

May 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>"No Brexit deal yet, but families are doing housing deals"</i>
Home.co.uk	<i>"Brexit blues make for slowest Spring market in five years"</i>
NAEA Propertymark	<i>"Lowest March on record for supply of properties available to buy"</i>
RICS	<i>"Market sentiment little changed following Brexit extension"</i>
Nationwide	<i>"UK house price growth remained weak in April"</i>
Halifax	<i>"Average house price now £236,619"</i>
LSL Acadata HPI	<i>"A split across England and Wales"</i>
LCPAca Residential Index	<i>"Weakest price growth since 2013"</i>
Hometrack	<i>"UK city house price growth slows to 1.7%"</i>

Key facts: Average prices across the indices vary from mortgaged-only prices from the Nationwide HPI (Apr 19) of £214,920, through to marketing prices (ie not necessarily sold) from Rightmove (Apr 19) of £305,449 and actual prices from LSL Acadata HPI of £303,073 (Mar 19). Average sold prices from the UK HPI stand at £226,234 (Feb 19). There is a 41% 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 Feb-19	Current Month Mar-19	Current Month Apr-19	Annual Change	Annual Average (05 - 19)		
Rightmove	£241,474	£213,570	£300,715	£302,002	£305,449	-0.1%	3.5%	Asking prices	E & W
Nationwide	£184,131	£147,746	£211,304	£213,102	£214,920	0.9%	2.5%	Mortgaged only	UK
Halifax	£199,766	£157,767	£236,800	£233,181	£236,619	5.0%	2.7%	Mortgaged only , seasonally adjusted	UK
LSL Acadata HPI	£231,829	£197,145	£302,435	£303,073	n/a	0.0%	3.5%	Actual prices, includes cash sales	E & W
LCPAca Residential Index	£198,659	£190,649	£257,260	£254,196	n/a	-0.8%	n/a	Actual prices, includes cash sales	E & W
UK HPI	£190,032	£154,452	£226,234	n/a	n/a	0.6%	3.0%	Sold prices, includes cash sales and new builds	UK

Kate Faulkner comments on the national market:

Normally around this time of year the market is buoyant, in fact looking back over past reports, I was often saying post the credit crunch the market was a 'game of two halves' with the first half of the year rising, and the second half of the year falling back. So far this year, prices have pretty much 'limped along' from one month to the next showing little growth. There has been some criticism of the Halifax data and I agree there is an issue. We noticed when the recession hit their data had become erratic and didn't match other reports, especially when it came to month on month/year on year changes. However, that doesn't mean all their data should be ignored, the longer term analysis they do on seaside towns, first time buyers, best places to live etc are often useful and good PR the industry can use with consumers.

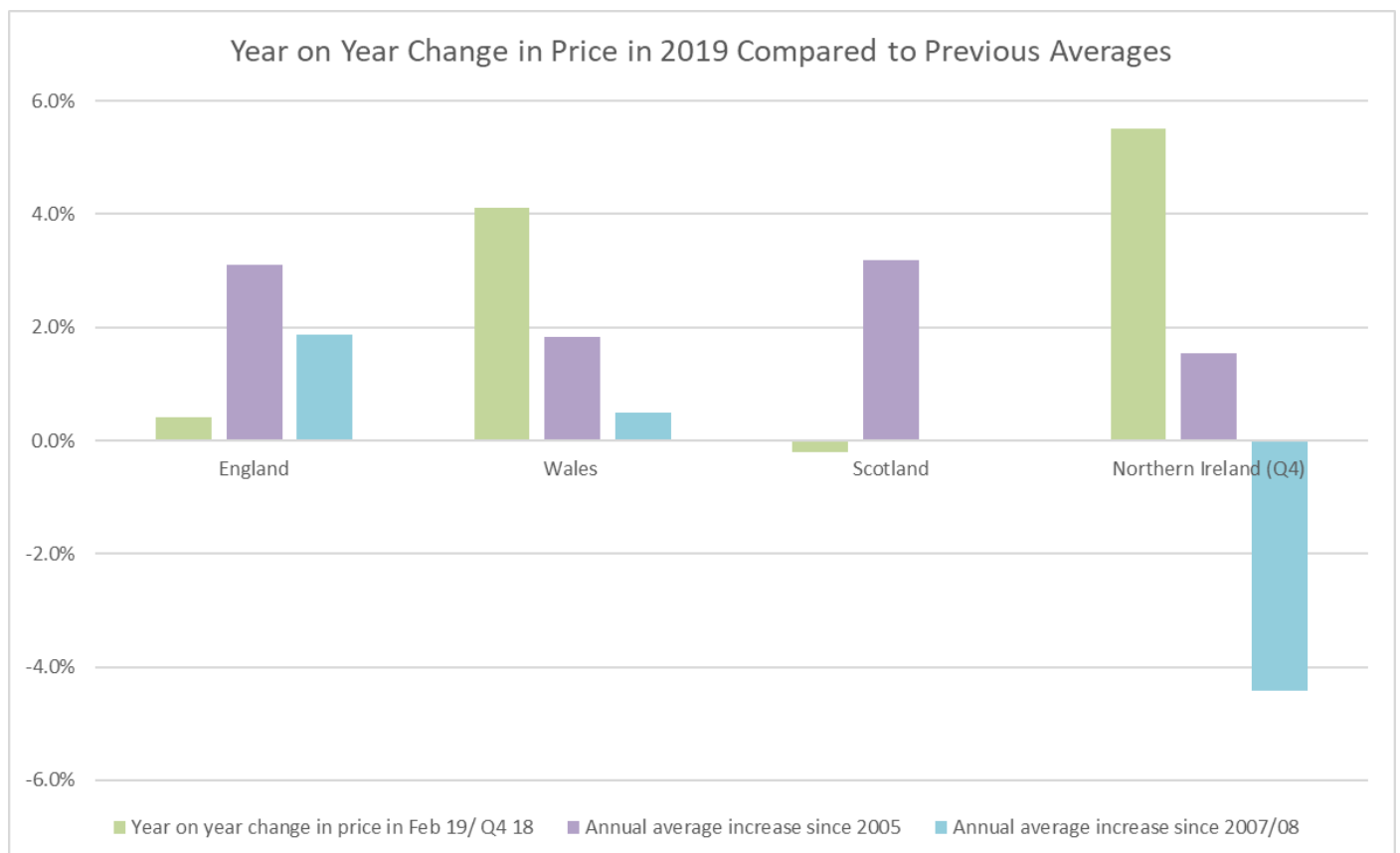
Country and regional summary (data from UK HPI)

