

## December 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](http://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

<a href="#">Rightmove</a>	<i>"Looming election deters sellers but cheaper prices tempt buyers"</i>
<a href="#">Home.co.uk</a>	<i>"Property supply drops in both sales and rentals"</i>
<a href="#">NAEA Propertymark</a>	<i>"Political uncertainty leaves housing market in limbo"</i>
<a href="#">RICS</a>	<i>"Current conditions remain downbeat although the outlook appears a little brighter"</i>
<a href="#">Nationwide</a>	<i>"House price growth marginally higher in November"</i>
<a href="#">Halifax</a>	<i>"Annual house price growth rises to 2.1%"</i>
<a href="#">LSL Acadata HPI</a>	<i>"A static market, but with growing regional divergence"</i>
<a href="#">LCPAca Residential Index</a>	<i>"Steady performance for existing and new build stock"</i>
<a href="#">Hometrack</a>	<i>"UK city house price inflation ticks higher as prices start to firm across London"</i>

**Key facts:** Average prices across the indices vary from mortgaged-only prices from the Nationwide HPI (Nov 19) of £215,734 through to marketing prices (ie not necessarily sold) from Rightmove (Nov 19) of £302,808 and actual prices from LSL Acadata HPI of £300,556 (Oct 19). Average sold prices from the UK HPI stand at £234,370 (Sep 19). There is a 39% difference between the highest average sold price from LSL which include cash sales and the lowest from Nationwide which reflect mortgaged homes.

#### UK, England and Wales data

	High	Low	Aug-19	Sep-19	Oct-19	Nov-19	Annual Change	Annual Average (05 - 19)		
Rightmove	£241,474	£213,570	£305,500	£304,770	£306,712	£302,808	0.3%	3.4%	Asking prices	E & W
Nationwide	£184,131	£147,746	£216,096	£215,352	£215,368	£215,734	0.8%	2.5%	Mortgaged only	UK
Halifax	£199,766	£157,767	£233,541	£232,574	£232,249	£234,625	2.1%	2.6%	Mortgaged only, seasonally adjusted	UK
LSL Acadata HPI	£231,829	£197,145	£299,596	£299,047	£300,556	n/a	-0.5%	3.5%	Actual prices, includes cash sales	E & W
LCPAca Residential Index	£198,659	£190,649	£269,685	£259,242	£259,417	n/a	1.5%	n/a	Actual prices, includes cash sales	E & W
UK HPI	£190,032	£154,452	£234,853	£234,370	n/a	n/a	1.3%	3.2%	Sold prices, includes cash sales and new builds	UK

**Kate Faulkner comments on the national market:**

The consistent view running through this month's indices is that there is little supply for buyers to choose from, but for those that are selling, there are deals to be done as the NAEA point out *"the number of sales agreed per member branch remained at eight in October"*. Rightmove report there are *"14.9% fewer new sellers than in the same period a year ago... the largest year-on-year slump in any month since August 2009"* while Home.co.uk claim *"the supply of new sales instructions is down 10%"*, and Hometrack suggest that *"Zoopla listings' data shows that the number of new homes listed for sale per agency branch this year is lower than over the last four years"*. A tough market therefore for buyers looking to purchase (bar better value prices) and indeed for the industry - who will no doubt be hoping the election will allow some certainty on how the country will move forward, and this will result in an early uptick in activity in 2020, rather than uncertainty and a slow market.

