

January 2019 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 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

Rightmove	<i>"3.2% price fall over last two months tempts bargain-hunting buyers"</i>
Home.co.uk	<i>"2018: A Year of Mixed Fortunes"</i>
NAEA PropertyMark	<i>"Housing market continues to slow"</i>
RICS	<i>"Market activity slips further"</i>
Nationwide	<i>"House price growth slows to just 0.5% in 2018, down from 2.6% in 2017"</i>
Halifax	<i>"Annual house price growth stable at 1.3%"</i>
LSL Acadata HPI	<i>"Biding its time"</i>
LCPAca Residential Index	<i>"Market flounders as Brexit uncertainty bites"</i>
Hometrack	<i>"UK city house price inflation running at 2.6%, lowest annual growth rate for 5 years"</i>

Key facts: Average prices across the indices vary from mortgaged-only prices from the Nationwide HPI (Dec 18) of £212,281, through to marketing prices (ie not necessarily sold) from Rightmove (Dec 18) of £297,527 and actual prices from LSL Acadata HPI of £305,522 (Nov 18). Average sold prices from the UK HPI stand at £231,095 (Oct 18). There is a 44% difference between the highest average price from LSL which include cash sales and the lowest from Nationwide which reflect mortgaged homes.

UK, England and Wales data

	High	Low	Current Month Oct-18	Current Month Nov-18	Current Month Dec-18	Annual Change	Annual Average (05 - 19)		
Rightmove	£241,474	£213,570	£307,245	£302,023	£297,527	0.7%	3.3%	Asking prices	E & W
Nationwide	£184,131	£147,746	£214,534	£214,044	£212,281	0.5%	2.4%	Mortgaged only	UK
Halifax	£199,766	£157,767	£227,869	£224,578	£229,729	1.3%	2.5%	Mortgaged only , seasonally adjusted	UK
LSL Acadata HPI	£231,829	£197,145	£304,433	£305,522	n/a	0.9%	3.6%	Actual prices, includes cash sales	E & W
LCPAca Residential Index	£198,659	£190,649	£264,987	£257,666	n/a	-3.1%	n/a	Actual prices, includes cash sales	E & W
UK HPI	£190,032	£154,452	£231,095	n/a	n/a	2.7%	3.1%	Sold prices, includes cash sales and new builds	UK

Kate Faulkner comments on the national market:

A new year is here and as far as 'resolutions' are concerned, it's pretty impossible to work out what the industry can offer this year to prevent transactions and property prices stagnating even further. All indices suggest that areas which have performed well since the credit crunch, such as London, the South and East of England, are heading into negative territory price and transaction wise and it's likely to take longer to sell a home. This is with or without a Brexit 'deal' happening. Rightmove are suggesting price falls have been 'larger than usual' for the time of year, "making this the largest fall over two months for six years", although they point out the number of sales agreed is 'surprisingly resilient'.

The RICS point out that while prices are still expected to rise by around 2.3% per annum over the next five years, rents are likely to outstrip this, rising by 3.1%, suggesting that it's important for the industry to focus on both sales and lettings to survive what is likely to be a tough year.

LSL has looked at sales from a target market perspective, suggesting that the number of loans to first time buyers was up slightly in 2018 (+0.4%) while homemovers were down by -3.6% and of course the 'buy to let bashing' has resulted in a -13% fall.

Much of the property market 'downturn' is being blamed on the uncertainty of 'Brexit' and there is no doubt this is an influence, but it's more likely that Stamp Duty changes and the harsh attack on buy to let investment as well as traditional market ebbs and flows are bigger influences, and as a result much of 'where we are now are' has been predicted for some time.

Country and regional summary (data from UK HPI)

UK HPI Market analysis by country

Kate Faulkner comments on country differences:

Northern Ireland is being headlined as a great performer at the moment price wise and indeed 'tops the country charts' growth for most indices, but we have to remember this is off the back of huge falls seen during the credit crunch. So although it's good news, it means little for those buyers/owners who have still seen an average of '40%' wiped off their property's value. Meanwhile, Wales is seeing a bit of a resurgence. It was one of the latest to go into the credit crunch and as such has taken longer to recover, but performance has been boosted by the likes of Newport which has seen fantastic growth thanks to comparatively wealthy Bristol buyers moving to the area now the Severn Bridge charges have been dropped. This is a great example of how local changes influence local prices and why expert views on the market at a local level are vitally important for buyers and sellers this year. Scotland and the UK continue to move in a positive direction, but England price growth overall is slowing and both are seeing vast regional differences.

