

July 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>"Price of property coming to market within a whisker of new record"</i>
Home.co.uk	<i>"Slowdown worsens as prices slip further into the red"</i>
NAEA Propertymark	<i>"Housing market bounces back as buyers and sellers feel Brexit fatigue"</i>
RICS	<i>"Demand stabilises in May"</i>
Nationwide	<i>"UK house price growth remained subdued in June"</i>
Halifax	<i>"Average house price remains stable in June"</i>
LSL Acadata HPI	<i>"Average prices in England & Wales gain just £1,000 in the year"</i>
LCPAca Residential Index	<i>"Market holds steady for now"</i>
Hometrack	<i>"UK city house price inflation running +1.8%"</i>

Key facts: Average prices across the indices vary from mortgaged-only prices from the Nationwide HPI (Jun 19) of £216,515, through to marketing prices (ie not necessarily sold) from Rightmove (Jun 19) of £309,348 and actual prices from LSL Acadata HPI of £300,866 (May 19). Average sold prices from the UK HPI stand at £228,903 (Apr 19). There is a 39% 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	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Annual Change	Annual Average (05 - 19)		
Rightmove	£241,474	£213,570	£300,715	£302,002	£305,449	£308,290	£309,348	0.0%	3.6%	Asking prices	E & W
Nationwide	£184,131	£147,746	£211,304	£213,102	£214,920	£214,946	£216,515	0.5%	2.5%	Mortgaged only	UK
Halifax	£199,766	£157,767	£236,800	£233,181	£236,619	£237,837	£237,110	5.7%	2.7%	Mortgaged only, seasonally adjusted	UK
LSL Acadata HPI	£231,829	£197,145	£302,435	£303,073	£302,122	£300,866	n/a	0.3%	3.5%	Actual prices, includes cash sales	E & W
LCPAca Residential Index	£198,659	£190,649	£257,260	£254,196	£253,522	£254,839	n/a	-0.9%	n/a	Actual prices, includes cash sales	E & W
UK HPI	£190,032	£154,452	£226,234	£226,798	£228,903	n/a	n/a	1.4%	3.0%	Sold prices, includes cash sales and new builds	UK

Kate Faulkner comments on the national market:

The word 'stable' to describe the property market has been used by many of the indices over the last few months – but no-one is describing the market as 'strong' and the most negative title comes from Home.co.uk which suggests the *"Slowdown worsens as prices slip further into the red"*. What most indices agree on is that in today's market people just aren't being forced to sell, mainly due to rock bottom mortgage rates. As such, when demand falls, so does supply, lessening the impact of potential price falls, so the market slows as opposed to seeing falls which, when reported, can drive the market down lower. Most of the indices also agree that prices have pretty much 'topped out' across the UK with perhaps the odd exception of some areas in the North and Northern Ireland, which still has a long way to go to recover from its price bubble bursting in the credit crunch.

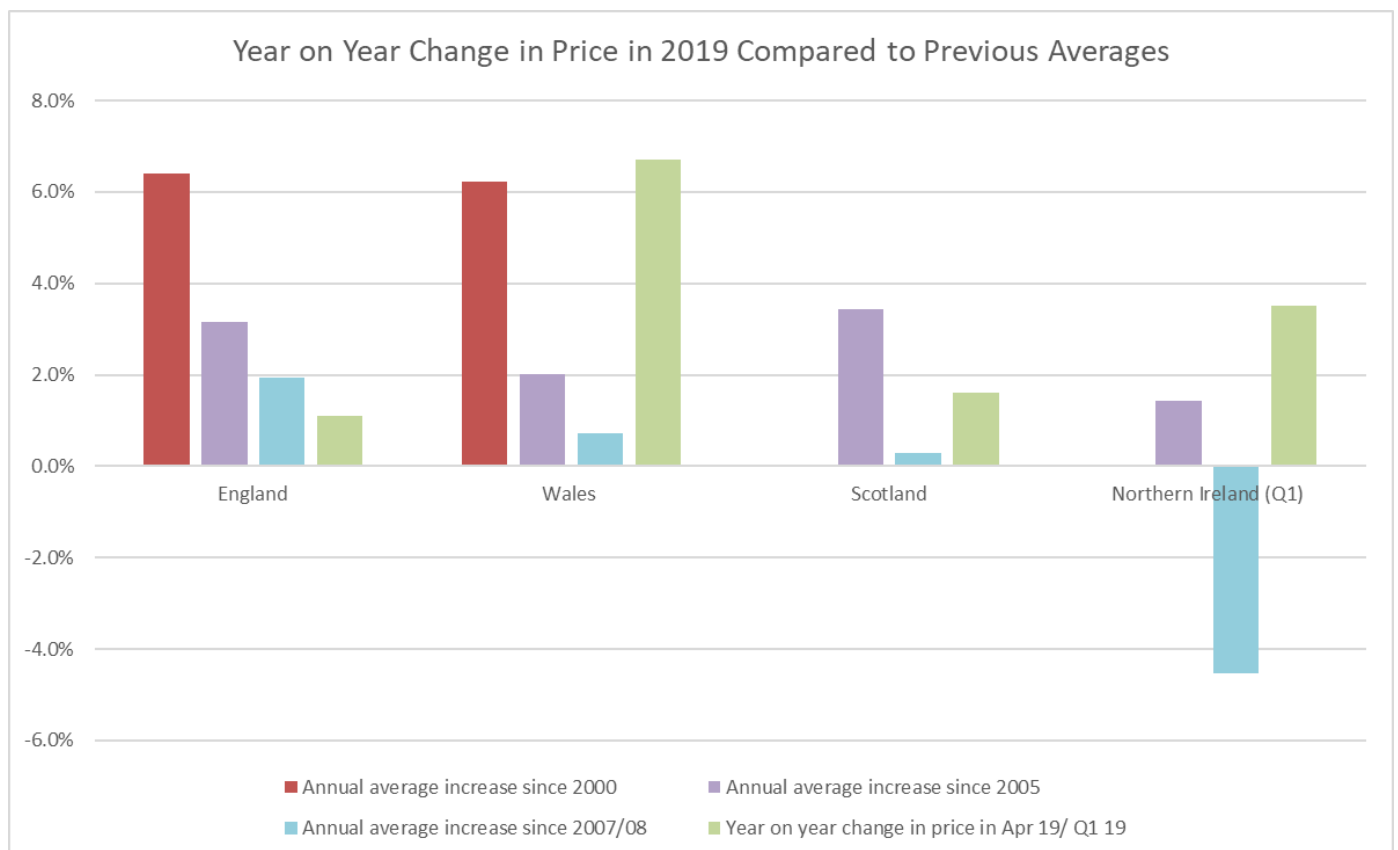
Country and regional summary (data from UK HPI)

UK HPI Market analysis by country

Kate Faulkner comments on country differences:

Wales is our top performer this month with prices year on year heading above the long term average to 6.7%. This is great news for those who have bought since the market low in 2009, but with most home owners in Wales owning for 22.6 years, this won't mean much, especially as those that bought in 2007/8 will find average house prices are just 9% higher than they were 12 years ago. Meanwhile, Northern Ireland prices continue to rise, but from their very low base. 12 years on from the recession, prices on average are still 40% lower.