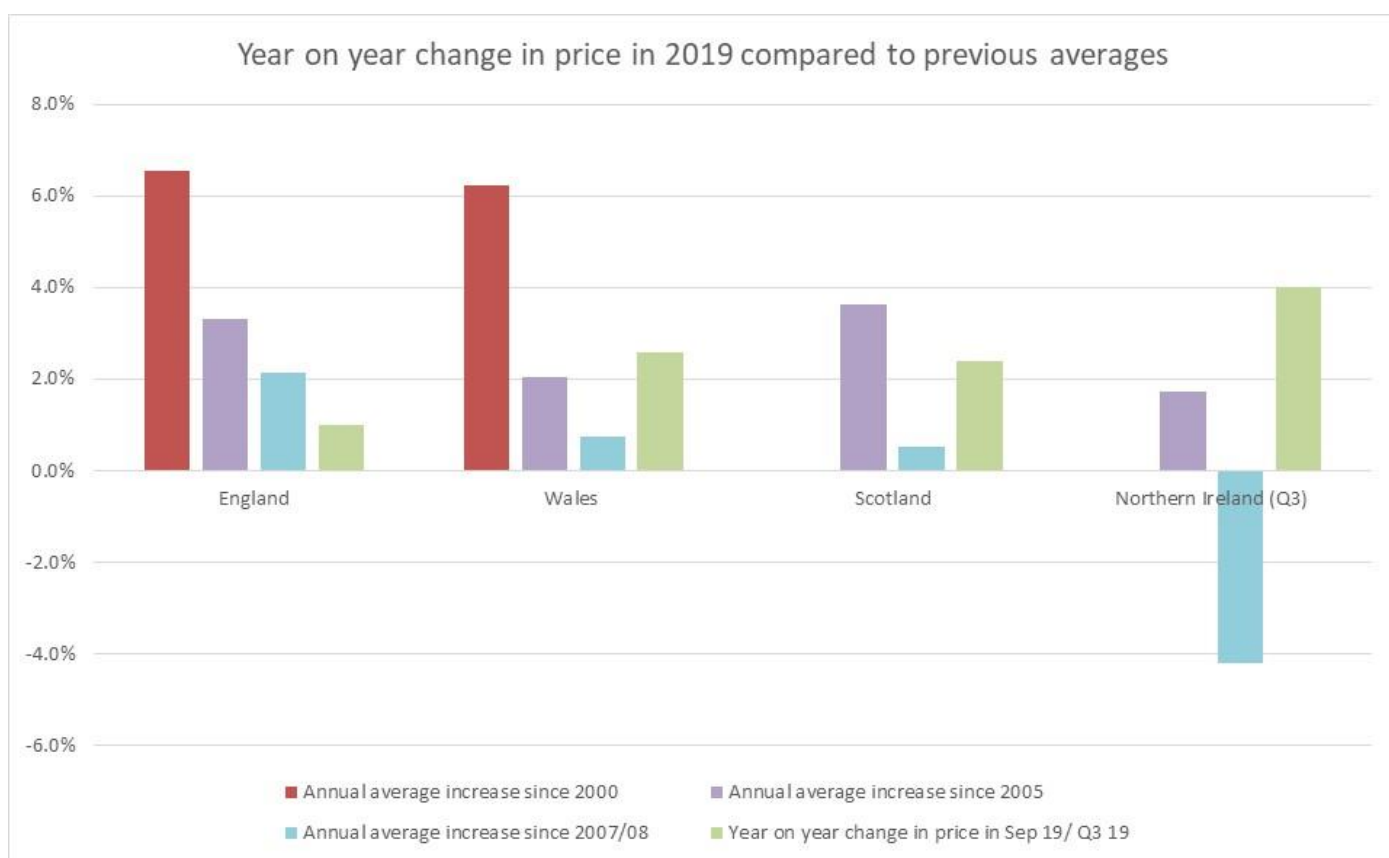
## Country and regional summary (data from UK HPI)

### UK HPI Market analysis by country

#### Kate Faulkner comments on country differences:

Wales has been the chart topper year on year but has now slipped back, so Northern Ireland is topping the year on year price growth charts – albeit at just 4% growth, still leaving many in negative equity. The contrast is with England prices growing just in line with inflation at 29% since the credit crunch, while Wales and Scotland struggle to see decent rises, with Wales up just 9% over 12 years and Scotland, just 6%.

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 19/ Q3 19	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in Sep 19/ Q3 19	Annual average increase since 2000	Highest yearly average increase since 2000
								Date % Increase
England	£194,764	£159,340	-18.19%	£250,677	29%	1.0%	6.5%	Jan-03 26.4%
Wales	£150,316	£123,104	-18.10%	£164,433	9%	2.6%	6.2%	Jul-04 33.4%
Scotland	£145,641	£120,180	-17.48%	£155,029	6%	2.4%	n/a	Feb-05 19.0%
Northern Ireland (Q3)	£224,670	£97,428	-56.64%	£139,951	-38%	4.0%	n/a	Q1 07 51.5%