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 Oct 18/ Q3 18	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in Oct 18/ Q3 18	Annual average increase since 2000	Highest yearly average increase since 2000
								Date % Increase
England	£194,764	£159,340	-18.19%	£247,914	27%	2.4%	6.9%	Jan-03 26.4%
Wales	£150,316	£123,104	-18.10%	£160,874	7%	3.8%	6.5%	Jul-04 33.4%
Scotland	£145,641	£120,994	-16.92%	£151,508	4%	4.4%	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%

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 Oct-18	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in Oct 18	Annual average increase since 2000	Highest yearly average increase since 2000
								Date % Increase
North East	£139,400	£117,079	-16.01%	£128,484	-8%	-0.1%	5.7%	Jan-04 34.8%
North West	£152,427	£124,654	-18.22%	£165,007	8%	4.9%	6.7%	Jul-04 33.0%
Yorkshire & The Humber	£150,233	£123,833	-17.57%	£163,858	9%	4.4%	6.8%	Jun-04 29.3%
East Midlands	£159,537	£129,876	-18.59%	£191,993	20%	4.3%	6.9%	Feb-03 33.9%
West Midlands	£165,807	£136,966	-17.39%	£196,073	18%	3.8%	6.4%	Jan-03 29.5%
South West	£212,666	£171,356	-19.42%	£256,167	20%	2.1%	6.6%	Jan-03 29.8%
East	£209,624	£168,263	-19.73%	£294,548	41%	2.1%	7.2%	Jan-03 28.9%
South East	£238,670	£191,156	-19.91%	£326,785	37%	1.5%	6.5%	Jun-00 25.0%
London	£298,596	£245,351	-17.83%	£473,609	59%	-1.7%	7.4%	Apr-00 28.3%

Source: [UK HPI](#)

Kate Faulkner comments on regional differences:

We often hear about 'postcode lotteries' when describing what happens on a national basis and that's very true of the property market currently. For some in the industry the next few years are going to be (or continue to be) incredibly tough. Regions such as East of England, the South and parts of London are seeing price falls from a few percent through to falls in Tower Hamlets according to LSL of -13.7% year on year. These are the kind of falls we saw during the credit crunch but at the moment, perhaps due to Brexit, aren't even hitting the headlines.

The good news is that the RICS expect sales volumes to 'stabilise' this year with areas such as Northern Ireland, the South West and even East Anglia seeing 'positive sales trends'. Price growth is expected to continue in Northern Ireland, Scotland, the Midlands and North West, while London, the South East and East Anglia are likely to see falls.

But performance continues to be very postcode driven. LSL look at London where prices are down in Tower Hamlets by -13.7%, but up by +5.6% in Hackney. In the meantime, areas such as Newham has seen -6.7% falls while Bexley and Barking/Dagenham are seeing around +1.7% and +0.7% increases respectively.

Regionally, the Midlands continues to do well with prices up by +5.3% in the West Midlands and areas in the East Midlands such as Rutland even seeing double digit rises of +10.8%.

Overall, according to LSL, prices are up in 74 of the 108 of unitary authorities in England and Wales outside London.

Country and regional summary – cont'd

Home.co.uk

“Northern and western property markets continue to thrive: prices were up by 7.4% in Wales, 5.2% in the West Midlands and 4.8% in the North West year-on-year.” (Dec 18)

RICS

“The regional picture remains highly varied, with negative price trends across London, South East and East Anglia contrasting with solid price growth reported in Northern Ireland, Scotland, the Midlands and the North West.” (Nov 18)

Nationwide

“Regional house price performance was slightly more varied over 2018 compared with 2017, although outside of London and the South East all regions continued to see annual price growth. Northern Ireland saw a noticeable pick up in price growth and was the top performing region over the year, with a 5.8% increase. Wales also outperformed the UK average with prices up 4% over 2018 (compared with a 3.3% increase in 2017). Meanwhile, price growth in Scotland remained relatively subdued, with a 0.9% year-on-year rise. The Outer Metropolitan was the weakest performing region, with prices down 1.4% over the year. London also continued to see modest price falls, with prices declining 0.8% during 2018.