UK HPI Market analysis by country

Kate Faulkner comments on country differences:

Country wise, Wales and Northern Ireland continue to do well year on year, although prices haven't really changed much for 12 years now in Wales, while in Northern Ireland, the average price being just over £136,000 versus the low of £97,428 is an amazing recovery – although sadly not a rise people can benefit from if they bought at the average £225,000 seen before the crash. Scotland is perhaps the surprise this month with the figures suggesting a backward step and no growth since 2007/8. It appears this is mostly down to prices falling for flats rather than houses and Aberdeen is one of the toughest markets while areas like Midlothian seem to be thriving. According to the Land Registry “prices increased over the last year in 22 out of 32 local authority areas”. Scotland is such a diverse mix of geographies it's important to focus on local market expertise rather than averages and it's worth noting the RICS gives a much more positive view of the Scottish market.

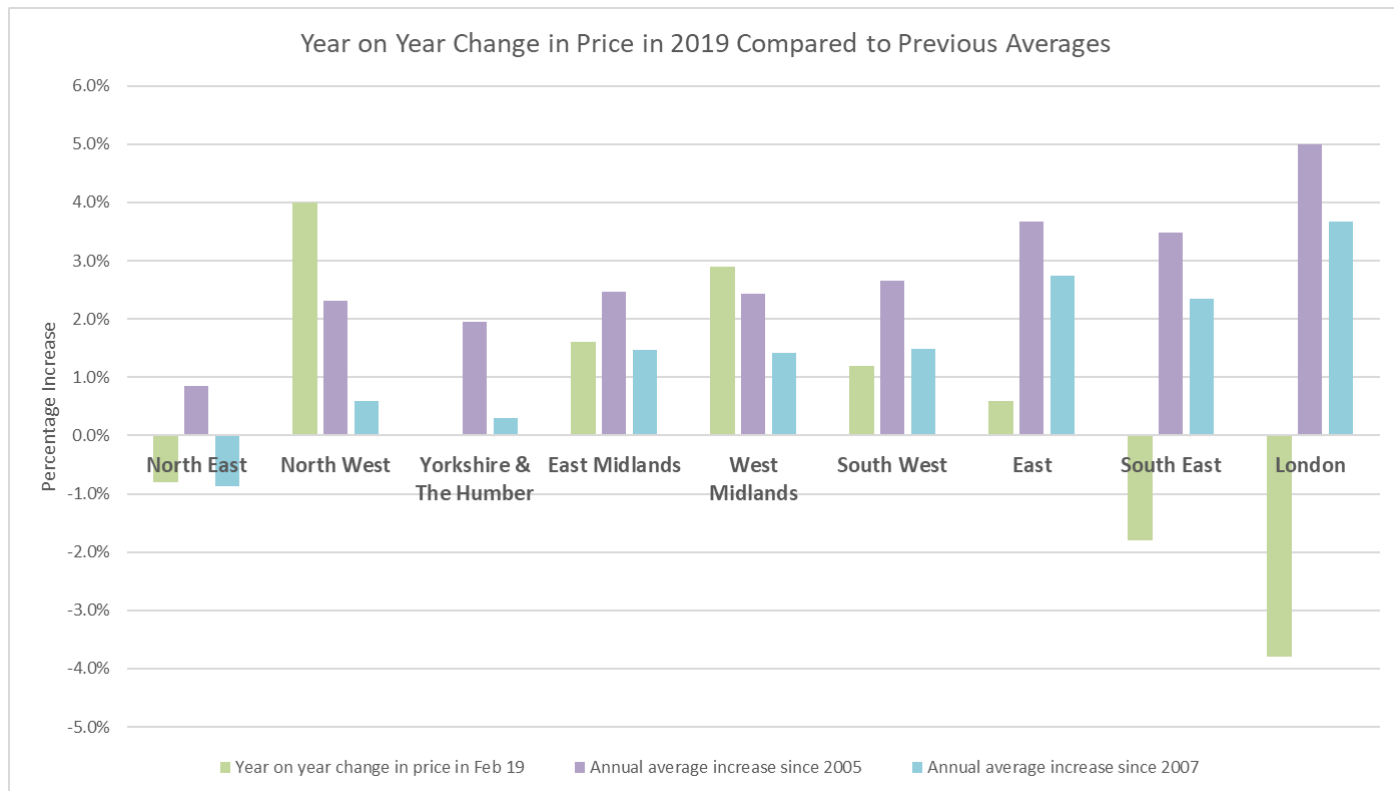
Property Prices - Countries	Highest average house price pre-credit crunch 2007/08	Lowest average house price during recession 2009	Market low +/- versus market height	Latest month's data Feb 19/ Q4 18	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in Feb 19/ Q4 18	Annual average increase since 2000	Highest yearly average increase since 2000
							Date	% Increase
England	£194,764	£159,340	-18.19%	£242,964	25%	0.4%	Jan-03	26.4%
Wales	£150,316	£123,104	-18.10%	£159,559	6%	4.1%	Jul-04	33.4%
Scotland	£145,641	£120,180	-17.48%	£145,762	0%	-0.2%	Feb-05	19.0%
Northern Ireland (Q4)	£224,670	£97,428	-56.64%	£136,669	-39%	5.5%	Q1 07	51.5%



Country and regional summary – cont'd

Kate Faulkner comments on regional differences:

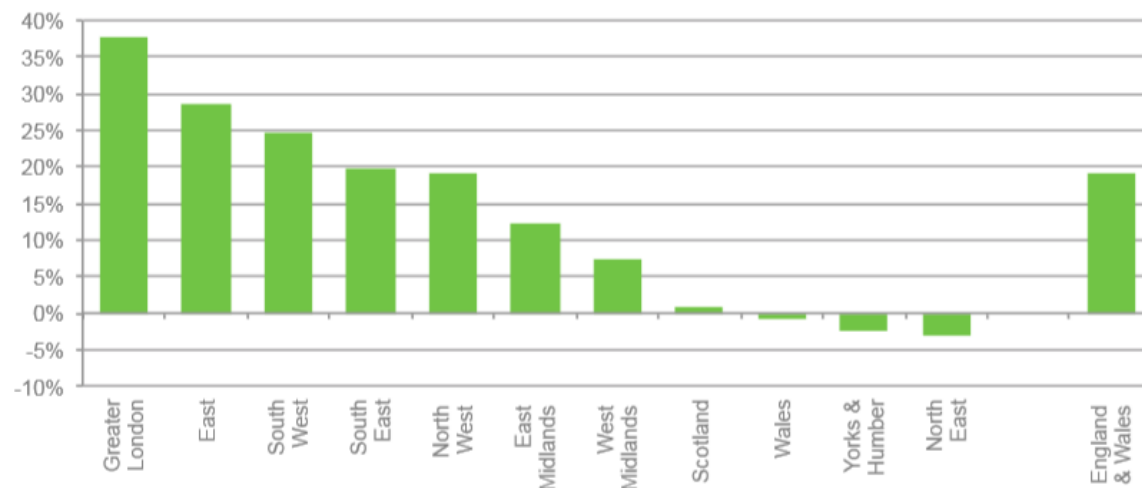
The chart below clearly shows the regions with high growth since the credit crunch are now falling backwards, with most of the other indices such as the RICS and LSL suggesting the South West is now following falls of those seen in London and the South East. Meanwhile, Home.co.uk are showing this is reflected in the time to sell in these areas. The anomaly is the North East. Despite better volumes and quicker selling times, prices don't seem to be showing much movement. In the past, improved transaction levels typically meant price rises on the way and vice versa, but in our 'new era' of property market performance, many of these 'old trends' aren't applicable, again showing the need for the property industry to promote what's really happening in the property market at a local level.



Note: Due to Yorks & Humber YoY% price change in Feb 19 being 0%, the green line in above chart is hidden

Source: [UK HPI](#)

12-month Change in Typical Time on Market by Region, Apr 2019 vs Apr 2018



Source: [Home.co.uk](#)

Country and regional summary – cont'd

[Home.co.uk](#)

“London ’s annualised losses have notched back again from 3.2% to 3.1%, although the average price remains 6.9% lower than the peak set in May 2016. Asking price falls in the South East also continue to ease (now 1.7% year-on-year) but worsened in the East (2.9%) where the post-boom price correction is fully underway. The East Midlands is also slowing, and annualised growth has fallen to just 2.4%.” (Apr 19)

[RICS](#)

“The regional breakdown again shows prices under pressure particularly in London and the South East, while the South West has now consistently returned negative readings on this measure for the past six months. At the same time, feedback across Northern Ireland and Scotland continues to buck the trend, with respective net balances of +47% and +28% of respondents reporting a further rise in prices.” (Apr 19)

[LSL Acadata HPI](#)

“In February, there are four regions where annual price growth is negative, with three of these being located in the south east of England. For the second month running the largest fall in prices, of -1.9%, occurred in the South East, with the North East, at -1.8%, trailing close behind.” (Mar 19)

[Hometrack](#)

“Weaker market conditions are spreading out from London into cities across southern England as affordability pressures grow and moving costs increase. All six cities covered by the index in southern England, outside London, are recording the lowest growth rates since 2012 – ranging from -0.6% in Oxford to +2.2% in Bristol. The cities with the highest rates of price growth at present are those where the recovery in prices since 2008 has been weakest and where affordability levels remain most attractive. Liverpool currently has the highest annual rate of house price growth (5.8%) with three other cities registering price growth over 5% - Leicester, Glasgow and Manchester. House prices in London are unchanged compared to 12 months ago.” (Mar 19)

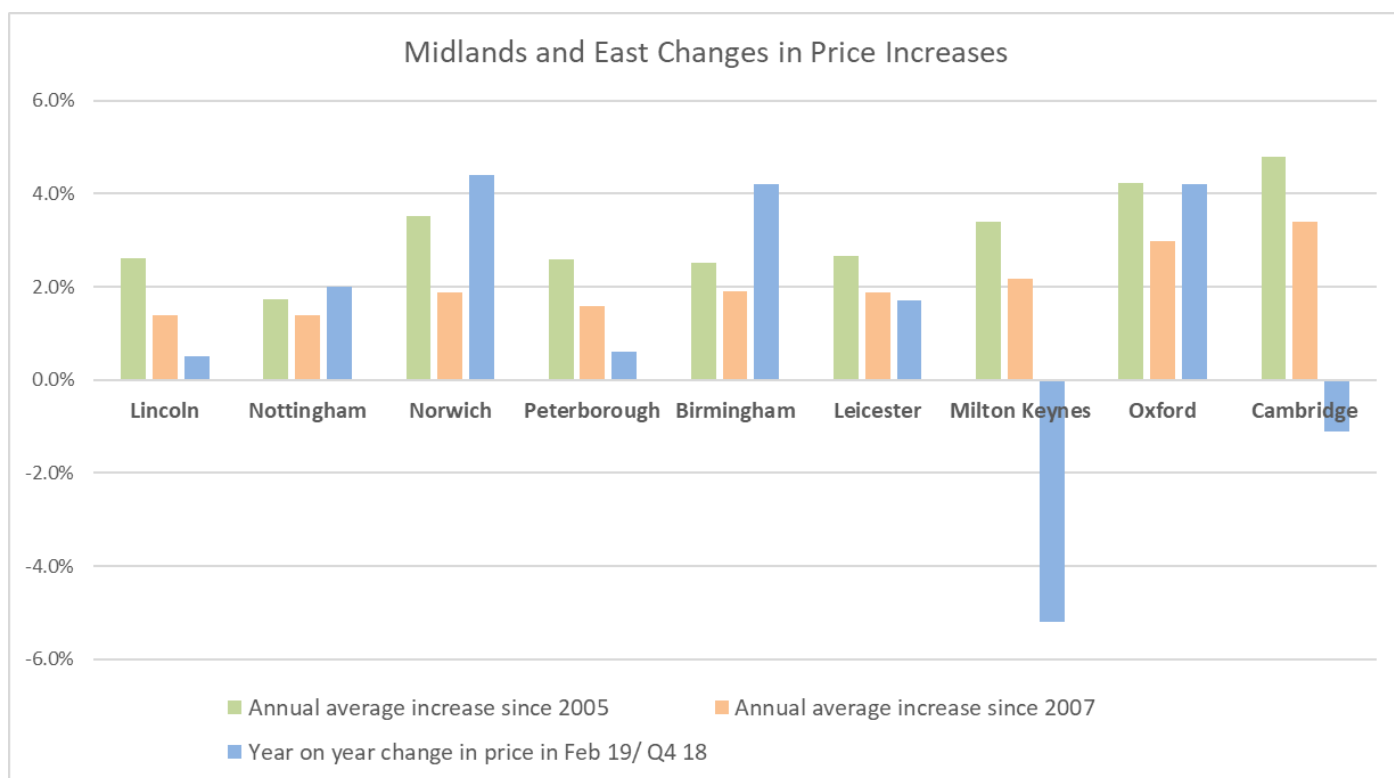
Detailed analysis of towns/cities current versus over time