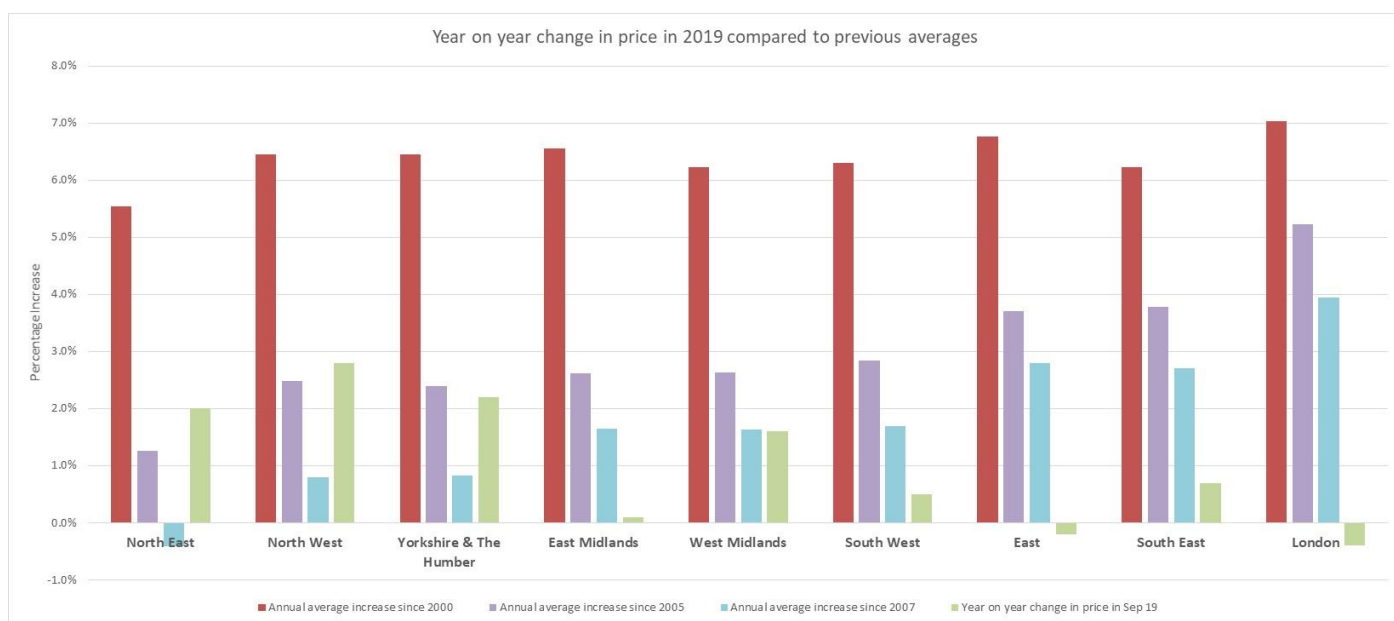
Source: [UK HPI](#)

## Country and regional summary – cont'd

### Kate Faulkner comments on regional differences:

This time last year, many of the regions were performing well in the Midlands and North, but since the uncertainty of Brexit has come to the surface, many buyers and sellers have held off this year, depressing most markets to inflation or below rises. Meanwhile, although London had gone into decline, according to Hometrack *“London has been through a 3-year repricing process accompanied by modest price falls – in contrast, average values have increased by up to 15% in large regional cities since the start of 2017.”* However, over time London is still blasting house price growth versus the rest of the regions, even though recent price changes anywhere aren't much to shout about.

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-19	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in Sep 19	Annual average increase since 2000	Highest yearly average increase since 2000	
								Date	% Increase
North East	£139,400	£112,008	-19.65%	£132,769	-5%	2.0%	5.5%	Jan-04	34.8%
North West	£152,427	£124,578	-18.27%	£167,683	10%	2.8%	6.4%	Jul-04	33.0%
Yorkshire & The Humber	£150,233	£123,833	-17.57%	£165,745	10%	2.2%	6.5%	Jun-04	29.3%
East Midlands	£159,537	£129,876	-18.59%	£194,219	22%	0.1%	6.6%	Feb-03	33.9%
West Midlands	£165,807	£136,966	-17.39%	£201,273	21%	1.6%	6.2%	Jan-03	29.5%
South West	£212,666	£171,356	-19.42%	£260,158	22%	0.5%	6.3%	Jan-03	29.8%
East	£209,624	£168,263	-19.73%	£291,993	39%	-0.2%	6.8%	Jan-03	28.9%
South East	£238,845	£191,156	-19.97%	£329,197	38%	0.7%	6.2%	Jun-00	25.0%
London	£298,596	£245,351	-17.83%	£474,601	59%	-0.4%	7.0%	Apr-00	28.3%



Source: [UK HPI](#)

### RICS

*“London, the South East, East Anglia and the North East all saw prices decline, although it is worth noting that the net balance of -22% in London represents the least negative reading since April 2017. Meanwhile, respondents in Northern Ireland, Scotland and Wales noted a rise in house price during October.” (Oct 19)*

## Country and regional summary – cont'd

### LSL Acadata HPI

“Wales remains top of the house price league table for the sixth month in succession, largely a result of the better ‘affordability’ of housing in Wales compared to all regions in England, with the exception of the North East. The North West of England has now been in second place for the last five months, with Merseyside, Warrington and Cheshire East all setting a new peak average price in September 2019. The North East is in third place in September, for the second month running – this is its highest position in the league table over the last twelve months. Similar to Wales, ‘affordability’ appears to have been a key factor in the North East’s climb up the league table, given that it has the lowest-priced housing of any region in Great Britain. The East Midlands has however fallen into sixth place from one of the top four where it has been for each of the previous twelve months.