“Looking at price levels relative to 2007 peaks, there is still a significant divide. In Yorkshire & Humberside, the North West and North, prices are still close to 2007 levels, while in London they are more than 50% higher.” (Dec 18)

LSL Acadata HPI

“The average price in London rose 1.3% in October to remain 0.8% up on the same month last year – nominal growth but a real fall compared to inflation. The West Midlands still leads the way with annual growth of 3.7%. Neighbouring East Midlands, meanwhile, is also growing strongly, up 3.5% annually. Wales also continues to be the only area outside the Midlands that is (just) outpacing inflation, with prices up 2.7% annually. At the other end of the scale, prices in the East of England are now down on an annual basis for the first time since March 2012. It is however, the only region to see prices falling on an annual basis, and the majority of unitary authorities continue to see growth, with prices up in 74 of the 108 of them in England and Wales outside London.” (Nov 18)

Hometrack

“Price falls in London and a sustained slowdown across cities in southern England are impacting the headline rate of growth. Edinburgh is the fastest growing city (6.6%) with price rises in Manchester and Birmingham also running at more than 6%. There are just four cities where price growth today is higher than at the same time last year – Manchester, Liverpool, Cardiff and Newcastle. The remaining 16 cities are all registering slower growth. Cities in southern England such as Bristol, Portsmouth and Bournemouth have registered the greatest slowdown on the back of increasing affordability pressures. These cities have the highest price to earnings ratios outside of London, Oxford and Cambridge.

“House price inflation in London is ending the year with price falls for only the second time in 23 years. Prices are -0.1% lower, down on +0.9% over 2017 and well short of the long run average of 8.2% per annum. Stretched affordability, a succession of tax changes and increased uncertainty over the outlook are weighing on both demand and price growth.” (Dec 18)

Detailed analysis of towns/cities current versus over time

Kate Faulkner comments on town and city differences:

Individual advice for buyers and sellers is essential in 2019 and the property industry is going to have to work hard to help persuade people to move – whether it's renting or buying. Much as we don't 'panic' quite as much about the idea of price falls and many consumers are more relaxed than they were pre credit crunch, the stats are confusing and unless explained will hold people back from buying, selling and investing. For example, there will be some owners in London struggling to re-mortgage due to recent price falls, while others who bought some time ago, will have an average of +59% increase in their property's value since 2007/8. Meanwhile those in the Midlands will have seen good growth year on year if they had bought recently, and great growth if bought at the market low in 2009. However, for those that bought at the market peak, they may only be seeing a +20% rise which is actually, in real terms, a fall. The toughest market though remains the likes of Belfast, Newcastle, Bradford and the North East where prices are still lower than they were 10 years ago, but are also hardly moving forward year on year, with tiny increases of 1-2%. It's vital that agents and other property professionals explain the pros and cons of moving this year – be it renting or home ownership – and that people understand the difference between small falls that may happen, but if there are larger falls this may mean mortgage lending is tightened so those that would want to access the market may actually find it more difficult if they wait until Brexit uncertainty is over – if that happens any time soon!