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 Apr 19/ Q1 19	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in Apr 19/ Q1 19	Annual average increase since 2000	Highest yearly average increase since 2000
							Date	% Increase
England	£194,764	£159,340	-18.19%	£245,128	26%	1.1%	Jan-03	26.4%
Wales	£150,316	£123,104	-18.10%	£163,902	9%	6.7%	Jul-04	33.4%
Scotland	£145,641	£120,180	-17.48%	£150,825	4%	1.6%	Feb-05	19.0%
Northern Ireland (Q1)	£224,670	£97,428	-56.64%	£134,811	-40%	3.5%	Q1 07	51.5%

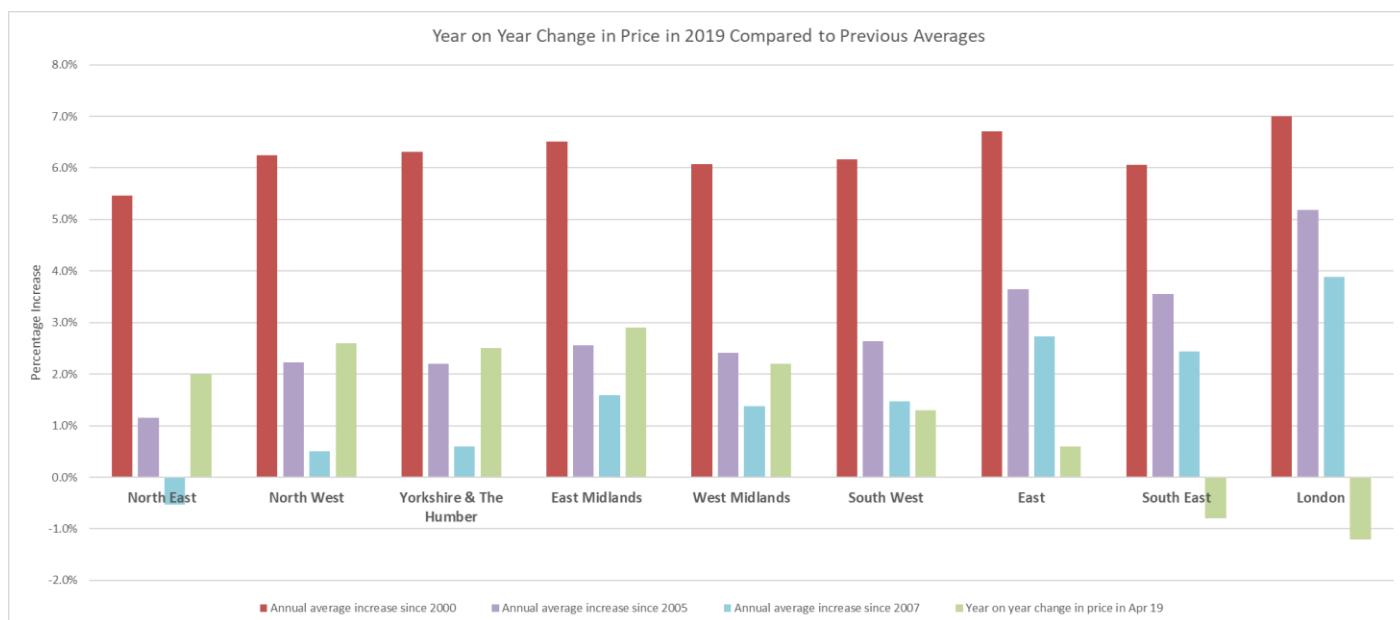


Country and regional summary – cont'd

Kate Faulkner comments on regional differences:

With England prices showing hardly any movement in the last 12 months, you can see where the market description of 'stable' comes from. However, breaking prices down by region shows the vastly different performances. The most shocking stat is from the North East - very often ignored by the media. Prices are up just 2% year on year but are still down by 6% versus 12 years ago. It has to be asked if affordability is the real driver of a loss of first time buyers, why have so many been lost in the North East vs other regions? The North West and Yorkshire and The Humber are in a similar position, albeit with property prices 6-7% higher than 12 years ago, but again, first time buyer levels in both these areas have still fallen, despite prices being pretty reasonable. Hometrack does some interesting analysis on the affordability changes of FTBs, comparing 2016 to 2019 and concluding that "the income to buy for a first-time buyer has fallen in the most expensive cities. The level and change in the income to buy explain recent trends in the development of price growth and the outlook." Suggesting cities like Newcastle don't require any more income to purchase than they did three years ago.