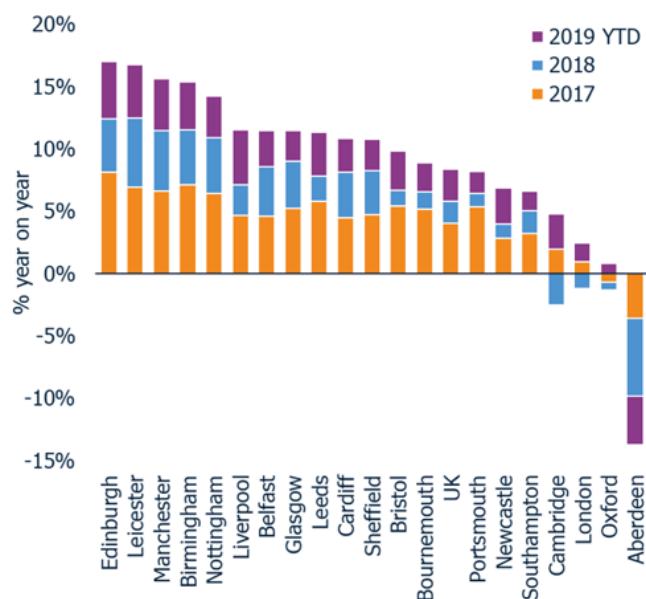
“The number of regions in the south of England with negative growth rates has fallen to two, as Greater London records its first positive movement in house price growth over the last twelve months. However, the South East and the East of England - the regions with negative growth in the south - have been joined by the West Midlands, where prices are falling by - 0.4% per annum.” (Oct 19)

### Hometrack

“UK city house price inflation is higher as prices start to firm up in London and Southern England. London is experiencing its highest rate of growth for 2 years and follows a period of modest price falls. Large regional cities continue to post above average price growth on the back of rising demand and attractive affordability, supported by low mortgage rates. The pace of annual price growth across regional cities is slowing compared to recent years. That said, cumulative house price growth since the start of 2017 has been greater than 15% in Edinburgh, Leicester, Manchester and Birmingham.

“In contrast, house price growth across London, Oxford and Cambridge has been broadly flat with year on year price falls over 2018. Weak price growth has been accompanied by a 10% to 25% drop in sales volumes as demand for housing has reduced.” (Oct 19)

Fig.1 – Cumulative city house price inflation from 2017



Source: Hometrack

## Detailed analysis of towns/cities current versus over time

### Kate Faulkner comments on town and city differences:

Although country and regional price growth looks pretty surprised, it doesn't mean there isn't still some good growth to be found. Newcastle upon Tyne topped the Land Registry growth in prices at 6.7% which even beats its long term annual average growth of 5.9% since 2000. Leicester isn't far behind with prices rising year on year by 5.4%. However, year on year price rises hide poor performance over time with Newcastle rising by just 4% over 12 years while Leicester growth is more in line with inflation at 33%. Areas like Bradford and Liverpool continue to suffer pretty poor growth over time, suggesting that those investors who have moved out of London for so called 'buy to let' bargains may get good yields but are compromising on capital growth. And with all manifestos suggesting a continued 'landlord lashing', more may look to sell in the future as returns struggle to deliver based on past performance.