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 Oct 18/ Q3 18	How much higher/ lower are latest prices vs height in 2007/8	Year on year change in price in Oct 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%	£161,529	-2%	1.6%	5.9%	Feb-04 39.2%
Bradford	£139,640	£115,089	-17.58%	£138,859	-1%	1.0%	6.3%	Sep-04 36.5%
Liverpool	£130,249	£106,826	-17.98%	£133,841	3%	3.7%	6.6%	Jul-04 59.0%
Glasgow	£130,473	£104,370	-20.01%	£135,238	4%	9.3%	n/a	Jan-05 19.2%
Leeds	£161,439	£130,128	-19.39%	£184,307	14%	4.9%	6.9%	Apr-03 30.7%
Sheffield	£144,875	£120,193	-17.04%	£166,759	15%	3.0%	6.9%	Sep-04 31.9%
Edinburgh	£225,750	£183,029	-18.92%	£261,806	16%	7.3%	n/a	May-07 17.3%
Bournemouth	£206,227	£163,937	-20.51%	£246,988	20%	1.7%	6.3%	Apr-03 32.5%
Lincoln	£128,707	£106,017	-17.63%	£156,136	21%	6.4%	7.5%	Feb-03 38.0%
Nottingham	£119,010	£93,696	-21.27%	£144,416	21%	5.6%	6.6%	Mar-03 37.9%
Peterborough	£156,264	£123,752	-20.81%	£190,424	22%	3.9%	7.0%	Dec-02 30.2%
Cardiff	£170,496	£139,651	-18.09%	£210,022	23%	5.3%	6.7%	May-03 30.7%
Norwich	£166,498	£123,698	-25.71%	£206,624	24%	4.7%	7.5%	Oct-02 37.9%
Leicester	£135,317	£110,071	-18.66%	£169,329	25%	4.4%	7.6%	Mar-03 35.4%
Birmingham	£148,578	£122,773	-17.37%	£187,708	26%	5.6%	6.8%	Feb-03 36.4%
Portsmouth	£169,633	£130,868	-22.85%	£215,661	27%	3.8%	6.5%	Mar-03 29.1%
Southampton	£168,795	£134,665	-20.22%	£214,961	27%	1.6%	6.4%	Apr-03 29.7%
Manchester	£140,431	£111,679	-20.47%	£183,354	31%	6.9%	8.9%	Jun-04 34.9%
Milton Keynes	£194,666	£147,827	-24.06%	£269,417	38%	0.7%	7.5%	Feb-03 32.0%
Brighton and Hove	£257,108	£202,054	-21.41%	£356,832	39%	-0.9%	7.5%	Jul-00 35.4%
Reading	£216,724	£176,087	-18.75%	£306,583	41%	-3.1%	6.2%	Jun-00 35.9%
Bristol	£195,196	£153,648	-21.29%	£284,106	46%	2.9%	7.9%	Apr-03 29.7%
Oxford	£289,855	£223,319	-22.95%	£422,699	46%	0.4%	7.0%	Jun-00 29.5%
Cambridge	£283,241	£224,469	-20.75%	£435,848	54%	-0.6%	7.7%	May-00 27.5%
London	£298,596	£245,351	-17.83%	£473,609	59%	-1.7%	7.4%	Apr-00 28.3%

Source: [UK HPI](#)

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

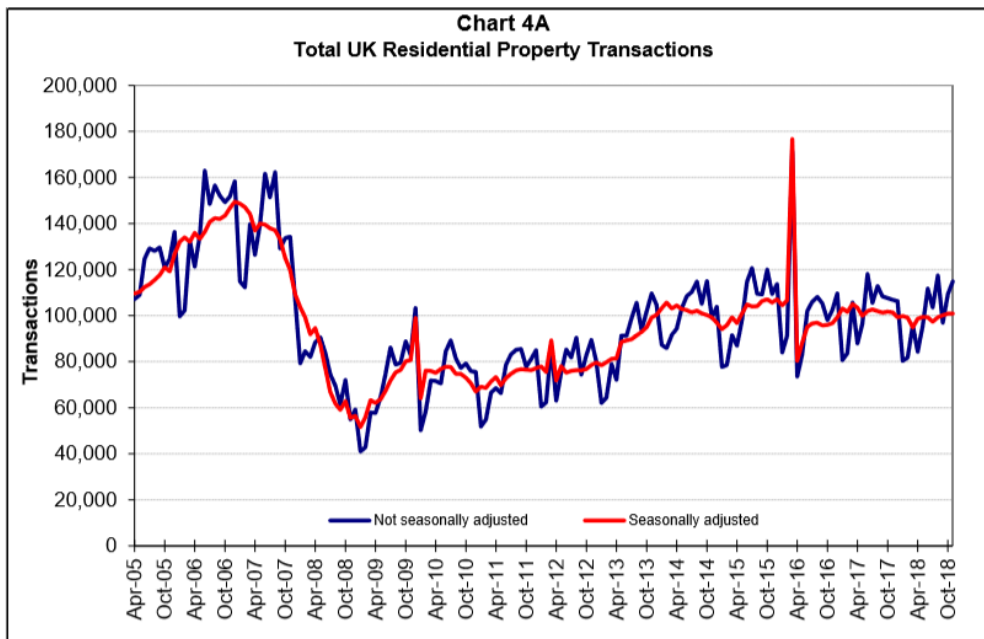
Five high growth areas YoY towns/cities	YoY %	Five low growth areas YoY towns/cities	YoY %	Five high growth areas last 10 years towns/cities	%	Five low growth areas last 10 years towns/cities	%
Birmingham	5.6%	Reading	-3.1%	Reading	41%	Belfast (Q3)	-40%
Lincoln	6.4%	London	-1.7%	Bristol	46%	Newcastle upon Tyne	-2%
Manchester	6.9%	Brighton and Hove	-0.9%	Oxford	46%	Bradford	-1%
Edinburgh	7.3%	Cambridge	-0.6%	Cambridge	54%	Liverpool	3%
Glasgow	9.3%	Oxford	0.4%	London	59%	Glasgow	4%

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	%
Greenwich	2.9%	Southwark	-6.8%	City of Westminster	83%	Hammersmith and Fulham	45%
Barking and Dagenham	2.4%	Hackney	-8.0%	Waltham Forest	80%	Hounslow	44%
Bromley	2.3%	Tower Hamlets	-11.8%	Haringey	74%	Tower Hamlets	29%

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.



