

October 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>"Autumn opportunity for 'keep your nerve' buyers as uncertainty bites again"</i>
Home.co.uk	<i>"First green shoots in London despite Brexit ire"</i>
NAEA Propertymark	<i>"Summer surge continues for house hunters ahead of Brexit deadline"</i>
RICS	<i>"Respondents further downgrade near term outlook"</i>
Nationwide	<i>"House price growth remained subdued in September"</i>
Halifax	<i>"Annual house price growth slows to 1.1%"</i>
LSL Acadata HPI	<i>"Annual prices nationally are static"</i>
LCPAca Residential Index	<i>"Signs of pick-up"</i>
Hometrack	<i>"The annual rate of house price inflation has moderated to +1.9%"</i>

Key facts: Average prices across the indices vary from mortgaged-only prices from the Nationwide HPI (Sep 19) of £215,352 through to marketing prices (ie not necessarily sold) from Rightmove (Sep 19) of £304,770 and actual prices from LSL Acadata HPI of £299,596 (Aug 19). Average sold prices from the UK HPI stand at £232,710 (Jul 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	Jun-19	Jul-19	Aug-19	Sep-19	Annual Change	Annual Average (05 - 19)		
Rightmove	£241,474	£213,570	£309,348	£308,692	£305,500	£304,770	0.2%	3.5%	Asking prices	E & W
Nationwide	£184,131	£147,746	£216,515	£217,663	£216,096	£215,352	0.2%	2.5%	Mortgaged only	UK
Halifax	£199,766	£157,767	£237,110	£236,120	£233,541	£232,574	1.1%	2.5%	Mortgaged only, seasonally adjusted	UK
LSL Acadata HPI	£231,829	£197,145	£300,039	£300,886	£299,596	n/a	0.0%	3.4%	Actual prices, includes cash sales	E & W
LCPAca Residential Index	£198,659	£190,649	£255,050	£263,145	n/a	n/a	0.8%	n/a	Actual prices, includes cash sales	E & W
UK HPI	£190,032	£154,452	£230,292	£232,710	n/a	n/a	0.7%	3.2%	Sold prices, includes cash sales and new builds	UK

Kate Faulkner comments on the national market:

The best chart from all the reports this month comes from LSL Property Services/Acadata, it clearly shows how house price growth has pretty much disappeared 'nationally' since the heady days of 2015 - both in London and further afield. Of course, for many areas this was inevitable after seeing double digit growth following the recession, when prices fell by around 18% then quickly recovered until affordability buffers were hit in London, East Anglia and the South. The best quote from the reports this month is from Hometrack who suggest: "that the recent slowdown represents a return to a more sustainable pace of price growth rather than an impending re-correction in house prices". The question is, heading to Xmas, will prices dip into the red for everyone - or do the reports suggest that there are signs that things are back 'on the up' again. It would be truly amazing if we do see a bounce considering the huge amount of uncertainty, but whatever happens, in reality, it will depend on an individual property and its postcode!

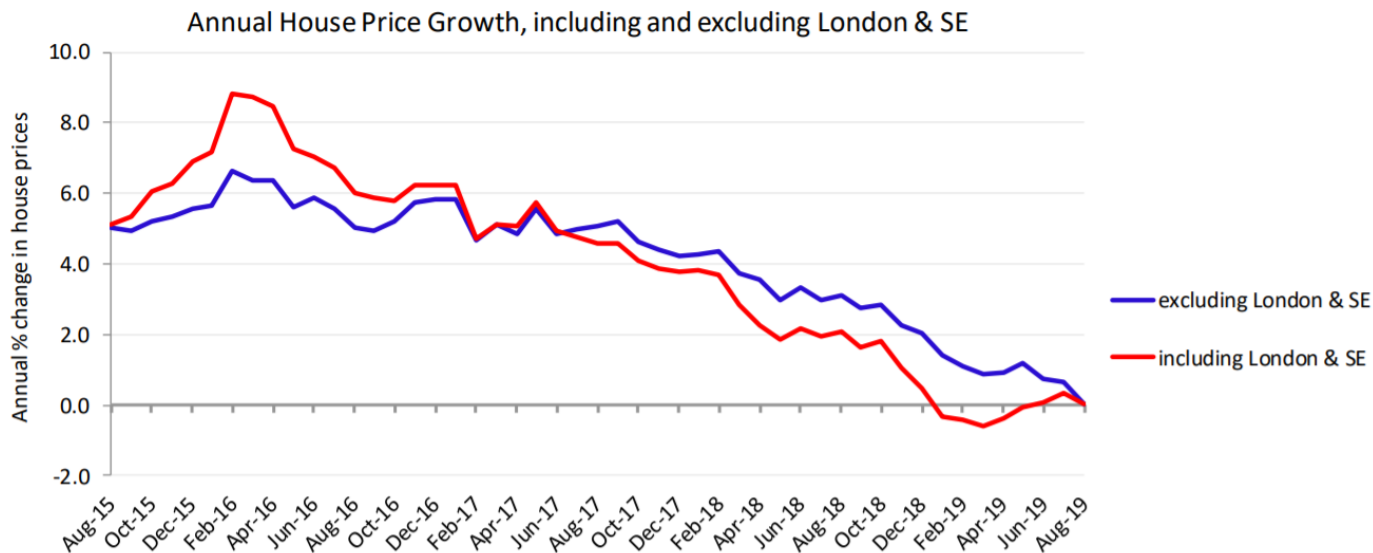


Figure 1. The annual house price growth in England & Wales, August 2015 – August 2019

[link to source Excel](#)