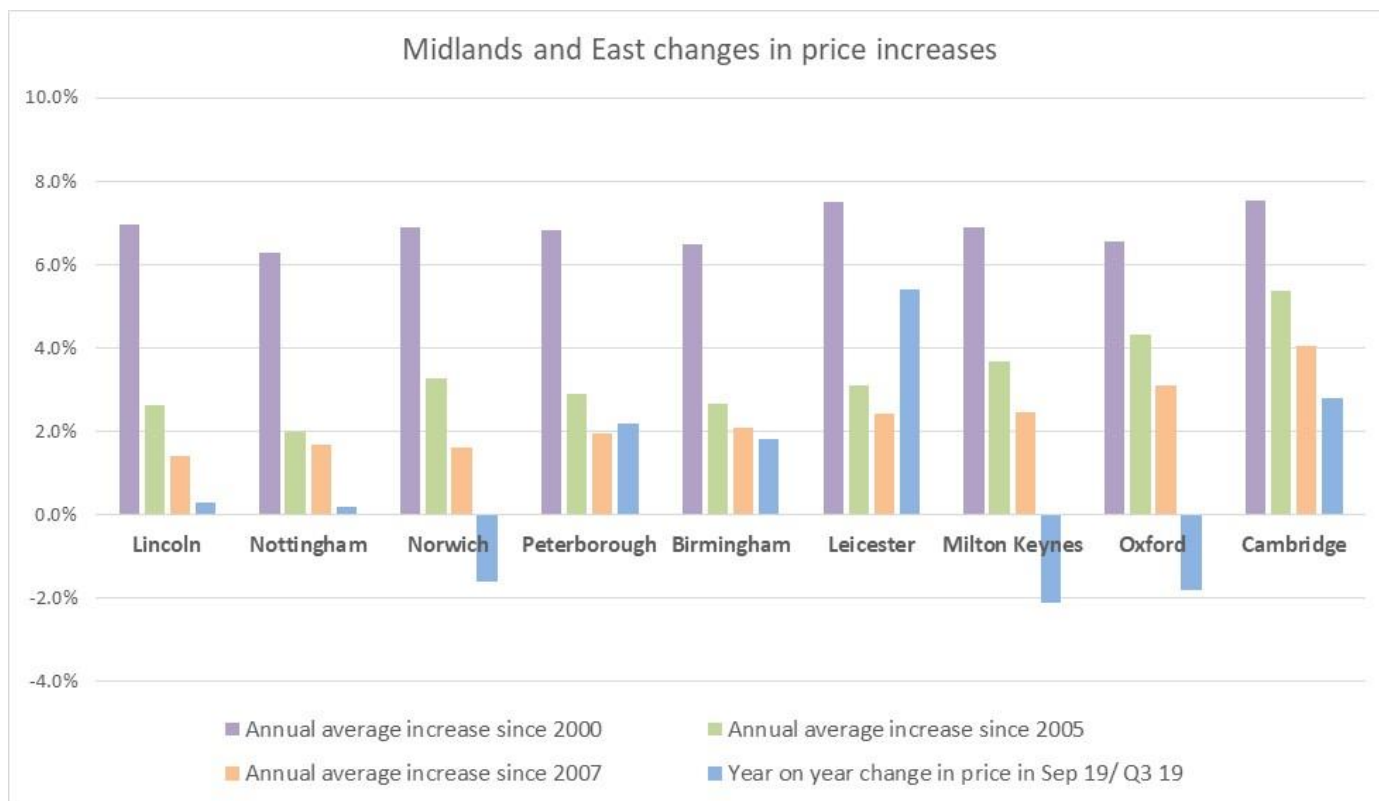
Property Prices Towns/Cities <i>England, Wales, Scotland &amp; NI</i>	Highest average house price pre-credit crunch 2007/08	Lowest average house price during recession 2009	Market low +/- versus market height	Latest month's data Sep 19/ Q3 19	How much higher/ lower are latest prices vs height in 2007/8	Year on year change in price in Sep 19/ Q3 19	Annual average increase since 2000	Highest yearly average increase since 2000 Date % Increase
Belfast (Q3)	£213,626	£87,890	-58.86%	£133,620	-37%	3.7%	n/a	Q1 07 57.1%
Glasgow	£130,473	£96,139	-26.32%	£137,952	6%	1.1%	n/a	Jan-05 19.2%
Edinburgh	£225,750	£183,029	-18.92%	£273,028	21%	4.2%	n/a	May-07 17.3%
Cardiff	£170,496	£139,651	-18.09%	£215,248	26%	3.4%	6.5%	May-03 30.7%
Newcastle upon Tyne	£164,935	£133,086	-19.31%	£171,374	4%	6.7%	5.9%	Feb-04 39.2%
Bradford	£139,640	£111,109	-20.43%	£141,036	1%	0.7%	6.1%	Sep-04 36.5%
Liverpool	£130,249	£103,705	-20.38%	£140,173	8%	4.5%	6.5%	Jul-04 59.0%
Leeds	£161,439	£130,128	-19.39%	£187,339	16%	1.8%	6.6%	Apr-03 30.7%
Sheffield	£144,875	£120,193	-17.04%	£167,042	15%	1.4%	6.6%	Sep-04 31.9%
Manchester	£140,431	£111,679	-20.47%	£181,632	29%	2.4%	8.3%	Jun-04 34.9%
Lincoln	£128,707	£106,017	-17.63%	£152,162	18%	0.3%	7.0%	Feb-03 38.0%
Nottingham	£119,010	£93,696	-21.27%	£145,444	22%	0.2%	6.3%	Mar-03 37.9%
Norwich	£166,498	£123,698	-25.71%	£201,352	21%	-1.6%	6.9%	Oct-02 37.9%