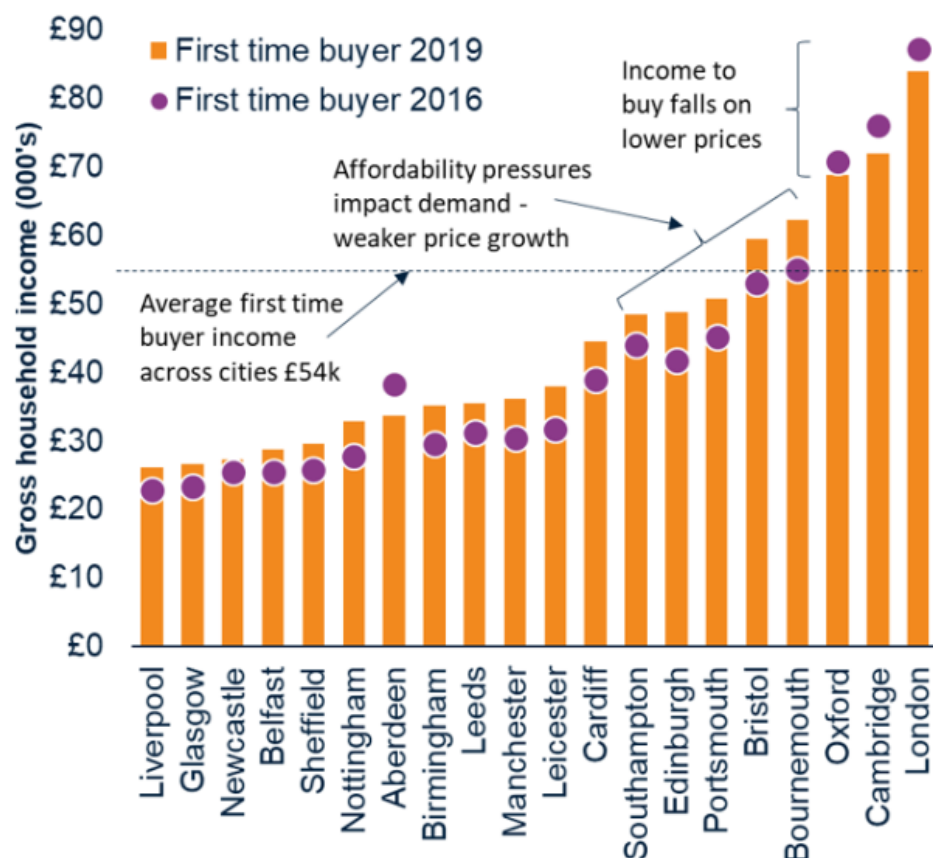
Property Prices - Regions	Highest average house price pre-credit crunch 2007/08	Lowest average house price during recession 2009	Market low +/- versus market height	Latest month's data Apr-19	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in Apr 19	Annual average increase since 2000	Highest yearly average increase since 2000	
								Date	% Increase
North East	£139,400	£112,008	-19.65%	£130,888	-6%	2.0%	5.5%	Jan-04	34.8%
North West	£152,427	£124,578	-18.27%	£161,891	6%	2.6%	6.2%	Jul-04	33.0%
Yorkshire & The Humber	£150,233	£123,833	-17.57%	£161,443	7%	2.5%	6.3%	Jun-04	29.3%
East Midlands	£159,537	£129,876	-18.59%	£192,682	21%	2.9%	6.5%	Feb-03	33.9%
West Midlands	£165,807	£136,966	-17.39%	£195,498	18%	2.2%	6.1%	Jan-03	29.5%
South West	£212,666	£171,356	-19.42%	£253,410	19%	1.3%	6.2%	Jan-03	29.8%
East	£209,624	£168,263	-19.73%	£289,436	38%	0.6%	6.7%	Jan-03	28.9%
South East	£238,845	£191,156	-19.97%	£318,727	33%	-0.8%	6.1%	Jun-00	25.0%
London	£298,596	£245,351	-17.83%	£471,504	58%	-1.2%	7.0%	Apr-00	28.3%



Source: [UK HPI](#)

Country and regional summary – cont'd

Fig.2 – Gross income to buy as a first-time buyer



Source: [Hometrack](#)

RICS

“The regional breakdown shows the South East now exhibits the weakest sentiment on price movements, while some of the downward pressure has seemingly eased in London during recent months (albeit the price indicator still remains quite comfortably negative in the capital). From a regional perspective, virtually all parts of the UK are expected to see some uplift in prices over the year ahead. London remains the sole exception, although even here projections are broadly flat. At the other end of the scale, contributors in Scotland, the North West and the West Midlands returned the strongest expectation for house price growth over the next twelve months.” (May 19)

Nationwide

“Northern Ireland remained the strongest performing home nation in Q2, with annual price growth rising to 5.2%, from 3.3% last quarter. Wales also saw a pick up to 4.2%, from 0.9% in Q1. Price growth in Scotland was more subdued, at just 0.4% year-on-year. Nevertheless, England remained the weakest performing home nation, with prices essentially flat compared with a year ago. Looking across England, the Outer Metropolitan was the weakest performing region in the three months to June, closely followed by the Outer South East, with annual price declines of 1.8% and 1.6% respectively. Prices also fell in London for the eighth quarter in a row, though the annual pace of decline moderated to 0.7%, from 3.8% last quarter. Moreover, prices in the capital are still only around 5% below the all-time highs recorded on Q1 2017 and c50% above their 2007 levels (by comparison, UK prices are only around 17% higher over the same period).

Country and regional summary – cont'd

“Elsewhere in England, annual price growth remained relatively modest in Q2, with Yorkshire & Humberside the best performing region, with a 3% year-on-year rise. House price growth across northern England (North, North West, Yorkshire & Humberside, East Midlands and West Midlands) averaged 2.1%, remaining ahead of that in the south (London, Outer Metropolitan, Outer South East and East Anglia), which experienced a 0.7% fall.” (Jun/Q2 19)

LSL Acadata HPI

“Four regions currently have negative house price growth, as does England and Wales overall, with three of these regions being based in the south-east of England, centred on Greater London, and the one exception being the North East. This is the fourth month in a row in which the North East has seen negative annual rates, as is the case for the South East. In the East of England, annual rates have been negative for the last three months, whereas in Greater London price growth has now been negative for eight months. Six of the 10 GOR regions have seen their rates of annual price growth increase during April, with the largest change being in Greater London at +1.9%, while 4 GOR areas have seen a decline in their rates of growth, the largest fall being in the West Midlands, slowing by -1.0%.” (May 19)

Hometrack

“The annual growth ranges from a high of 5.0% in Liverpool to -4% in Aberdeen. Residential values continue to fall in London and Cambridge while the rate of growth weakens across southern England. These trends are a result of market fundamentals. Specifically, evolving affordability dynamics and the impact of successive tax changes since 2015. Together, these have impacted buying power and demand for housing, hitting high priced cities more than others.” (May 19)

Detailed analysis of towns/cities current versus over time

Kate Faulkner comments on town and city differences:

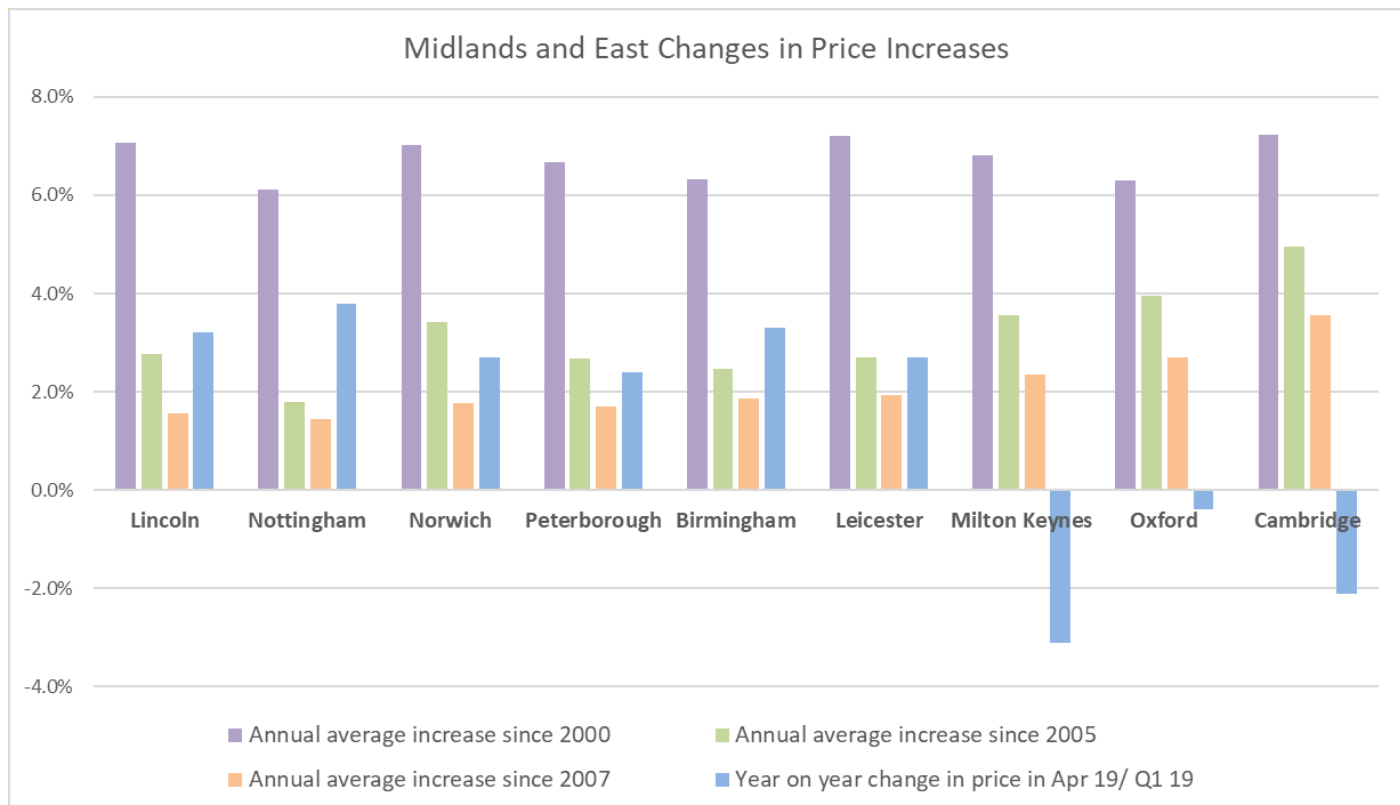
The latest towns and cities' data shows how Hometrack's income analysis does affect property prices. In Liverpool, we have seen serious growth year on year of 7.9% (LR) and 5% according to Hometrack. This is also the city which requires the lowest incomes to buy, allowing people to get on the ladder more easily, followed by Glasgow and Newcastle. Meanwhile, where prices have run away in the past in towns/cities like Reading, Cambridge and parts of London, prices are now heading backwards price wise to compensate for overheating versus affordability. Eventually though they will drop back far enough for demand to start to be rejuvenated, particularly if the fears of Brexit are overcome over the coming months.

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 Apr 19/ Q1 19	How much higher/ lower are latest prices vs height in 2007/8	Year on year change in price in Apr 19/ Q1 19	Annual average increase since 2000	Highest yearly average increase since 2000 Date % Increase	
Belfast (Q1)	£213,626	£87,890	-58.86%	£128,386	-40%	4.4%	n/a	Q1 07	57.1%
Glasgow	£130,473	£96,139	-26.32%	£131,596	1%	4.9%	n/a	Jan-05	19.2%
Edinburgh	£225,750	£183,029	-18.92%	£259,433	15%	2.0%	n/a	May-07	17.3%
Cardiff	£170,496	£139,651	-18.09%	£212,508	25%	5.9%	6.4%	May-03	30.7%
Newcastle upon Tyne	£164,935	£133,086	-19.31%	£156,940	-5%	-0.6%	5.4%	Feb-04	39.2%
Bradford	£139,640	£111,109	-20.43%	£133,176	-5%	1.8%	5.8%	Sep-04	36.5%
Liverpool	£130,249	£103,705	-20.38%	£133,569	3%	7.9%	6.2%	Jul-04	59.0%
Leeds	£161,439	£130,128	-19.39%	£179,898	11%	1.3%	6.4%	Apr-03	30.7%
Sheffield	£144,875	£120,193	-17.04%	£167,549	16%	3.3%	6.6%	Sep-04	31.9%
Manchester	£140,431	£111,679	-20.47%	£177,079	26%	2.7%	8.2%	Jun-04	34.9%
Lincoln	£128,707	£106,017	-17.63%	£155,024	20%	3.2%	7.1%	Feb-03	38.0%
Nottingham	£119,010	£93,696	-21.27%	£141,412	19%	3.8%	6.1%	Mar-03	37.9%
Norwich	£166,498	£123,698	-25.71%	£205,650	24%	2.7%	7.0%	Oct-02	37.9%
Peterborough	£156,264	£123,752	-20.81%	£191,535	23%	2.4%	6.7%	Dec-02	30.2%
Birmingham	£148,578	£122,773	-17.37%	£185,309	25%	3.3%	6.3%	Feb-03	36.4%
Leicester	£135,317	£110,071	-18.66%	£170,238	26%	2.7%	7.2%	Mar-03	35.4%
Milton Keynes	£194,666	£147,827	-24.06%	£257,064	32%	-3.1%	6.8%	Feb-03	32.0%
Oxford	£289,855	£223,319	-22.95%	£398,475	37%	-0.4%	6.3%	Jun-00	29.5%
Cambridge	£283,241	£224,469	-20.75%	£431,130	52%	-2.1%	7.2%	May-00	27.5%
Bournemouth	£206,227	£163,937	-20.51%	£254,979	24%	2.7%	6.1%	Apr-03	32.5%
Southampton	£168,795	£134,665	-20.22%	£208,160	23%	0.4%	5.9%	Apr-03	29.7%
Portsmouth	£169,633	£130,868	-22.85%	£210,954	24%	-0.1%	6.1%	Mar-03	29.1%
Brighton and Hove	£257,108	£202,054	-21.41%	£363,316	41%	3.0%	7.2%	Jul-00	35.4%
Reading	£216,724	£176,087	-18.75%	£295,510	36%	-3.2%	5.7%	Jun-00	35.9%
Tunbridge Wells	£279,413	£217,421	-22.19%	£386,049	38%	-1.6%	6.2%	May-00	25.2%
Bristol	£195,196	£153,648	-21.29%	£275,489	41%	0.1%	7.3%	Apr-03	29.7%
London	£298,596	£245,351	-17.83%	£471,504	58%	-1.2%	7.0%	Apr-00	28.3%