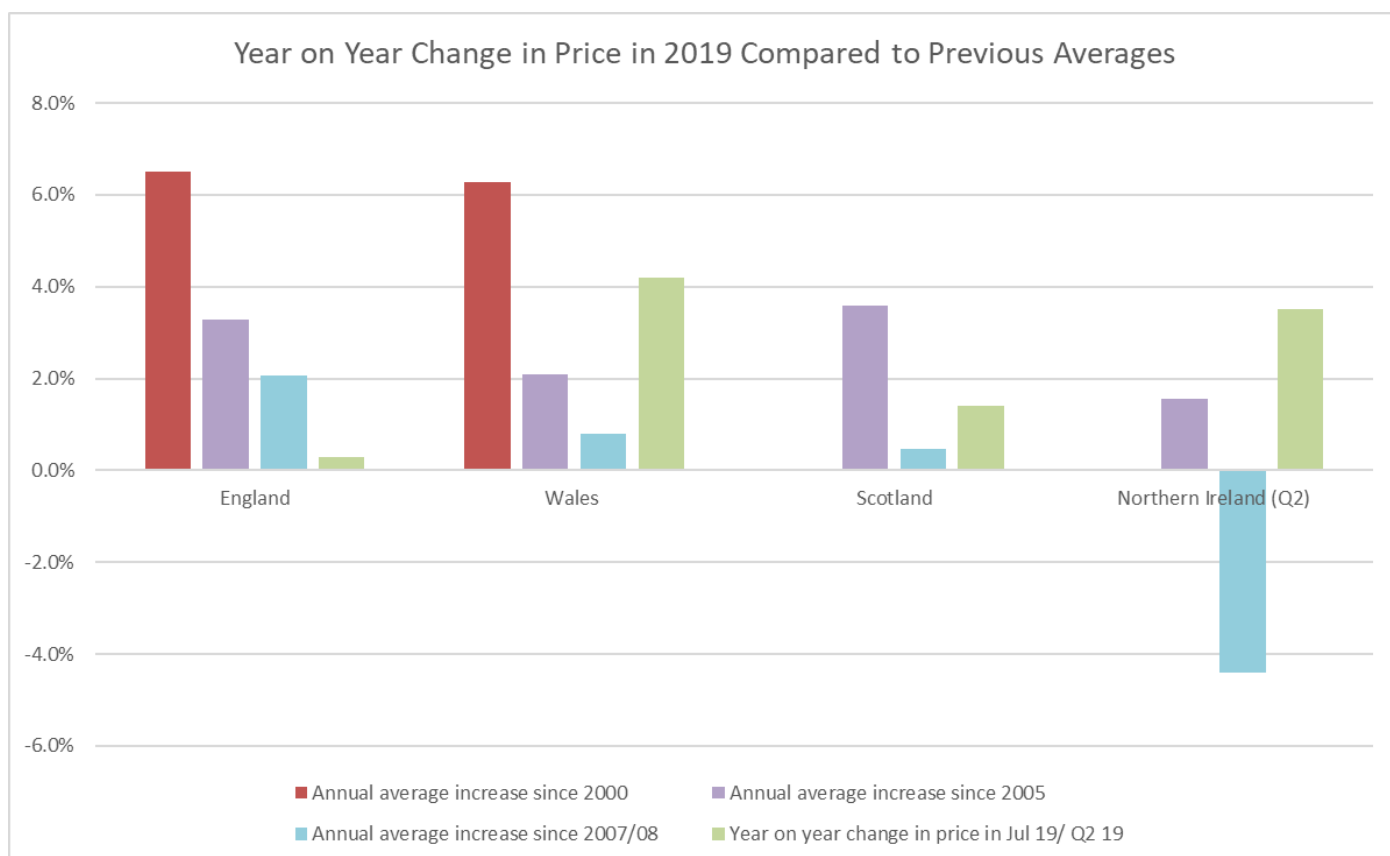
Country and regional summary (data from UK HPI)

UK HPI Market analysis by country

Kate Faulkner comments on country differences:

This month you'd be forgiven to get very excited about Northern Ireland's apparent growth in prices – if it wasn't for the fact that so many people weren't still so hurt by the huge losses seen in 2007-09. Having said that, it does depend on when people bought, surprisingly, even in Northern Ireland, money from property could have been made with the average property being worth nearly 40% more than the lows seen in 2009. Wales too is doing well year on year, but inflation long term remains low and overall, property here and in Scotland can be considered 'good value' for money. England, mostly led by London is seeing a pretty flat market currently.

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 Jul 19/ Q2 19	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in Jul 19/ Q2 19	Annual average increase since 2000	Highest yearly average increase since 2000	
								Date	% Increase
England	£194,764	£159,340	-18.19%	£248,837	28%	0.3%	6.5%	Jan-03	26.4%
Wales	£150,316	£123,104	-18.10%	£165,303	10%	4.2%	6.3%	Jul-04	33.4%
Scotland	£145,641	£120,180	-17.48%	£153,968	6%	1.4%	n/a	Feb-05	19.0%
Northern Ireland (Q2)	£224,670	£97,428	-56.64%	£136,767	-39%	3.5%	n/a	Q1 07	51.5%



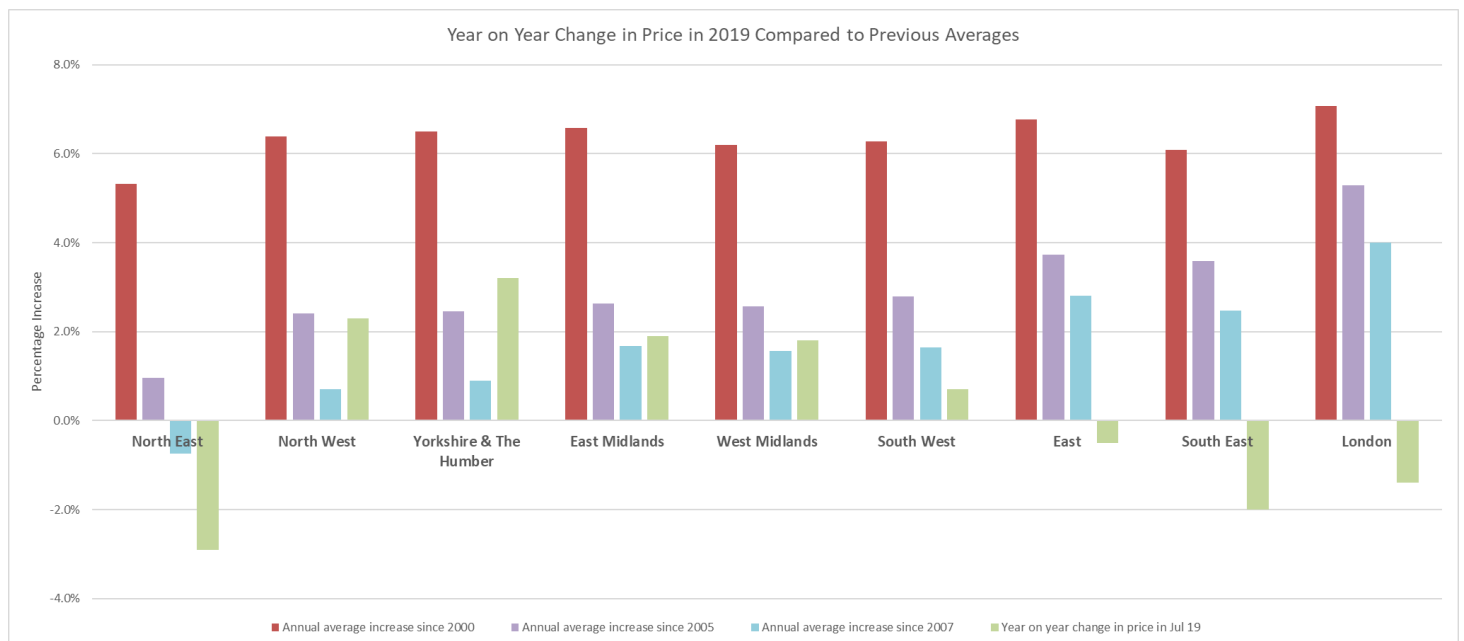
Source: [UK HPI](#)