Peterborough	£156,264	£123,752	-20.81%	£197,083	26%	2.2%	6.8%	Dec-02 30.2%
Birmingham	£148,578	£122,773	-17.37%	£190,208	28%	1.8%	6.5%	Feb-03 36.4%
Leicester	£135,317	£110,071	-18.66%	£180,211	33%	5.4%	7.5%	Mar-03 35.4%
Milton Keynes	£194,666	£147,827	-24.06%	£260,729	34%	-2.1%	6.9%	Feb-03 32.0%
Oxford	£289,855	£223,319	-22.95%	£418,410	44%	-1.8%	6.6%	Jun-00 29.5%
Cambridge	£283,241	£224,469	-20.75%	£455,854	61%	2.8%	7.5%	May-00 27.5%
Bournemouth	£206,227	£163,937	-20.51%	£247,527	20%	-2.0%	6.0%	Apr-03 32.5%
Southampton	£168,795	£134,665	-20.22%	£214,214	27%	1.1%	6.1%	Apr-03 29.7%
Portsmouth	£169,633	£130,868	-22.85%	£216,023	27%	0.5%	6.2%	Mar-03 29.1%
Brighton and Hove	£257,108	£202,054	-21.41%	£367,322	43%	1.9%	7.2%	Jul-00 35.4%
Reading	£216,724	£176,087	-18.75%	£296,625	37%	-2.2%	5.7%	Jun-00 35.9%
Tunbridge Wells	£279,413	£217,421	-22.19%	£398,128	42%	0.8%	6.4%	May-00 25.2%
Bristol	£195,196	£153,648	-21.29%	£290,073	49%	1.8%	7.6%	Apr-03 29.7%
London	£298,596	£245,351	-17.83%	£474,601	59%	-0.4%	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	%
Newcastle upon Tyne	6.7%	Reading	-2.2%	Cambridge	61%	Belfast (Q3)	-37%
Leicester	5.4%	Milton Keynes	-2.1%	London	59%	Bradford	1%
Liverpool	4.5%	Bournemouth	-2.0%	Bristol	49%	Newcastle upon Tyne	4%
Edinburgh	4.2%	Oxford	-1.8%	Oxford	44%	Glasgow	6%
Belfast (Q3)	3.7%	Norwich	-1.6%	Brighton and Hove	43%	Liverpool	8%