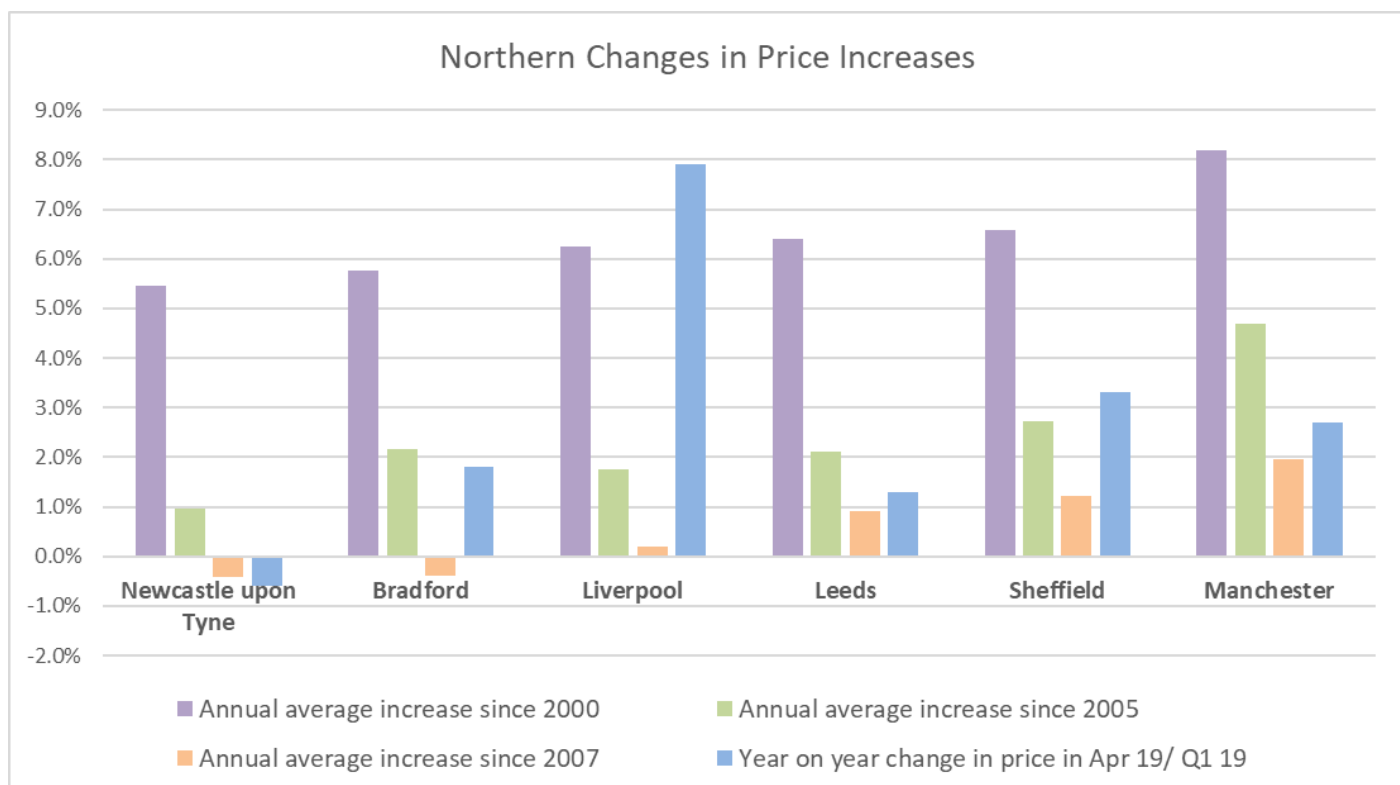
Five high growth areas YoY towns/cities	YoY %	Five low growth areas YoY towns/cities	YoY %	Five high growth areas last 11 years towns/cities	%	Five low growth areas last 11 years towns/cities	%
Liverpool	7.9%	Reading	-3.2%	London	58%	Belfast (Q1)	-40%
Cardiff	5.9%	Milton Keynes	-3.1%	Cambridge	52%	Newcastle upon Tyne	-5%
Glasgow	4.9%	Cambridge	-2.1%	Brighton and Hove	41%	Bradford	-5%
Belfast (Q1)	4.4%	Tunbridge Wells	-1.6%	Bristol	41%	Glasgow	1%
Nottingham	3.8%	London	-1.2%	Tunbridge Wells	38%	Liverpool	3%

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	%
Greenwich	3.5%	Southwark	-8.3%	City of Westminster	78%	Hammersmith and Fulham	38%
Barking and Dagenham	2.7%	Haringey	-7.9%	Waltham Forest	73%	Tower Hamlets	40%
Hounslow	2.7%	Camden	-6.0%	Lewisham	67%	Sutton	43%