Source: Gov.uk

Table 2. Number of loans taken out for UK House purchase, Jan – Sep 2017 and 2018

No. of Loans for House Purchase	Year to September		Change	% change
	2017	2018		
First-Time-Buyer	267,800	268,900	1,100	0.4%
Home Mover	276,600	266,700	-9,900	-3.6%
Buy-to-Let	56,200	48,900	-7,300	-13.0%
TOTAL	600,600	584,500	-16,100	-2.7%

Source: UK Finance

LSL Acadata HPI

“In November 2018, there were an estimated 82,500 transactions – based on Land Registry counts for England & Wales – which is a marginal 0.1% higher than our revised October figure of 82,400 sales. One would normally anticipate a downward movement in sales volumes of -2.4% at this time of the year, so the marginal increase of +0.1% represents a +2.5% uplift in transactions on a seasonally adjusted basis. The November 2018 sales volumes are 4% up on the same month in 2017, and 8% higher than November 2016. However, we estimate that housing transactions for England & Wales in the first eleven months of 2018 are some 2.7% down on the same period in 2017, and are at their lowest level since 2013.” (Nov 18)

LCPAca Residential

“Transaction levels throughout England and Wales continue to fall and now stand at 807,503, a drop of 1.0% over the year. It appears that we are now seeing the uncertainty that has been permeating the London market spreading to the rest of the UK as we approach the Brexit D-Day. With transactions falling, average prices stagnating, a series of residential taxes over recent years and a deferred vote on the current Brexit deal, the UK housing market is in the middle of a perfect storm. Without a clearer picture of what to expect after 29th March, it is unlikely that there will be any material change to the status quo.” (Nov 18)

Property transactions - cont'd

NAEA Propertymark *“The number of properties sold to FTBs remained at 23 per cent in November for the second month running, increasing from 20 per cent in August and 22 per cent in September. Year on year, the number of sales made to the group are down from 27 per cent. The number of sales agreed per branch fell for the second month running – from nine in September, to eight in October and to seven last month.” (Nov 18)*

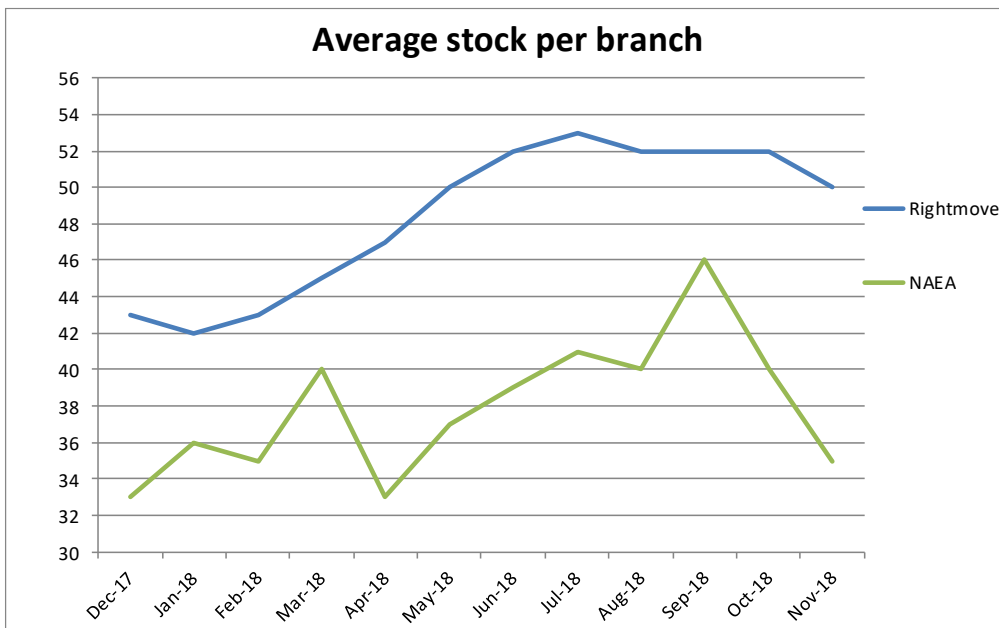
Bank of England *“The number of mortgages approved for house purchase - which lead to future mortgage lending - fell slightly, to 63,700 in November. The number of approvals for remortgaging was broadly unchanged on the month at 48,600.” (Nov 18)*