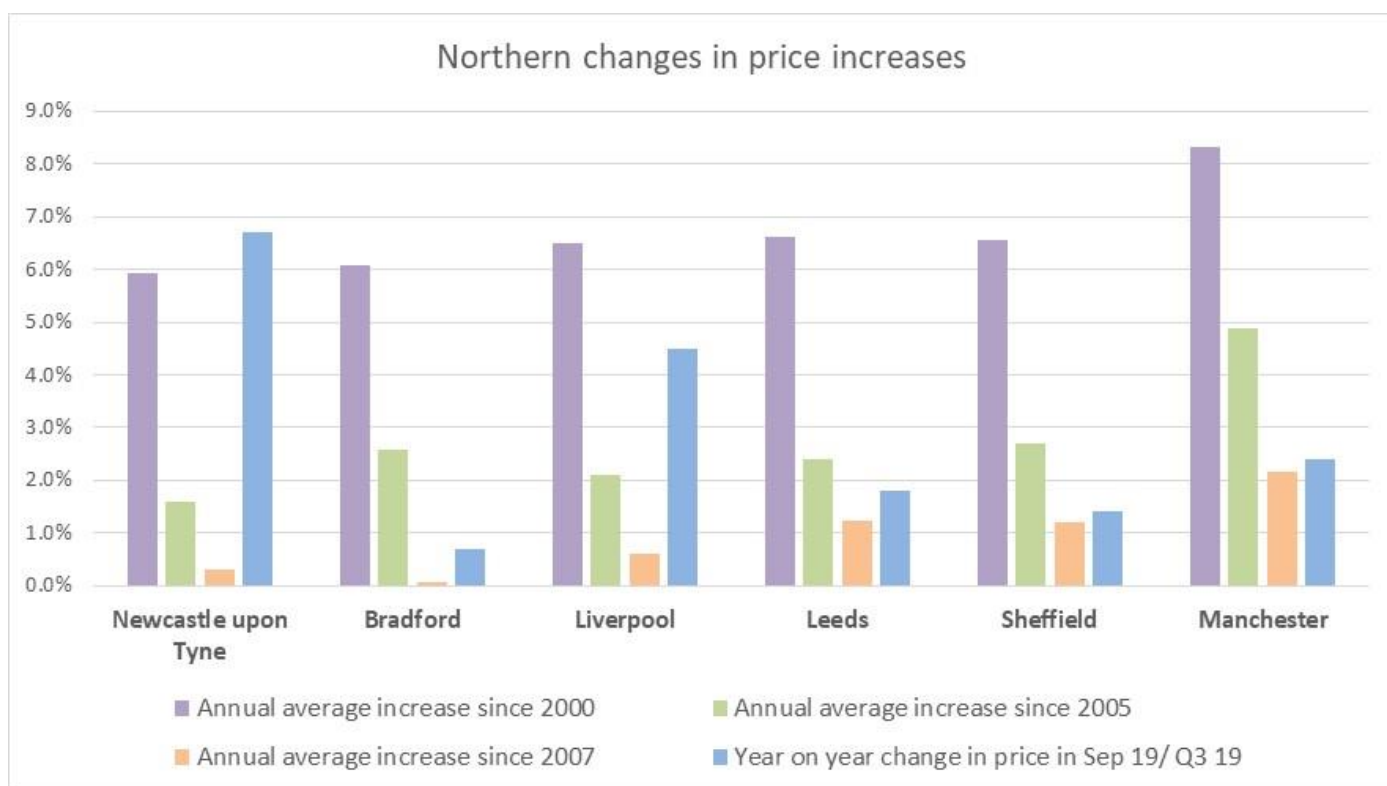
Three high growth areas YoY London	YoY %	Three low growth areas YoY London	YoY %	Three high growth areas last 11 years London	%	Three low growth areas last 11 years London	%
Hounslow	6.1%	City of Westminster	-12.3%	Waltham Forest	78%	Tower Hamlets	36%
Hackney	5.4%	Kensington and Chelsea	-11.4%	Lewisham	75%	Hammersmith and Fulham	38%
Newham	4.1%	Bexley	-4.0%	Hackney	71%	Sutton	44%