Country and regional summary – cont'd

Kate Faulkner comments on regional differences:

Regionally, huge differences still remain with London, despite the recent falls still showing almost double the price growth since 2007. For those investors 'leaving' London for more 'northern' climes, they need to seriously think if this is the right decision. Population growth, ie demand and indeed wage/price growth north of the Midlands, has been pretty poor since 2007/8 and although investors may 'save' on the Stamp Duty, they may not benefit from the tight supply and demand London/South market, so this may be short sighted and short lived. At the other end of the scale, affordability for those in the Midlands and North and even some in the South since the falls, has improved for many first time buyers – at least from a mortgage lending vs average wage front. Not something you'd think had happened with the constant 'it's impossible to afford a home' headlines!

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 Jul-19	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in Jul 19	Annual average increase since 2000	Highest yearly average increase since 2000	
								Date	% Increase
North East	£139,400	£112,008	-19.65%	£127,466	-9%	-2.9%	5.3%	Jan-04	34.8%
North West	£152,427	£124,578	-18.27%	£166,022	9%	2.3%	6.4%	Jul-04	33.0%
Yorkshire & The Humber	£150,233	£123,833	-17.57%	£167,181	11%	3.2%	6.5%	Jun-04	29.3%
East Midlands	£159,537	£129,876	-18.59%	£194,798	22%	1.9%	6.6%	Feb-03	33.9%
West Midlands	£165,807	£136,966	-17.39%	£199,802	21%	1.8%	6.2%	Jan-03	29.5%
South West	£212,666	£171,356	-19.42%	£258,602	22%	0.7%	6.3%	Jan-03	29.8%
East	£209,624	£168,263	-19.73%	£292,444	40%	-0.5%	6.8%	Jan-03	28.9%
South East	£238,845	£191,156	-19.97%	£320,454	34%	-2.0%	6.1%	Jun-00	25.0%
London	£298,596	£245,351	-17.83%	£477,813	60%	-1.4%	7.1%	Apr-00	28.3%



Source: [UK HPI](#)

Country and regional summary – cont'd

RICS *“At the regional level, respondents across London, the South East and East Anglia continue to report an outright decline in prices, while the North East also returned a negative reading this month. Conversely, according to respondents in Scotland, Northern Ireland and Wales, house price inflation remains firm in their localities.” (Aug 19)*

LSL Acadata HPI *“Wales remains top of the house price league table for the fourth month in succession. The North West has been in second place for the last three months. The East Midlands has occupied one of the top four spots for each of the last twelve months, with its position in third place having been maintained for the last three months. It is also worth mentioning the North East, which has reached fourth place in July – this is its highest position in the league table over the last twelve months. And in fifth place we have London, which has climbed back into positive territory from being negative in June. The East of England and the South East remain in negative territory, with both regions having seen falling prices on an annual basis over at least the last five months – this is despite Cambridgeshire and the City of Peterborough, both in the East of England, achieving new peak average prices in July.” (Aug 19)*

Hometrack *“Twelve cities have a lower rate of price inflation than a year ago, markedly so in Edinburgh, Bournemouth, Portsmouth and Oxford. Leicester is the fastest growing city with prices rising at +4.8%. This is the first time since 2012 that the fastest growth city has a rate of price inflation below 5%. House price growth is currently lowest in Aberdeen (-4.0%), followed by Oxford (-0.4%) and Portsmouth (0%). Other cities across southern England are registering flat to falling house prices.”*

“The acceleration in house price inflation since 2013, reaching almost 20% in London in 2014, and the subsequent slowdown since 2016 are part of the unfolding house price cycle. We believe that the recent slowdown represents a return to a more sustainable pace of price growth rather than an impending re-correction in house prices.” (Aug 19)

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



Source: [Hometrack](#)

Detailed analysis of towns/cities current versus over time

Kate Faulkner comments on town and city differences:

Amazing mix of 'best performers' in towns and cities with a spread from Belfast to Leicester, Birmingham, Sheffield and Bradford - so much for the 'ripple' effect - clearly not in play here. Nor is the ripple effect working from a low growth perspective, with Milton Keynes over to Oxford, down to Tunbridge Wells and even further down to Southampton, with Reading 'in the middle' all seeing negative growth according to the Land Registry. London boroughs are seeing vast differences, ranging from falls in Newham of nearly 10% through to rises of 9.5% in Camden. Most reports are saying that London is now seeing a recovery after recent falls. So we are in a weird position nationally where in London we've seen a recession through to 2009, prices then rise in double digits, then slowing and falling and now back on the rise. Meanwhile in the likes of Newcastle, we saw falls in 2009 of 19% and this has yet to see prices recover to their pre credit crunch level. Crazy times and goodness knows what 2020 will bring!