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

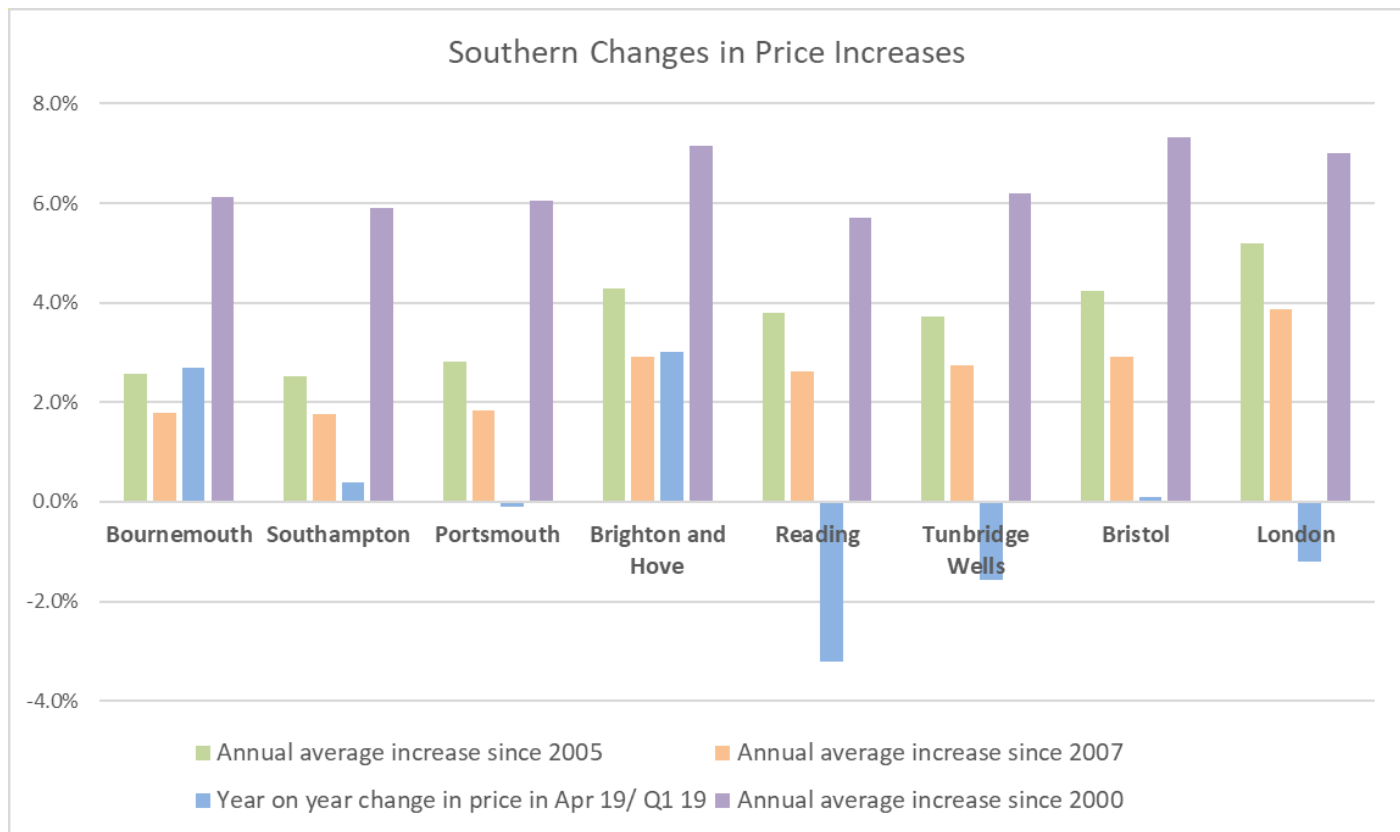


Source: [UK HPI](#)

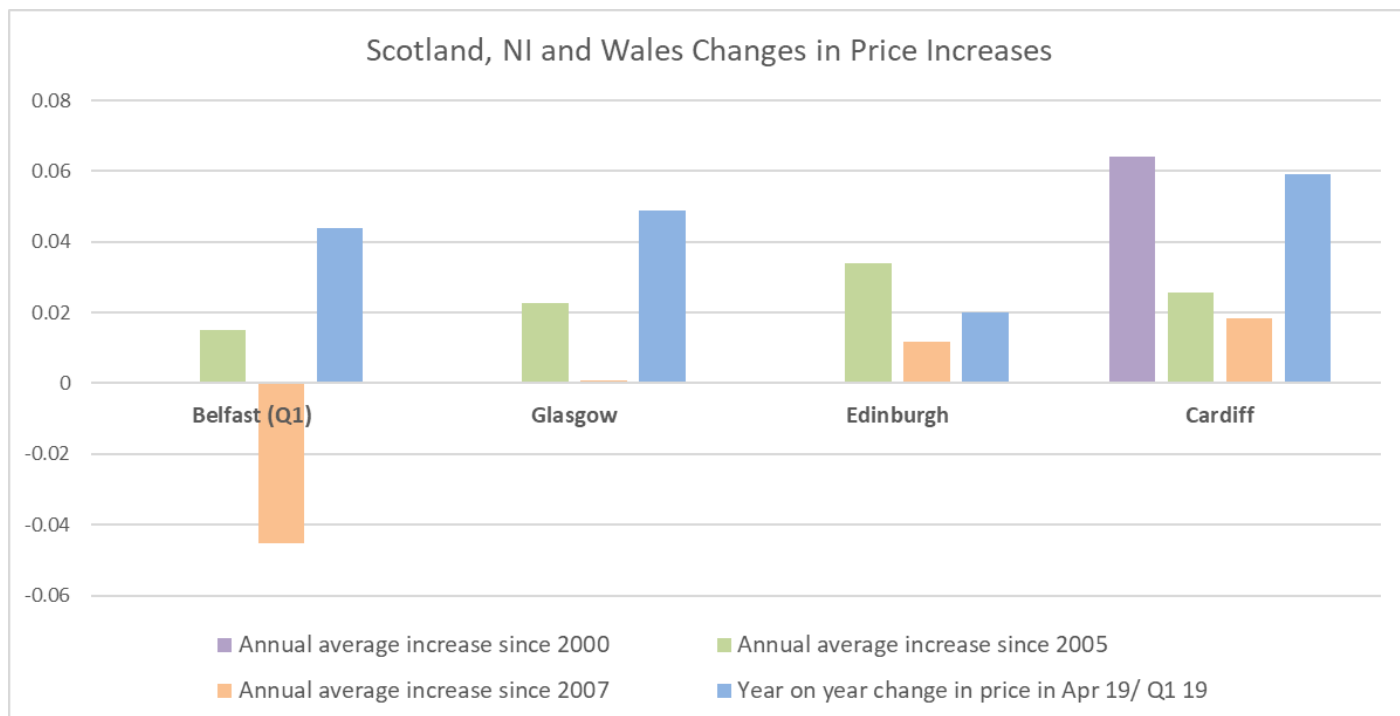


Source: [UK HPI](#)

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



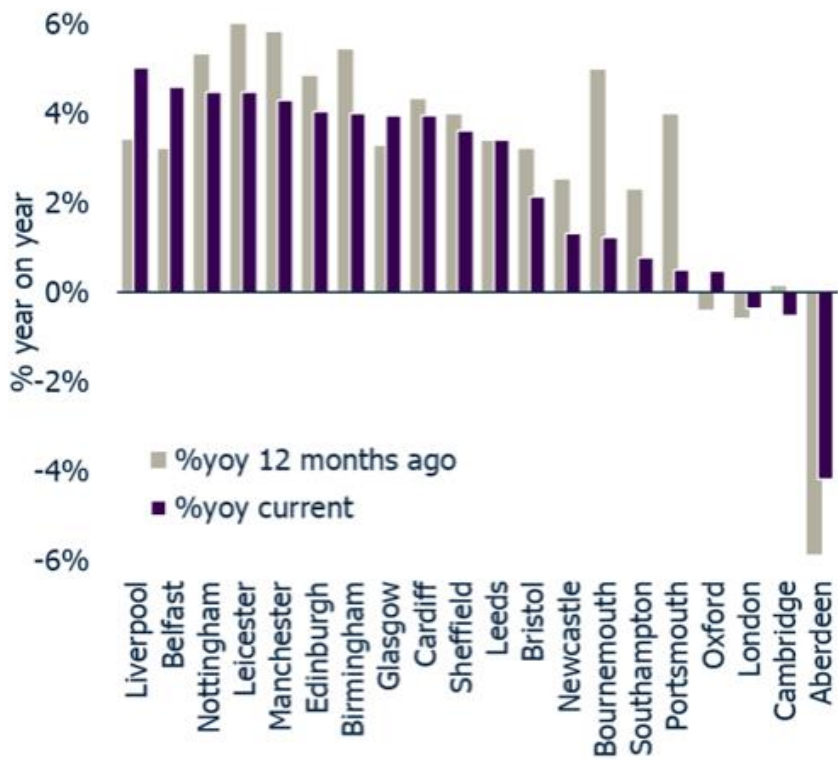
Source: [UK HPI](#)



