down year-on-year. The average home mover is 39 and has a gross household income of £56,000. There were 35,600 new homeowner remortgages completed in the month, some 0.6 per cent fewer than in the same month a year earlier. The £6.4bn of remortgaging in the month was 1.5 per cent down year-on-year.” (Sep 18)



Source: Gov.uk



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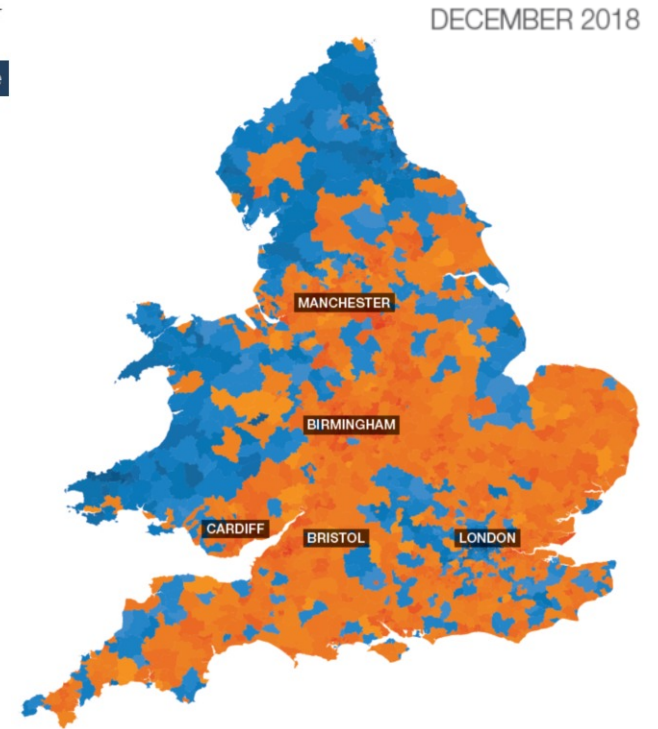
The Hotter Your Market - The Easier Your Sale

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.



DECEMBER 2018

New Listings Properties Sold

	Sep - Nov 18	Sep - Nov 17	Sep - Nov 18	Sep - Nov 17
NATIONAL	3.7	-2.0	6.2	-3.6
Central England	5.4	5.8	4.0	-1.7
East Anglia	0.8	-4.7	3.3	-3.9
East Midlands	6.6	-7.5	10.6	0.6
London	22.3	21.8	-1.7	-2.6
North East	1.3	-8.2	10.4	-4.9
North West	1.3	-6.3	8.1	-5.0
Scotland	0.1	-8.3	5.5	-3.6
South East	6.2	-0.1	5.5	-3.4
South West	0.2	-5.3	4.8	-1.3
Wales	-3.1	-10.4	5.9	-5.4
West Midlands	4.4	-5.1	10.6	-5.8
Yorks & Humber	6.0	-2.0	10.2	-4.8

Source: Agency Express

Top 10 cold markets			Buyer demand Dec 18
1	W1	London	7°
2	WC2	London	8°
3	SW7	London	9°
4	EC2	London	9°
5	NW8	London	9°
6	SW5	London	10°
7	L2	Liverpool	10°
8	W2	London	10°
9	SW8	London	10°
10	SW1	London	11°

Top 10 hot markets			Buyer demand Dec 18
1	BS3	Bristol	70°
2	B27	Birmingham	66°
3	B67	Smethwick	65°
4	B44	Birmingham	65°
5	NP44	Cwmbran	64°
6	CF82	Cardiff	64°
7	S8	Sheffield	63°
8	BN42	Southwick	62°
9	CV6	Coventry	62°
10	BS5	Bristol	62°

Source: The Advisory



RICS

“The net balance for new buyer enquiries ticked down to -14% in October (compared with -12% last month), marking three successive reports in which headline demand has deteriorated. Affordability pressures, political uncertainty and a lack of fresh stock coming onto the market all continue to hinder activity to varying degrees. In terms of new instructions, virtually all UK regions saw a monthly decline, while average stock levels remain very close to an all-time low as a result. Furthermore, there appears little chance of any meaningful turnaround in the near future, as a net balance of 30% of respondents reported the level of appraisals being undertaken to be down on an annual comparison. Given these conditions, it is little

surprise that sales trends remain subdued, with the latest net balance of -10% signalling a 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

“Demand from prospective buyers fell by 13 per cent on average last month, from 338 in September, to 294 in October. This is the lowest number of buyers recorded for the month of October since 2012, when 265 were registered on average per branch.” (Oct 18)



KATE FAULKNER COMMENTS ON PROPERTY TRANSACTIONS, DEMAND AND SUPPLY



It’s actually quite astonishing how well property market volumes have performed this year, bearing in mind all the doom and gloom we have had about the economy, the uncertainty driven by Brexit and especially in light of headlines threatening ‘30%’ or ‘35%’ property market falls – from no other than the Bank of England Governor.

In the past, any one of these headlines would have stopped the market in its tracks – but to date it just hasn’t. Talking to consumers, I think the last two recessions and better property market data, coupled with less sensational media headlines, have changed people’s views and they are not so worried about buying in a ‘hot’ or ‘cold market. With such low stock levels available, they appear more

concerned about getting ‘the right deal’ if they are an investor or getting the ‘home of their dreams’ if a buyer, accepting that the market may rise and fall during ownership. This is good news if it’s really happening and we’ll know better next year depending on how the market reacts in the first three months of the year.

What we are likely to see now is Brexit uncertainty starting to impact with bad economic news (eg the pound falling) and likely to be (in my view) stock market falls looming too, possibly for the UK and for Europe too.

If this happens, it’s likely to help drive a deal sooner rather than later and as soon we have, the property market has a chance of performing as well in 2019 as it did in 2018 in most places.



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

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FOR CONSUMERS

If you have a consumer query about a property decision or project, please email enquiries@designsonproperty.co.uk or telephone 01652 641722