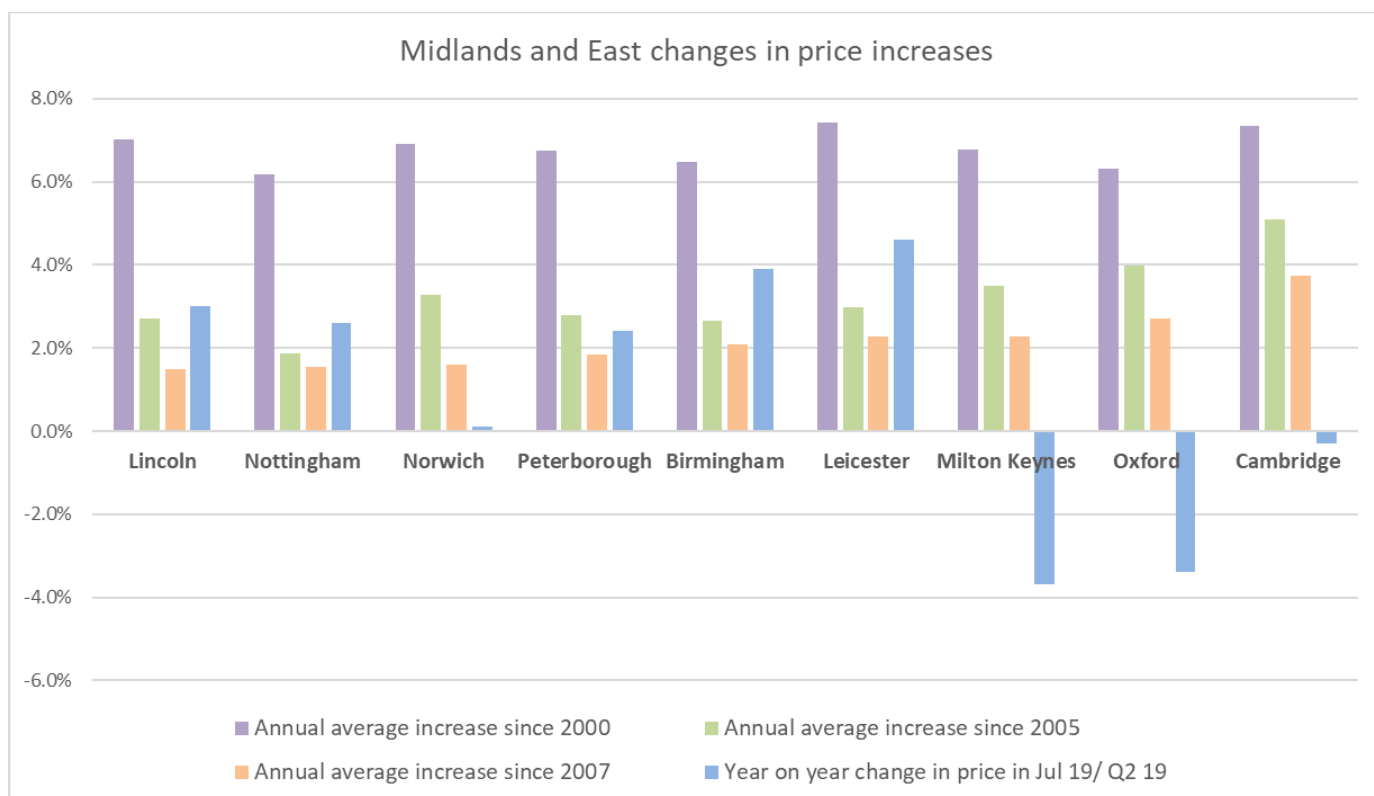
Property Prices Towns/Cities <i>England, Wales, Scotland & NI</i>	Highest average house price pre-credit crunch 2007/08	Lowest average house price during recession 2009	Market low +/- versus market height	Latest month's data Jul 19/ Q2 19	How much higher/ lower are latest prices vs height in 2007/8	Year on year change in price in Jul 19/ Q2 19	Annual average increase since 2000	Highest yearly average increase since 2000	
								Date	% Increase
Belfast (Q2)	£213,626	£87,890	-58.86%	£129,451	-39%	3.3%	n/a	Q1 07	57.1%
Glasgow	£130,473	£96,139	-26.32%	£135,121	4%	2.3%	n/a	Jan-05	19.2%
Edinburgh	£225,750	£183,029	-18.92%	£263,894	17%	3.1%	n/a	May-07	17.3%
Cardiff	£170,496	£139,651	-18.09%	£208,558	22%	1.3%	6.3%	May-03	30.7%
Newcastle upon Tyne	£164,935	£133,086	-19.31%	£158,300	-4%	-0.7%	5.5%	Feb-04	39.2%
Bradford	£139,640	£111,109	-20.43%	£141,496	1%	3.2%	6.1%	Sep-04	36.5%
Liverpool	£130,249	£103,705	-20.38%	£133,117	2%	0.0%	6.2%	Jul-04	59.0%
Leeds	£161,439	£130,128	-19.39%	£184,068	14%	1.0%	6.5%	Apr-03	30.7%
Sheffield	£144,875	£120,193	-17.04%	£168,038	16%	3.3%	6.6%	Sep-04	31.9%
Manchester	£140,431	£111,679	-20.47%	£177,163	26%	-0.1%	8.2%	Jun-04	34.9%
Lincoln	£128,707	£106,017	-17.63%	£153,770	19%	3.0%	7.0%	Feb-03	38.0%
Nottingham	£119,010	£93,696	-21.27%	£143,070	20%	2.6%	6.2%	Mar-03	37.9%
Norwich	£166,498	£123,698	-25.71%	£201,635	21%	0.1%	6.9%	Oct-02	37.9%
Peterborough	£156,264	£123,752	-20.81%	£194,590	25%	2.4%	6.8%	Dec-02	30.2%
Birmingham	£148,578	£122,773	-17.37%	£190,046	28%	3.9%	6.5%	Feb-03	36.4%
Leicester	£135,317	£110,071	-18.66%	£177,140	31%	4.6%	7.4%	Mar-03	35.4%
Milton Keynes	£194,666	£147,827	-24.06%	£255,009	31%	-3.7%	6.8%	Feb-03	32.0%
Oxford	£289,855	£223,319	-22.95%	£399,871	38%	-3.4%	6.3%	Jun-00	29.5%
Cambridge	£283,241	£224,469	-20.75%	£440,342	55%	-0.3%	7.3%	May-00	27.5%
Bournemouth	£206,227	£163,937	-20.51%	£249,145	21%	-0.1%	6.0%	Apr-03	32.5%
Southampton	£168,795	£134,665	-20.22%	£203,430	21%	-3.0%	5.8%	Apr-03	29.7%
Portsmouth	£169,633	£130,868	-22.85%	£207,640	22%	-0.9%	6.0%	Mar-03	29.1%
Brighton and Hove	£257,108	£202,054	-21.41%	£368,736	43%	-0.2%	7.2%	Jul-00	35.4%
Reading	£216,724	£176,087	-18.75%	£294,774	36%	-2.8%	5.7%	Jun-00	35.9%
Tunbridge Wells	£279,413	£217,421	-22.19%	£378,937	36%	-3.5%	6.1%	May-00	25.2%
Bristol	£195,196	£153,648	-21.29%	£276,751	42%	-0.4%	7.3%	Apr-03	29.7%
London	£298,596	£245,351	-17.83%	£477,813	60%	-1.4%	7.1%	Apr-00	28.3%