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.” (Nov 18)

Property demand and supply

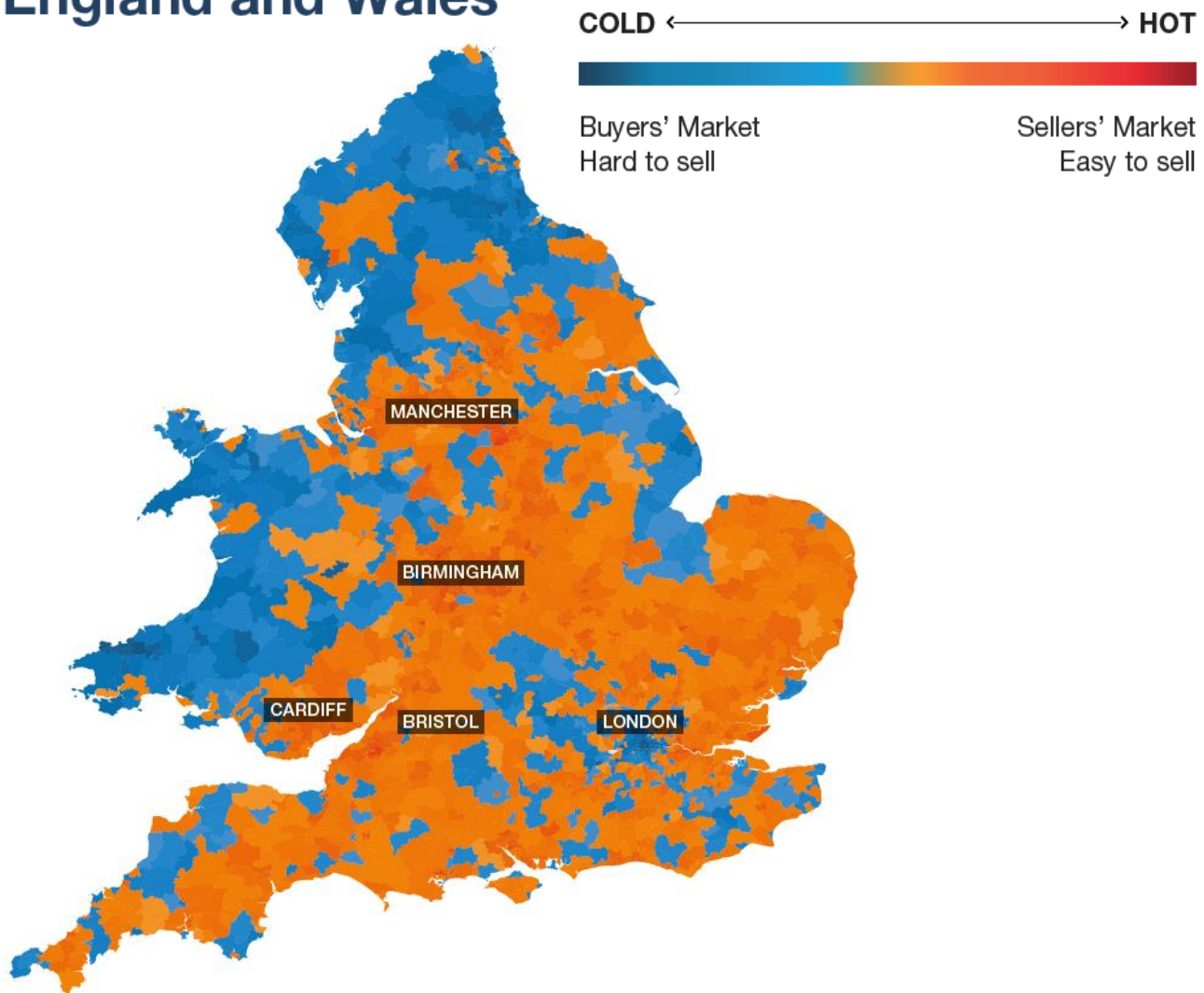


	New Listings		Properties Sold	
	Oct - Jan 18	Oct - Dec 17	Oct - Dec 18	Oct - Dec 17
NATIONAL	-17.3	-19.2	-11.3	-15.1
Central England	-16.2	-19.6	-10.7	-13
East Anglia	-21.7	-21.3	-15	-17.4
East Midlands	-16.6	-18.8	-10.6	-16.4
London	-16.9	-15.7	-12.7	-10
North East	-15	-20.2	-9.2	-15.9
North West	-17	-20.1	-12.6	-14.3
Scotland	-17	-20.6	-12.4	-8
South East	-16.1	-16.6	-10.1	-13.2
South West	-18.8	-21.4	-11.1	-15.7
Wales	-14.9	-22.2	-10.1	-18.3
West Midlands	-16.5	-19	-9	-16.5
Yorks & Humber	-15.1	-15.4	-9.1	-17.6

Source: [Agency Express](#)

The Hotter Your Market - The Easier Your Sale

England and Wales



COLD ← → HOT

Buyers' Market
Hard to sell

Sellers' Market
Easy to sell

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 that are honest about market conditions to value and manage expectations.

Top 10 hot markets		Buyer demand	Top 10 cold markets		Buyer demand
Postcode		Dec 18	Postcode		Dec 18
1	BS3 Bristol	79°	1	W1 London	6°
2	B44 Birmingham	68°	2	SA65 Fishguard	7°
3	BH17 Poole	68°	3	N1C London	7°
4	CV6 Coventry	64°	4	EC2 London	8°
5	S8 Sheffield	64°	5	WC2 London	8°
6	BS8 Bristol	64°	6	SW8 London	9°
7	BS6 Bristol	64°	7	W2 London	9°
8	S11 Sheffield	64°	8	NW8 London	10°
9	B34 Birmingham	63°	9	L2 Liverpool	10°
10	M33 Sale	62°	10	SW7 London	10°

Source: [The Advisory](#)

Property demand and supply – cont'd

RICS *“The New Buyer Enquiries gauge fell to -21% in the latest results from -15% previously, representative of a more cautious approach from property purchasers. The latest numbers continue to imply that the limited choice of properties for sale is likely to be one factor hampering buyer demand. The new instructions series pointed to a decline in the supply of properties coming on to the market for the fifth consecutive report. Significantly, the net balance of -24% in November was the fastest pace of decline in new sales listings noted in twenty-eight months. As a result, average stock levels on estate agents’ books remained close to record lows at 42.1. At the same time, contributors continue to report that new appraisals by property valuers are down in comparison