Kate Faulkner comments on town and city differences:

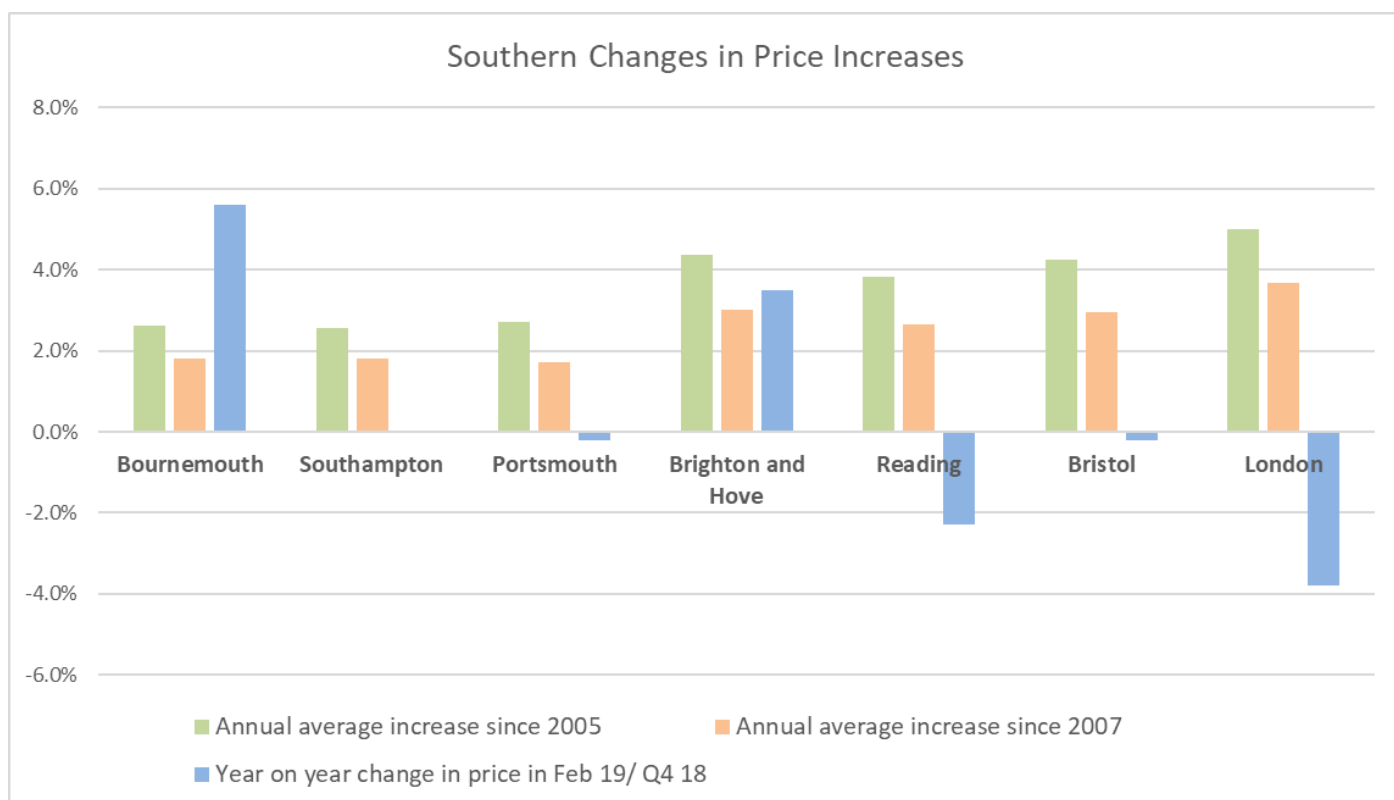
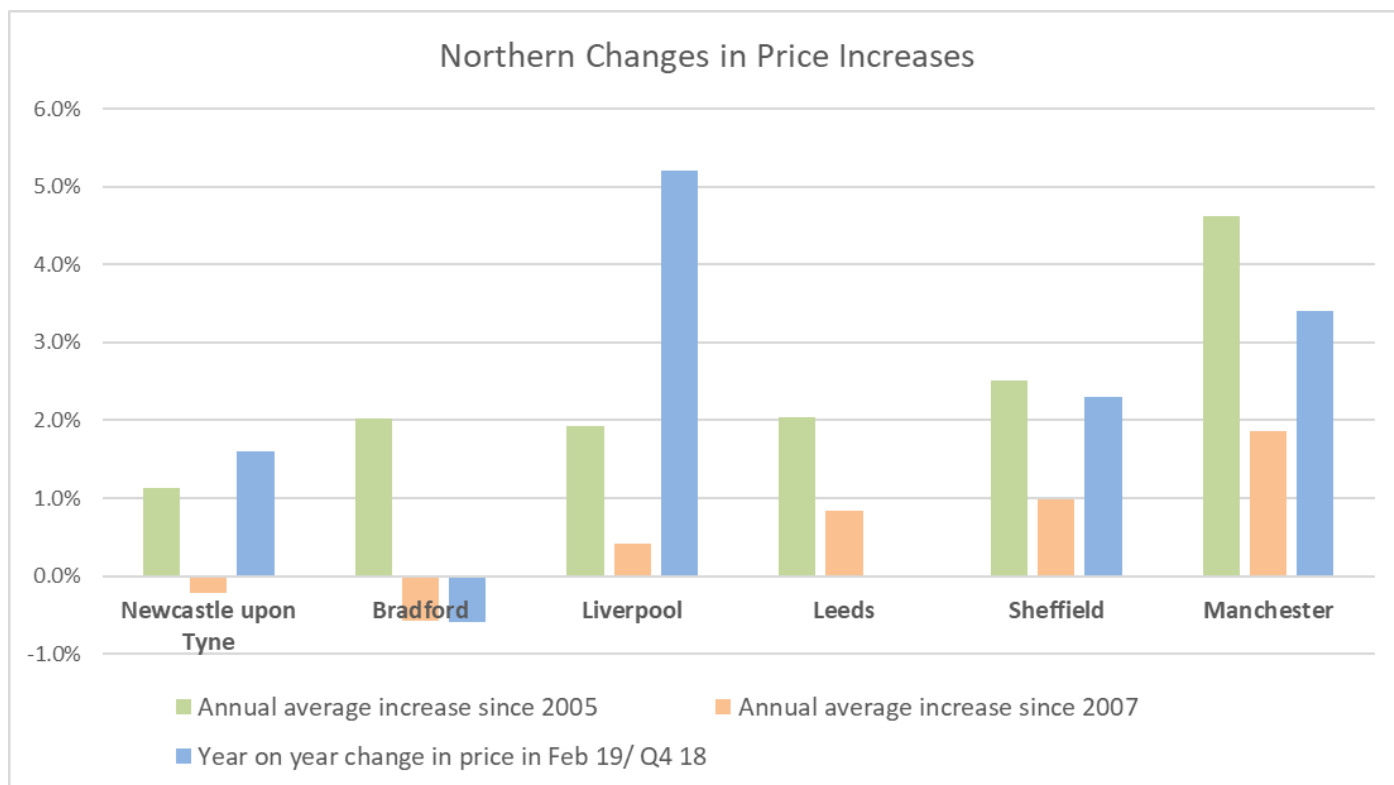
City and town wise, the diversity of the market increases. The Hometrack data clearly shows the 'north south divide' has 'flipped' with northern towns such as Liverpool and Manchester performing well, while those in the south suffer. But the split isn't straightforward with Oxford and Aberdeen both struggling year on year. On our five year analysis for the top and lowest growth cities, they show a bizarre picture with the top year on year performers currently appearing in the worst growth areas over the last 11 years!