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

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	%
Leicester	4.6%	Milton Keynes	-3.7%	London	60%	Belfast (Q2)	-39%
Birmingham	3.9%	Tunbridge Wells	-3.5%	Cambridge	55%	Newcastle upon Tyne	-4%
Belfast (Q2)	3.3%	Oxford	-3.4%	Brighton and Hove	43%	Bradford	1%
Sheffield	3.3%	Southampton	-3.0%	Bristol	42%	Liverpool	2%
Bradford	3.2%	Reading	-2.8%	Oxford	38%	Glasgow	4%

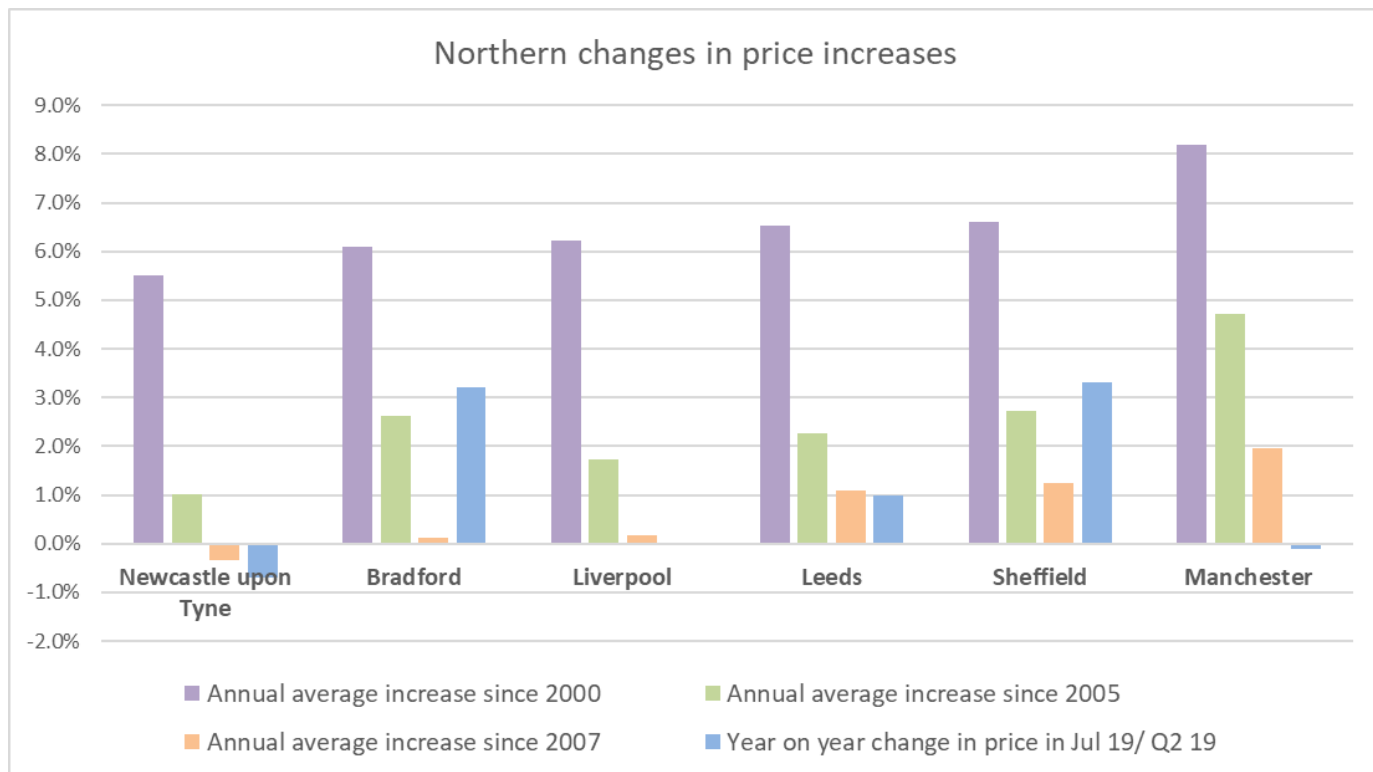
Three high growth areas YoY London	YoY %	Three low growth areas YoY London	YoY %	Three high growth areas last 11 years London	%	Three low growth areas last 11 years London	%
Camden	9.5%	Newham	-9.6%	Camden	75%	Tower Hamlets	36%
Greenwich	4.0%	Brent	-7.8%	Haringey	72%	Newham	41%
Hackney	2.3%	Waltham Forest	-6.4%	Hackney	71%	Hammersmith and Fulham	44%

Source: [UK HPI](#)