to a year earlier suggesting that any pick-up in new sales listings is not on the horizon. Meanwhile, the time taken to complete a sale from initial listing stands at approximately 19 weeks. As such, this represents the longest duration since the series was first introduced in February 2017 and is another sign of challenges in the sales market.” (Nov 18)*

NAEA PropertyMark *“The number of house hunters registered per estate agent branch fell by four per cent in November, from 294 in October, to 282. This is the lowest number of buyers recorded for the month of November since 2012, when agents registered 263. Looking at a year-on-year comparison, demand from prospective buyers is down 15 per cent, falling from 333 in November 2017.” (Nov 18)*

Kate Faulkner comments on property transactions, demand and supply:

Pretty much every indices and stat on transactions, demand and supply is in the red and that will have been felt across most of the industry over the last few months and is likely to get a little worse over the coming months before it gets better. And, according to LSL’s analysis of UK finance for mortgages, it’s pretty much across the board with first time buyer numbers on a par year on year while homemovers have fallen by -3.6% and BTL of course pulling back by -13%. Overall in England and Wales, for the first ‘11 months’ of the year, LSL estimate that transactions are down -2.7%, and are at their “lowest level since 2013”.

And London is seeing some of the toughest falls, with transactions falling by -59% in Tower Hamlets and -21% in Lambeth, while the likes of Hackney and Harrow are up +19%.

The new data source from The Advisory helps to show on a postcode level how well we are performing, with Bristol, Birmingham, Poole and Coventry doing well, while London, Fishguard and even Liverpool seem to be suffering with low demand versus stock levels.

Although all this analysis is helpful to the industry, it’s not so helpful to those looking to make a decision to stay put or move, and it’s important that we do what we can to help people make sense of this data and help them understand that although the ‘stats’ might not be looking ‘great’ at the moment, this doesn’t mean it’s not the right time for them to move.