Five high growth areas YoY towns/cities	YoY %	Five low growth areas YoY towns/cities	YoY %	Five high growth areas last 11 years towns/cities	%	Five low growth areas last 11 years towns/cities	%
Belfast (Q4)	7.7%	Milton Keynes	-5.2%	Bristol	42%	Belfast (Q4)	-39%
Bournemouth	5.6%	London	-3.8%	Oxford	42%	Bradford	-7%
Liverpool	5.2%	Reading	-2.3%	Brighton and Hove	43%	Newcastle upon Tyne	-3%
Cardiff	4.6%	Cambridge	-1.1%	Cambridge	49%	Glasgow	-1%
Norwich	4.4%	Bradford	-0.6%	London	54%	Liverpool	5%

Three high growth areas YoY London	YoY %	Three low growth areas YoY London	YoY %	Three high growth areas last 11 years London	%	Three low growth areas last 11 years London	%
Merton	5.0%	Southwark	-6.9%	Waltham Forest	73%	Hammersmith and Fulham	42%
Hammersmith and Fulham	4.0%	Hackney	-8.7%	Haringey	69%	Hounslow	41%
Richmond upon Thames	3.1%	City of Westminster	-19.6%	Lewisham	67%	Tower Hamlets	32%

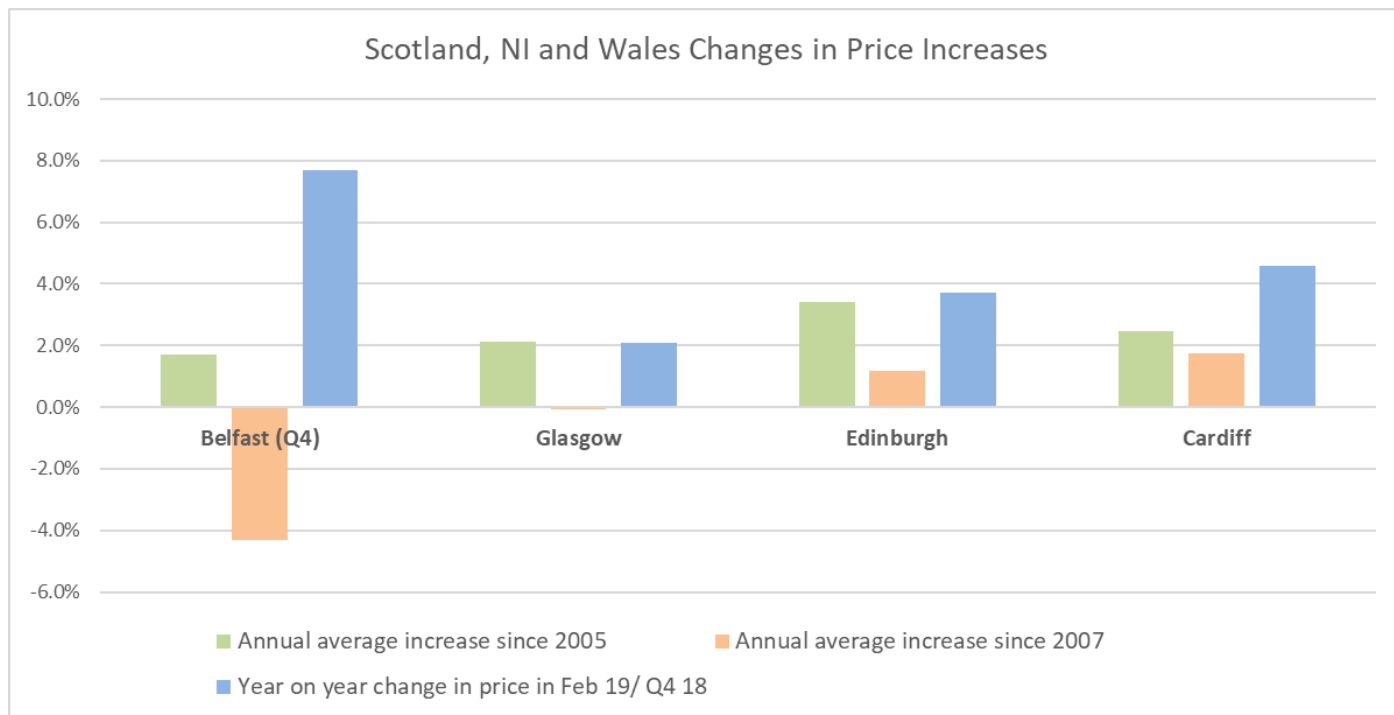


Detailed analysis of towns/cities current versus over time – cont'd



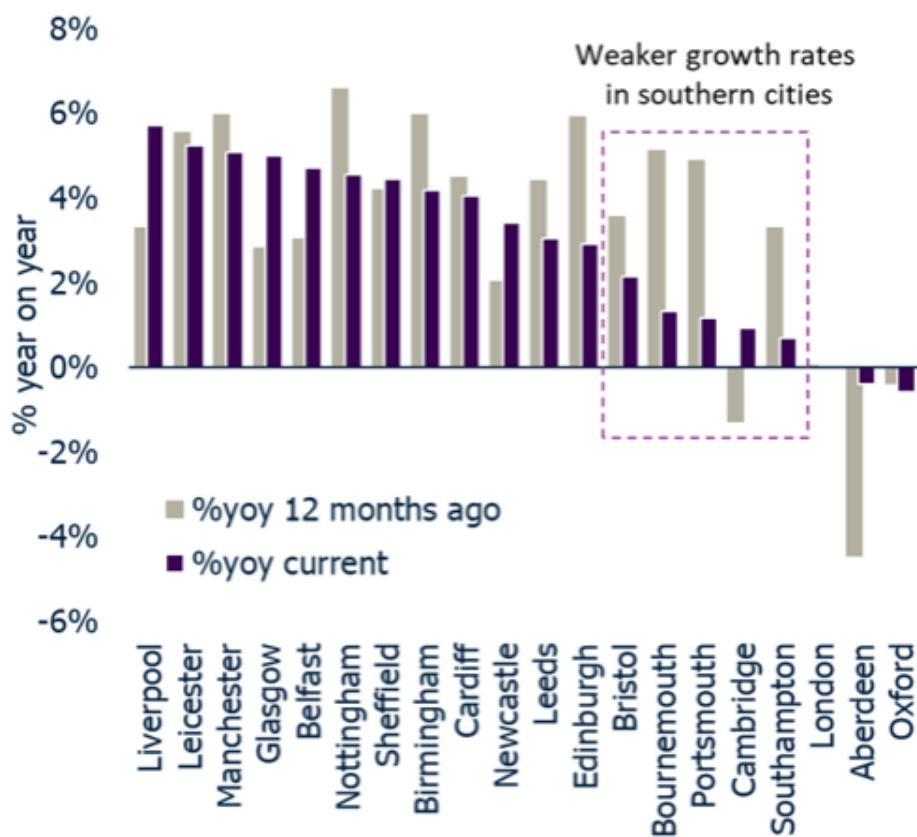
Source: [UK HPI](#)

Detailed analysis of towns/cities current versus over time – cont'd



Source: [UK HPI](#)

Fig.1 – City level price growth – current and last year



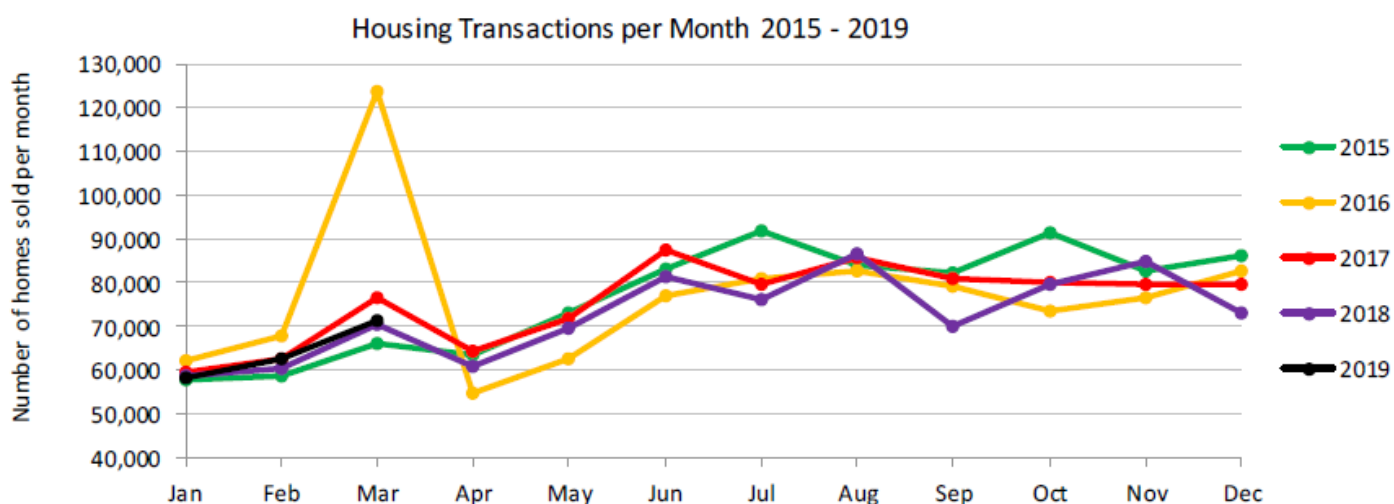
Source: [Hometrack](#)

Property transactions, demand and supply

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.