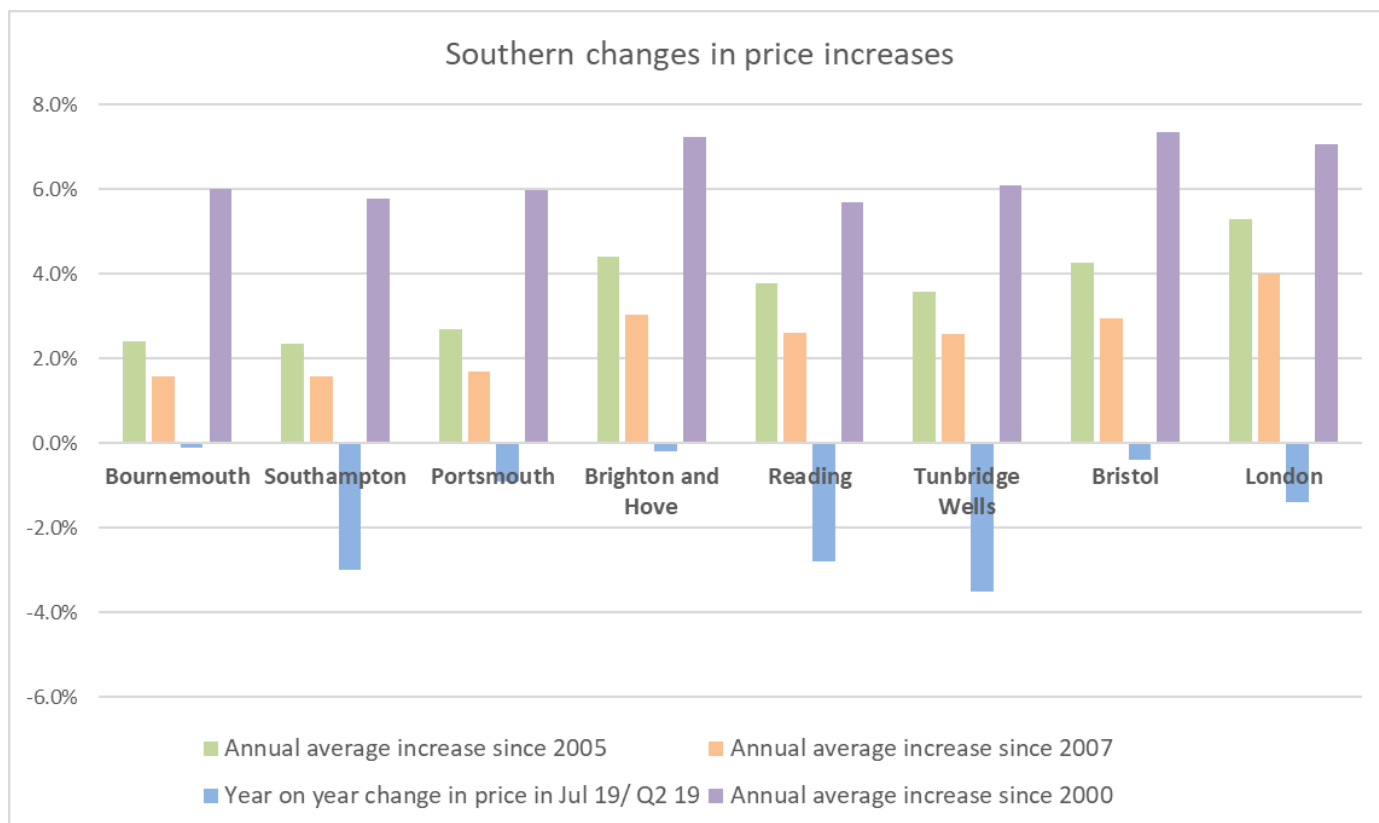


Source: [UK HPI](#)

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

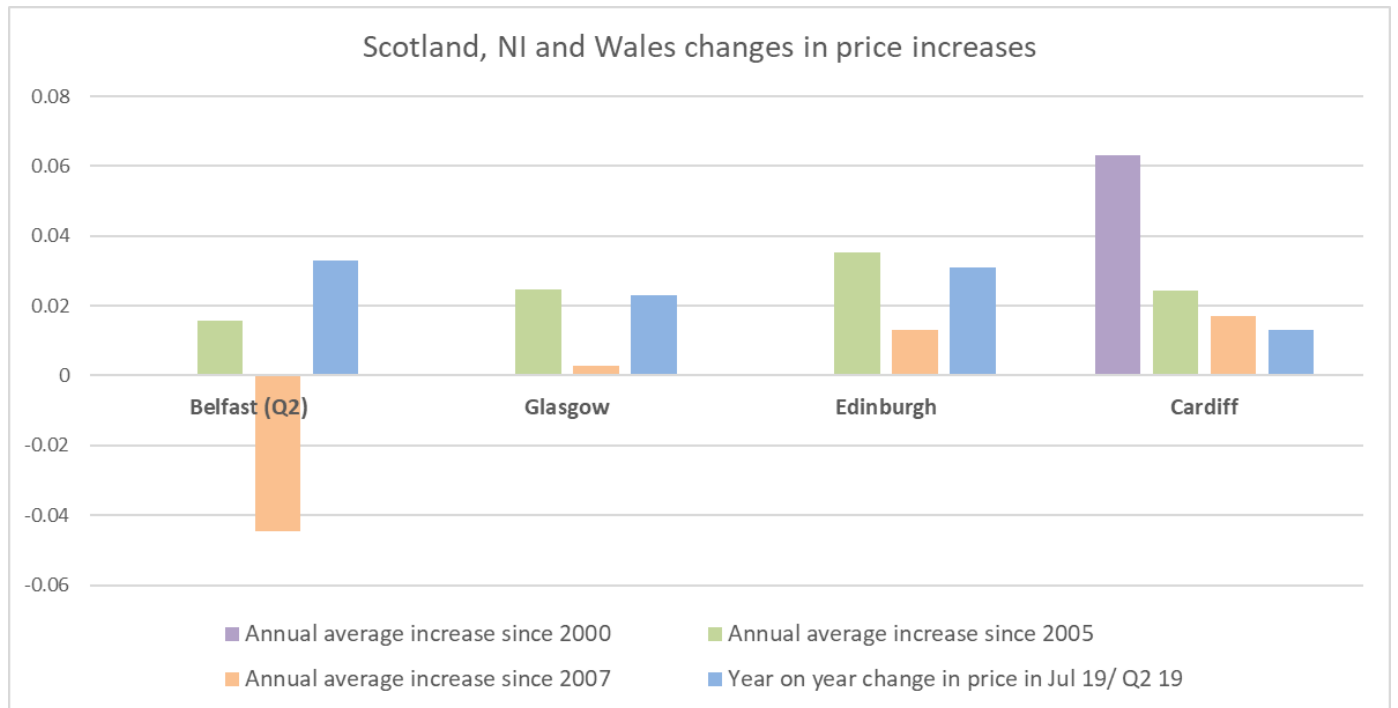


Source: [UK HPI](#)



Source: [UK HPI](#)