Source: [UK HPI](#)

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

Fig.1 – City price inflation – current and 12 months ago



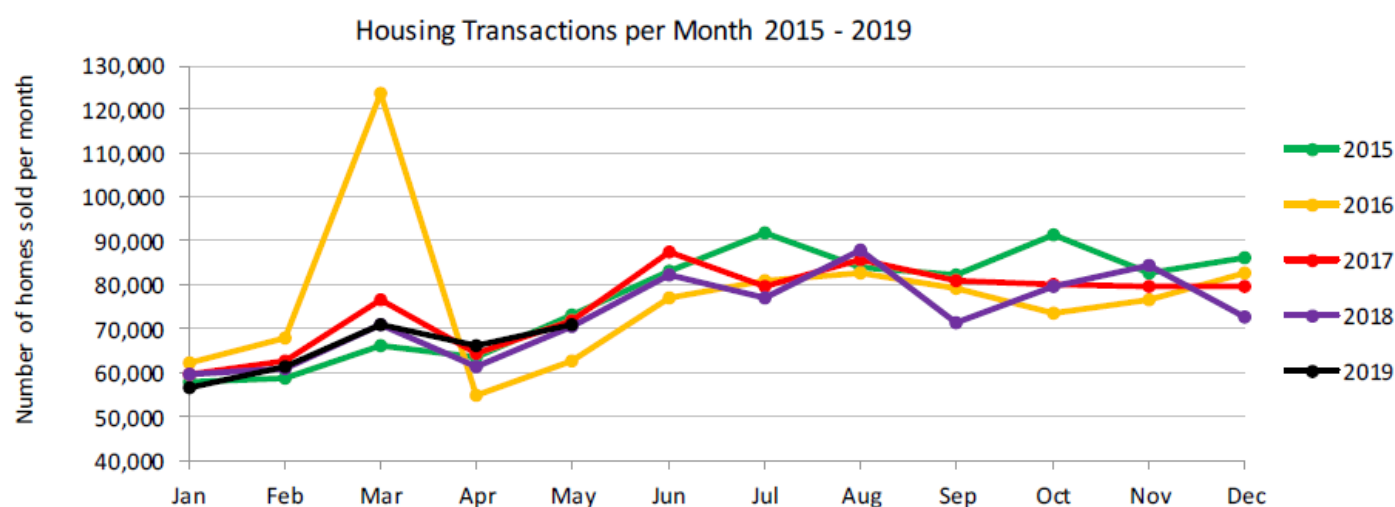
Source: [Hometrack](#)

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:

And it's not just prices that 'stable' applies to, but most indices are also pointing to quite stable demand and supply. The NAEA stats this month look very positive, with the number of sales agreed "rising from an average of eight per branch in April, to nine in May". According to the NAEA, this is higher than when Brexit fears really hit the market last September. Overall, most indices are reporting steady to slightly falling volumes. RICS surveyors suggest that new buyer enquiries were virtually unchanged versus April, while sales did continue to slip a little, but less so than in recent months. The PropCast data shows how diverse the markets look within cities and towns on a postcode basis, with some such as parts of Bristol, Poole, Manchester and Sheffield showing they are still a seller's market, while many others have definitely shifted to a buyer's market, such as London and parts of Liverpool.



Source: [LSL Acadata HPI](#)

NAEA PropertyMark

"The number of sales agreed increased for the second month running, rising from an average of eight per branch in April, to nine in May. This is the highest level of sales since September last year, when the same number of sales were recorded per member branch. Year-on-year, the number of property transactions increased, with an average of eight sales agreed per member branch. The number of sales made to FTBs in May decreased marginally, falling from 27 per cent in April to 26 per cent.

"After a fall in demand in April, the number of house hunters registered per estate agent branch rose by a sixth (16%) in May, from 265 to 307. This is the highest level recorded since September 2018 when 338 prospective buyers were registered per branch. Year-on-year, housing demand is down 13 per cent from May 2018 when there were 351 house hunters per branch." (May 19)

Property transactions, demand and supply – cont’d

RICS

“At the national level, new buyer enquiries were virtually unchanged when compared to the April results. This marks the first report since July 2018 in which survey participants did not cite a decline in buyer demand. Even so, agreed sales continued to slip for a tenth successive month, with a net balance of -13% of contributors noting a fall. That said, this was the least negative reading for the sales indicator going back to last December. The regional breakdown shows transaction volumes picked up modestly in Wales and the North of England, although the trend was either flat or negative across all other parts of the UK. Looking ahead, sales expectations for the next three months are still consistent with a further decline in activity. However, further out, respondents continue to envisage a modest improvement in sales volumes at the twelve month horizon. Contributors across the North West of England returned the strongest sales expectations for the coming year, followed by those in the North East.