Kate Faulkner comments on property transactions, demand and supply:

To some extent, the government is likely to be 'patting itself on the back' for succeeding in growing home ownership with more first time buyers coming into the market. According to Nationwide, numbers are not far off what they were before the credit crunch, this is despite a relatively uncertain market at the moment. Hometrack have produced a useful chart this month showing how regional market volume changes have been too. They explain "Falling sales volumes after a prolonged period of high house price growth is part and parcel of the unfolding housing cycle. The reality is that the more house prices increase over time, the more buyers are priced out of the market through a mix of affordability factors and higher moving costs. Figure 3 (chart over page) shows the relationship between price growth since 2008 and the change in sales since 2015. It shows cities with the greatest increase in house prices have registered a steeper decline in sales since 2015 - the year with the highest overall sales since 2007." Meanwhile, The Advisory shows how market demand and supply is performing right down to postcode level, showing hot and cold buyer markets. This data is useful to use with people, for example who live in Liverpool and are being told it's performing well when clearly if it's in L2 this isn't necessarily the case!



Source: [LSL Acadata HPI](#)

[NAEA PropertyMark](#)

"After an increase in the number of sales made to FTBs in February, sales to the group fell from 30 per cent to 26 per cent in March. This is the same level as recorded in March 2018. The number of sales agreed per branch remained at seven in March. Year-on-year, this is a slight decrease; in March 2018 eight sales were agreed on average per branch." (Mar 19)

[Bank of England](#)

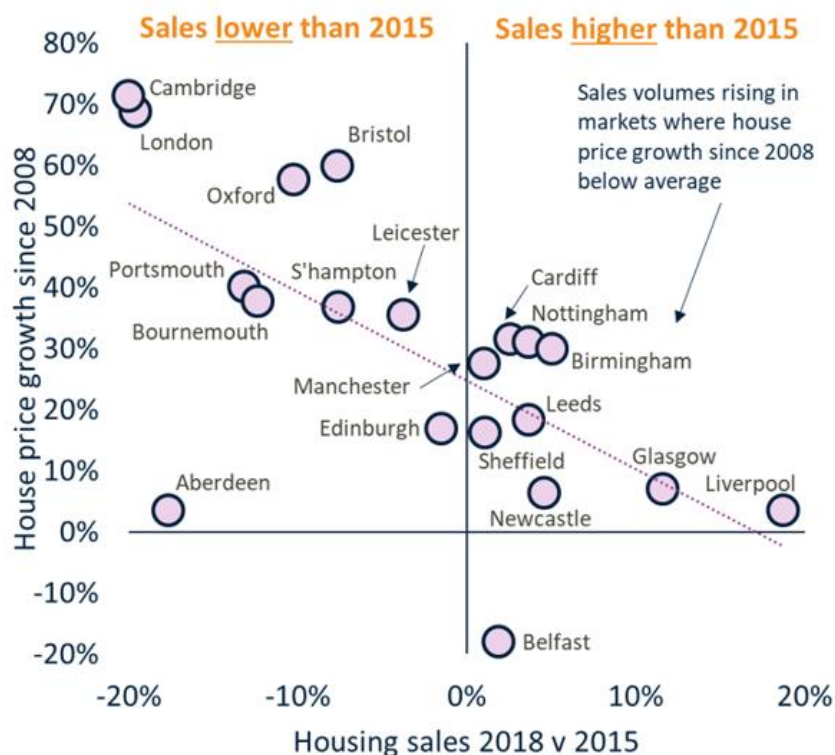
"Mortgage approvals for house purchase, which give an indication of future mortgage lending, fell to 62,300." (Mar 19)

[UK Finance](#)

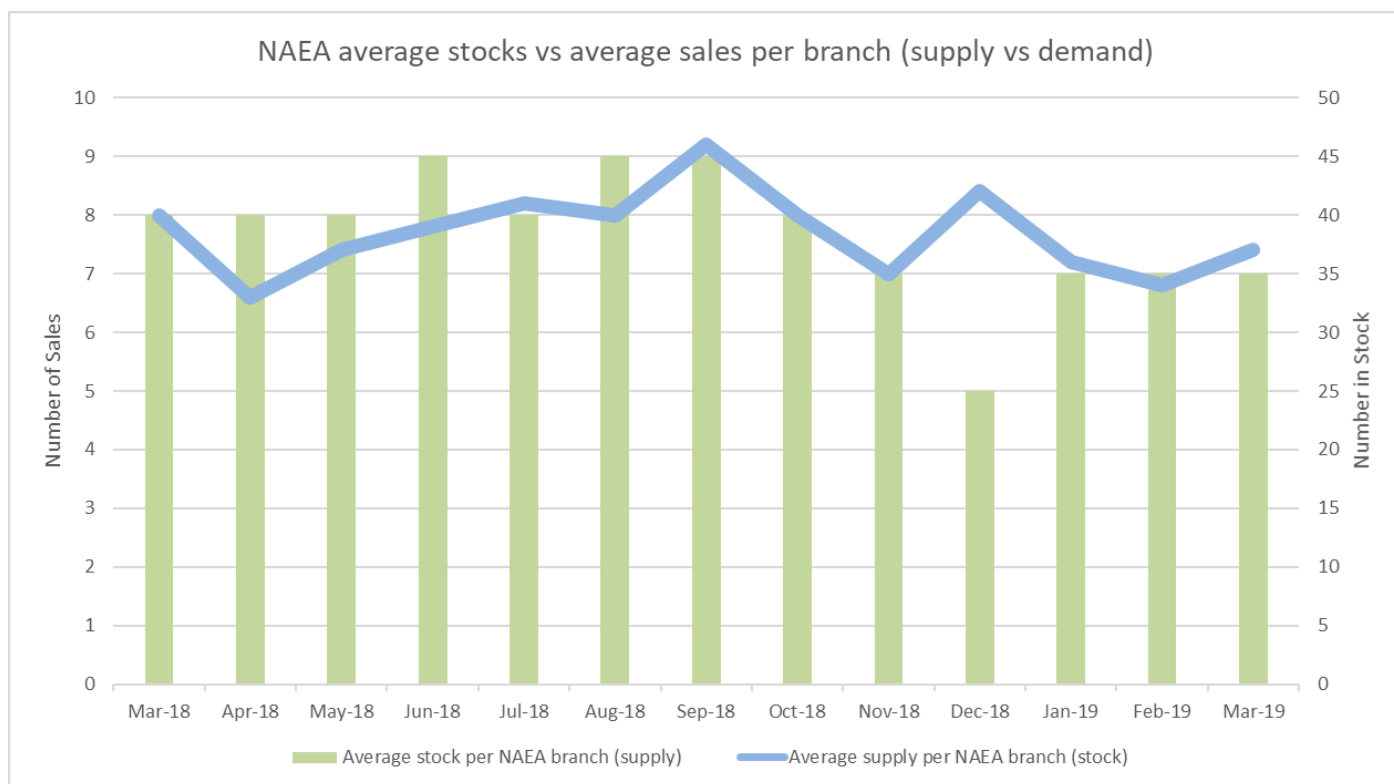
"There were 24,880 new first-time buyer mortgages completed in February 2019, 4.1 per cent more than in the same month in 2018. 23,660 homemover mortgages were completed in the month, 0.1 per cent more year-on-year. While homemovers are at the same levels they were at this time last year, this is the fifth consecutive month of year-on-year growth in first-time buyers." (Feb 19)