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



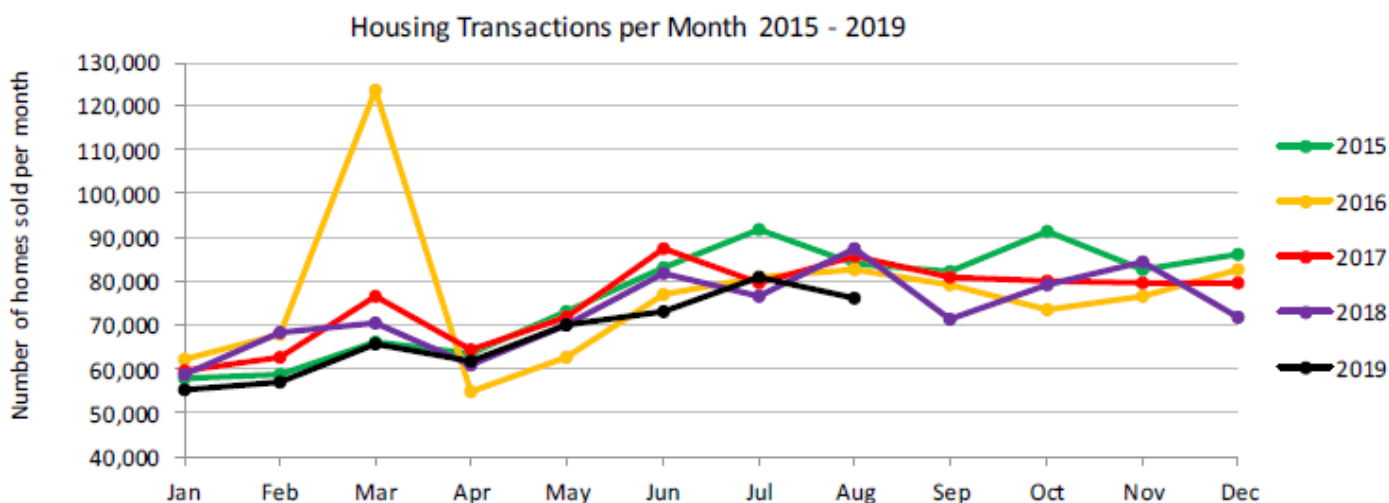
Source: [UK HPI](#)

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:

What an incredible mix of views from the reports on transactions. Some are saying demand and supply is down, others that demand is up with supply tight and sales looking good. Anecdotally I am being told that for some it's pretty rough on the stock and demand front, while for other companies, sales are pretty good, with the NAEA in particular saying buyer and sales' numbers are high. Meanwhile at a postcode level, according to the Advisory, this 'mixed bag' is definitely reflected across England with an amazing blend of hot and cold property areas. In the top 10 cold postcodes, nine are in London and the 10th in Liverpool! From a 'hot' market perspective, Sheffield and Bristol appear to be the most popular markets - for now.



Source: [LSL Acadata HPI](#)

NAEA Propertymark

"The number of sales agreed remained high for the fourth consecutive month, at an average of nine per branch. The number of sales made to FTBs in August also remained the same, at 26 per cent."

"The number of house hunters registered per estate agent branch increased in August, from 316 to 433. Year-on-year, housing demand has grown, rising from 320 house hunters in August 2018." (Aug 19)

RICS

"Following a couple of months in which new buyer enquiries increased modestly, August saw a flatter trend in demand at the national level. Indeed, a net balance of just +3% reported a rise over the month, with a reading so close to zero indicative of virtually no change."

Property transactions, demand and supply – cont’d

“On a UK-wide basis, the Newly Agreed Sales series inched slightly further into negative territory in the latest results (net balance -8% compared to -6% previously). When disaggregated, most areas posted a flat or negative sales trend in August, with the East Midlands and South West regions displaying the weakest momentum over the survey period. At the other end of the scale, Wales and the North East of England appeared to buck the national trend, as respondents reported a solid increase in activity over the month. Back at the national level, the average time taken to conclude a sale, from initial listing to completion, now stands at an average of roughly 18 weeks (slightly improved on the duration of 19 weeks being reported at the start of the year).” (Aug 19)

Bank of England

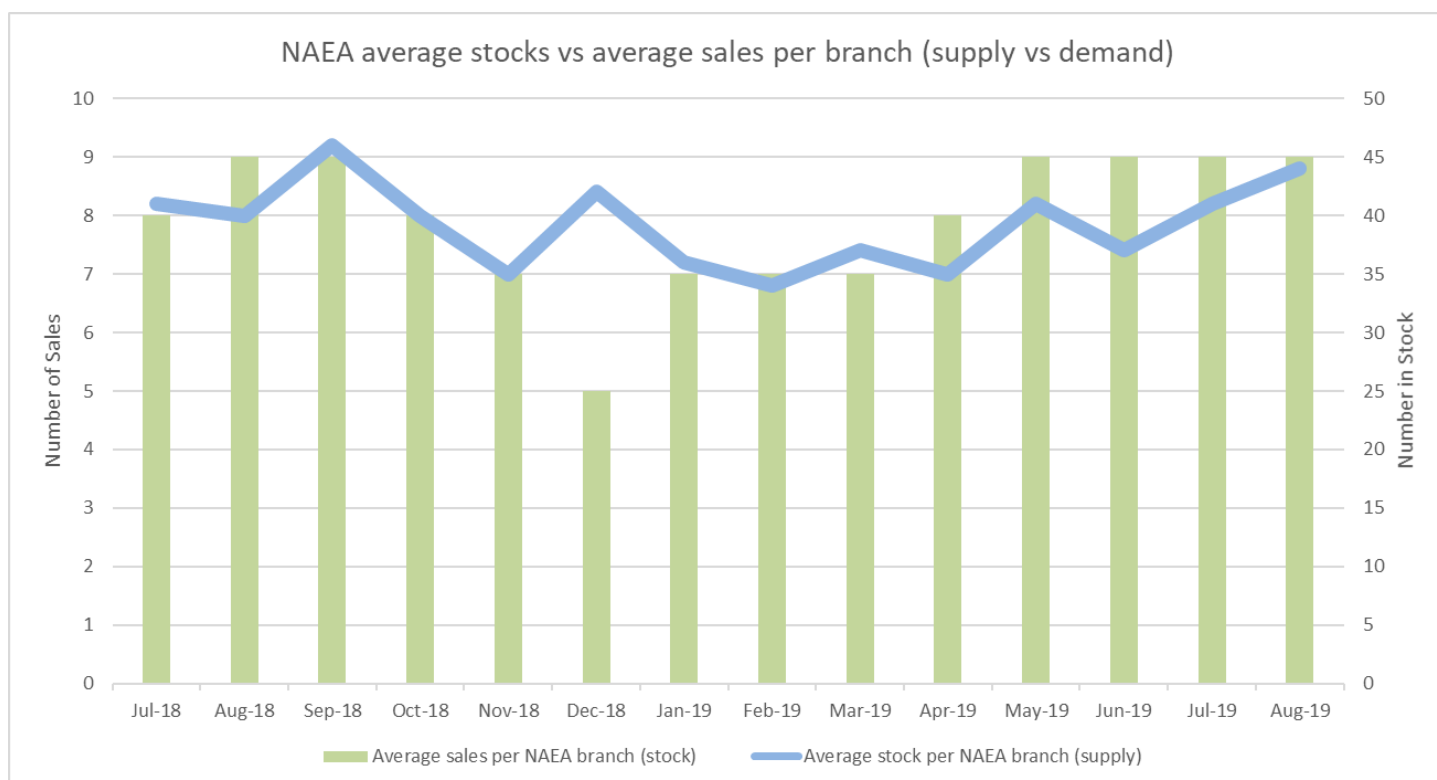
“Mortgage approvals for house purchase (an indicator for future lending) weakened to 65,500 in August, in contrast to the 18 month high of 67,000 in July. These also remained within the narrow range seen over the past three years.” (Aug 19)