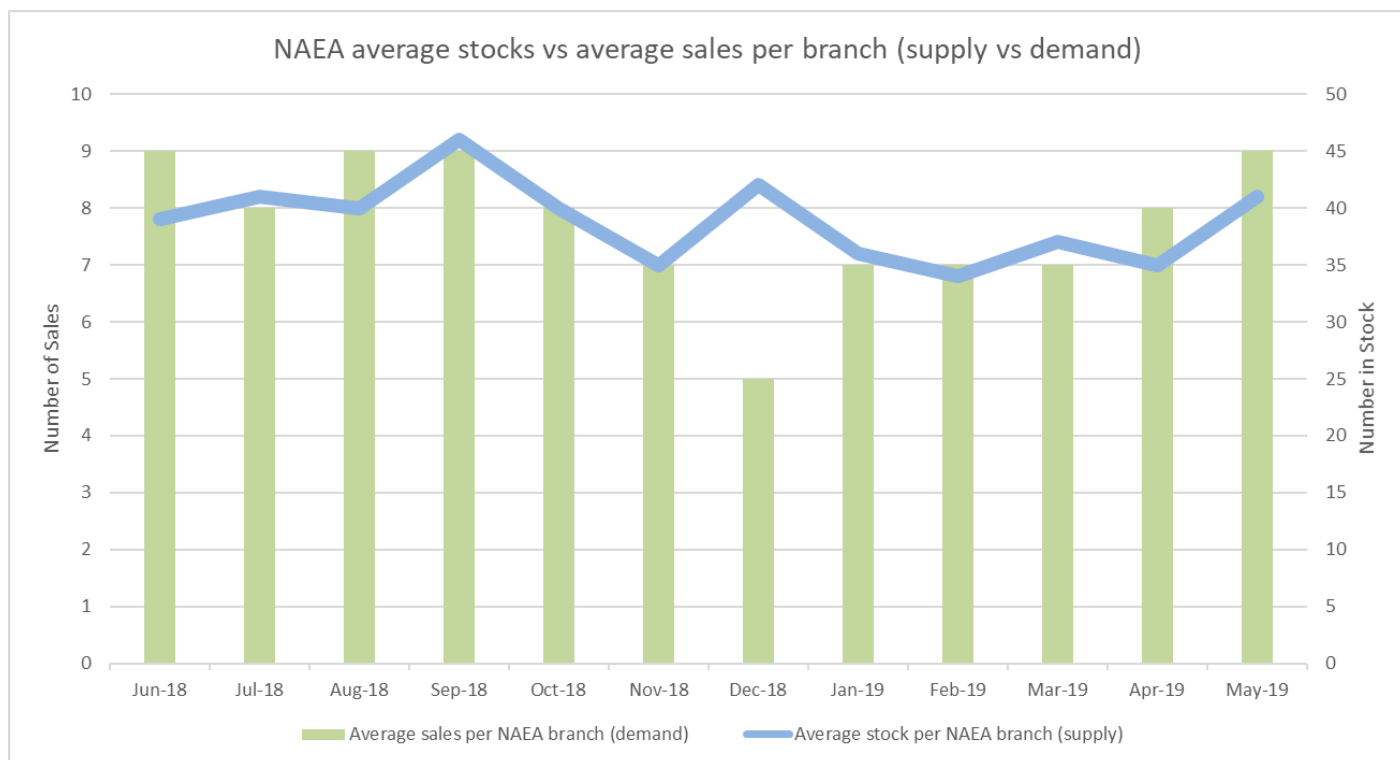
“Meanwhile, new instructions to sell declined yet again during May, the eleventh consecutive month in which they have done so. Notwithstanding this, the net balance of -11% marks an improvement on -34% last month and is also the least negative since September last year. Less encouragingly though, the number of appraisals undertaken during the survey period remains down on an annual comparison throughout all parts of the UK.” (May 19)

Bank of England

“Mortgage approvals for house purchase (an indicator of future lending) fell back slightly on the month to 65,400, though remained broadly in line with the narrow range seen in previous years. The number of approvals for remortgaging also fell in May, to 46,700.” (May 19)

UK Finance

“There were 27,370 new first-time buyer mortgages completed in April 2019, 7.9 per cent more than in the same month in 2018. There were 25,450 homemover mortgages completed in April 2019, 6.4 per cent more than in the same month a year earlier.” (Apr 19)



Source: [NAEA PropertyMark](#)

The Hotter Your Market - The Easier Your Sale

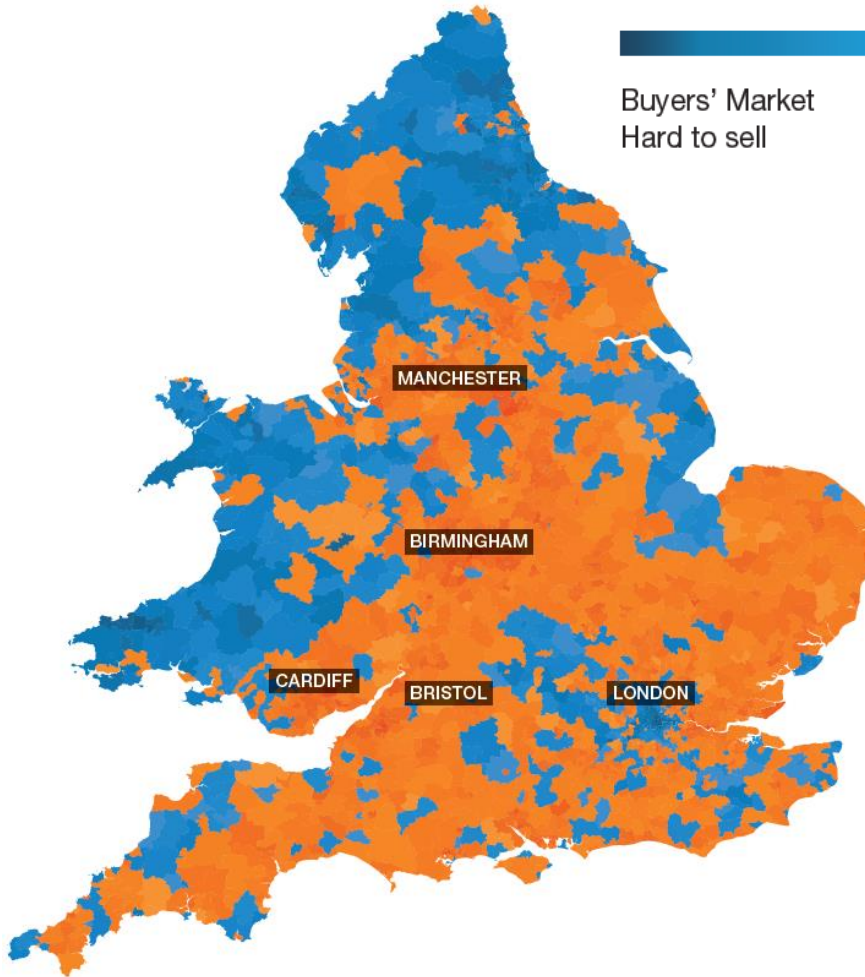
England and Wales

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	%	July 19
BS3	70	Bristol
BH17	70	Poole
BS2	69	Bristol
S17	67	Sheffield
M32	66	Manchester
BS6	65	Bristol
KT9	65	Chessington
NG6	64	Nottingham
BN42	64	Brighton
BS5	63	Bristol

Top 10 cold markets - buyer demand

Postcode	%	July 19
WC2	8	London
L2	8	Liverpool
W1	9	London
NW8	9	London
SW10	10	London
W2	12	London
W14	12	London
EC2	12	London
SW7	12	London
SW8	12	London

Source: [The Advisory](#)