Property transactions, demand and supply – cont'd

Fig. 3 – Change in price from 2008 and sales from 2015



Source: [Hometrack](#)



Source: [NAEA PropertyMark](#)

The Hotter Your Market - The Easier Your Sale

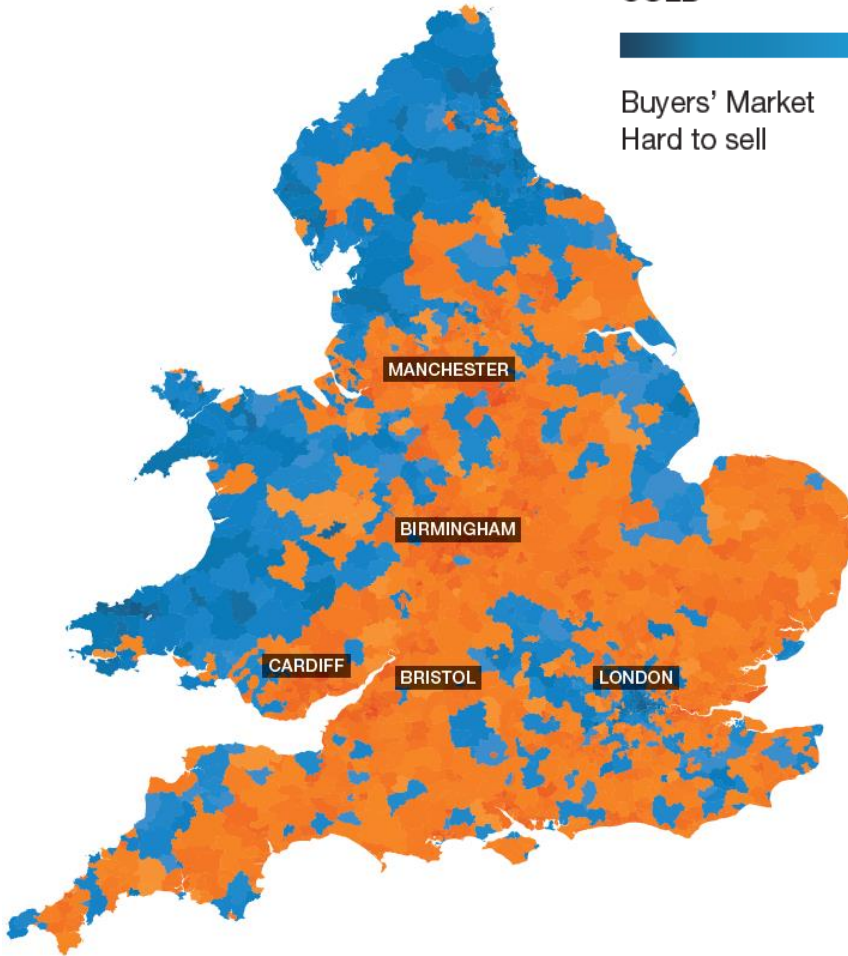
England and Wales

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. For example, in BS3 75% of the properties on the market are under offer.

Top 10 hot markets - buyer demand

Postcode	%	May 19
BS3	70	Bristol
BH17	67	Poole
BS5	64	Bristol
B44	64	Birmingham
M6	63	Salford
M27	63	Manchester
BS6	62	Bristol
S6	61	Sheffield
CF38	61	Pontypridd
S5	61	Sheffield

Top 10 cold markets - buyer demand

Postcode	%	May 19
W1	9	London
NW8	9	London
EC2	9	London
WC2	9	London
SW8	10	London
SW10	11	London
L2	11	Liverpool
ST12	11	Stoke-on-Trent
BD1	11	Bradford
W2	12	London

Source: [The Advisory](#)

Property demand and supply – cont'd

RICS *“The sustained fall in new buyer enquiries of late has been a key factor behind the weaker price trends in parts of the country and demand reportedly fell once again in the latest report. The pace of decline was similar (in net balance terms) to that seen in the previous month, while virtually all parts of the UK recorded a fall. On the back of this, the survey’s indicator on newly agreed sales remained in negative territory for a ninth consecutive month.*

“Contributors continue to cite a sharp decline in new instructions coming onto the market at the headline level, with the latest net balance of -35% representing the poorest reading going back to June 2016. The subsequent lack of stock on the market continues to present potential buyers with limited choice and is likely playing a significant role in holding back activity at present. Moreover, the number of appraisals being undertaken remains down on an annual comparison, not boding well for the near term pipeline.” (Apr 19)

NAEA Propertymark *“The number of house hunters registered per estate agent branch rose by 17 per cent in March, from 252 to 296. This is a similar level to January this year, when 297 prospective buyers were recorded per estate agent branch. Year-on-year, demand was at the lowest level recorded for the month of March since 2013, when 286 house hunters were registered. Housing demand also fell from 308 in March 2018 and 397 in March 2017.” (Mar 19)*