UK Finance

“There were 32,640 new first-time buyer mortgages completed in July 2019, 5.8 per cent more than in the same month in 2018. There were 32,710 homemover mortgages completed in July 2019, 1.4 per cent more than in the same month a year earlier.” (Jul 19)

Search Acumen

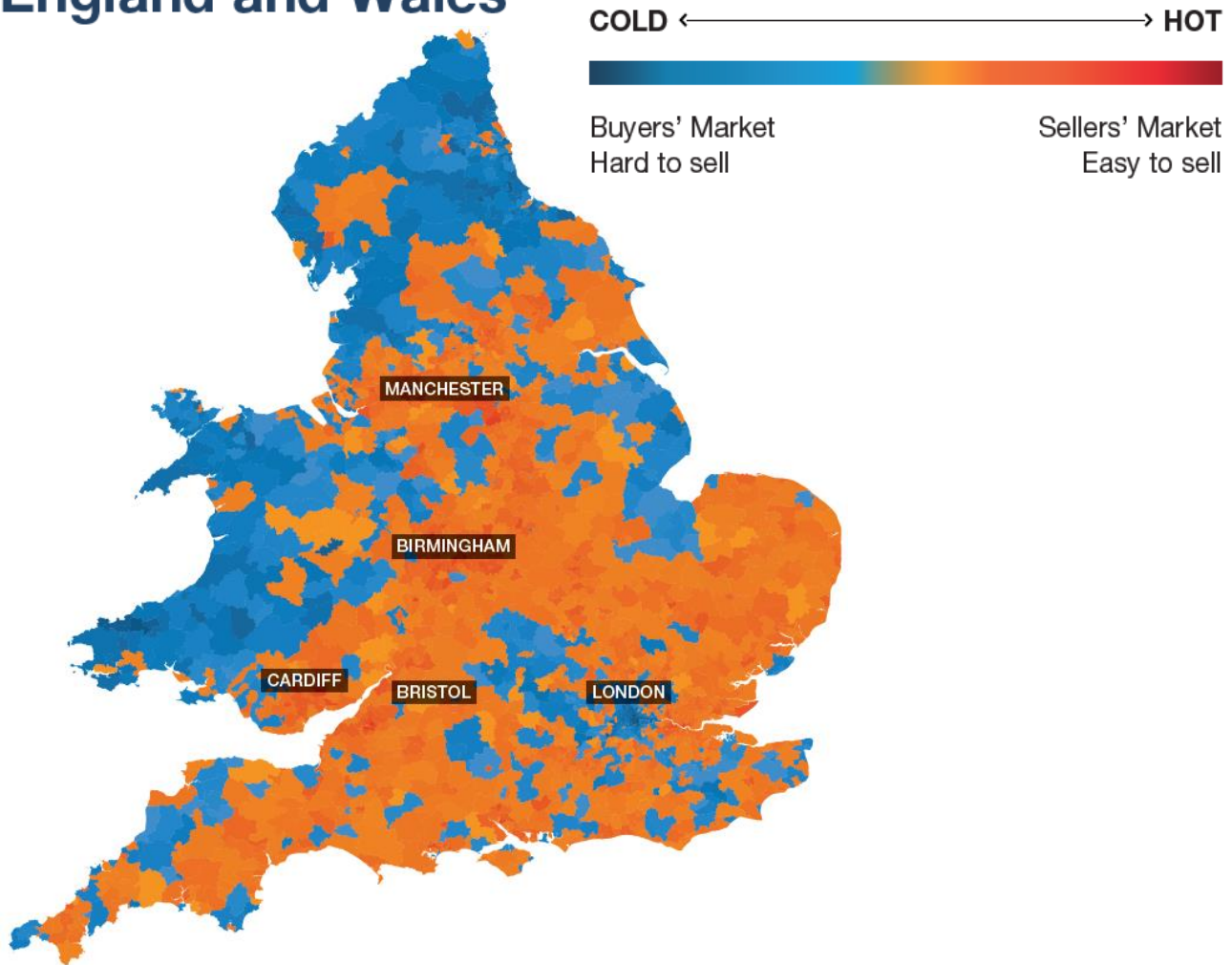
“Quarterly conveyancing volumes have dropped below 230,000 cases for the first time in two years (228,994), a decrease of over 10% compared with Q1 2019 according to our Q2 2019 Conveyancing Market Tracker. The dip is also a 20% decrease from Q2 2016 – before the EU referendum – where the number of transactions was above 280,000 (286,485). Our tracker, which monitors business performance and competitive pressures in the conveyancing market, found that total transactions decreased for every segment of the market on a quarterly basis by up as much as 12%.” (Q2 19)



Source: [NAEA PropertyMark](#)

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 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	%	Oct 19
BS3	72	Bristol
S7	70	Sheffield
B44	68	Birmingham
BS5	68	Bristol
BS2	67	Bristol
M32	67	Manchester
S17	65	Sheffield
BS4	64	Bristol
KT9	64	Chessington
S8	64	Sheffield

Top 10 cold markets - buyer demand

Postcode	%	Oct 19
EC2	8	London
WC2	8	London
NW8	10	London
W1	10	London
SW10	12	London
L2	12	Liverpool
SW1	12	London
SW8	12	London
W2	13	London
SW5	13	London

Source: [The Advisory](#)