Source: [UK HPI](#)

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

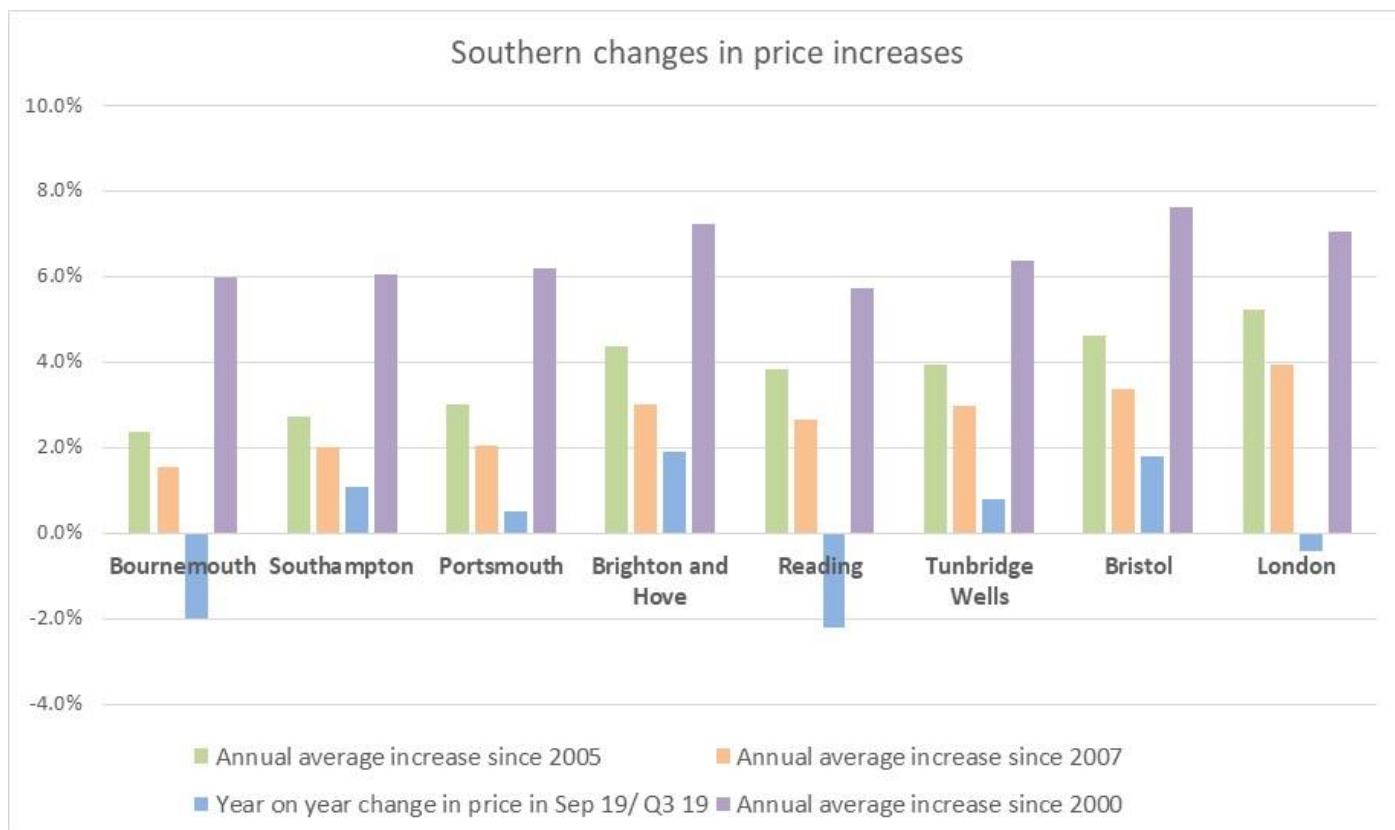


Source: [UK HPI](#)

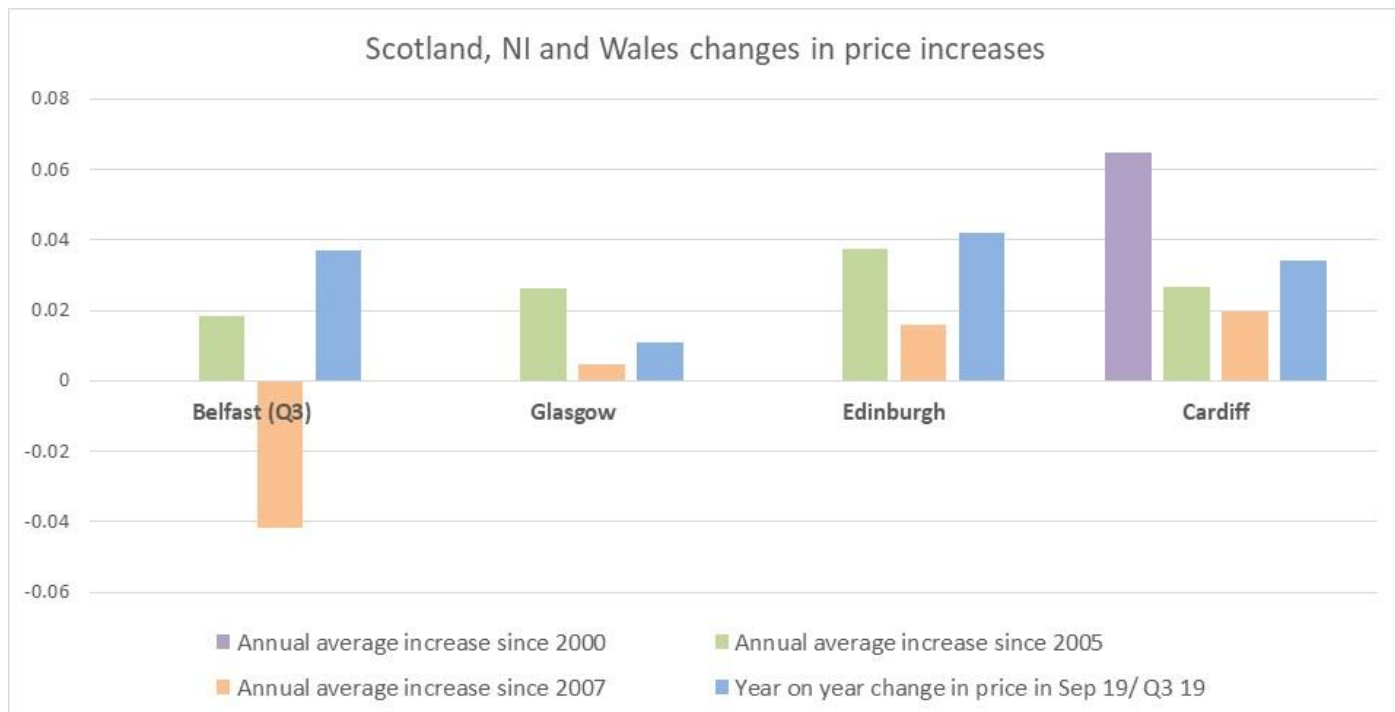


Source: [UK HPI](#)

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



Source: [UK HPI](#)



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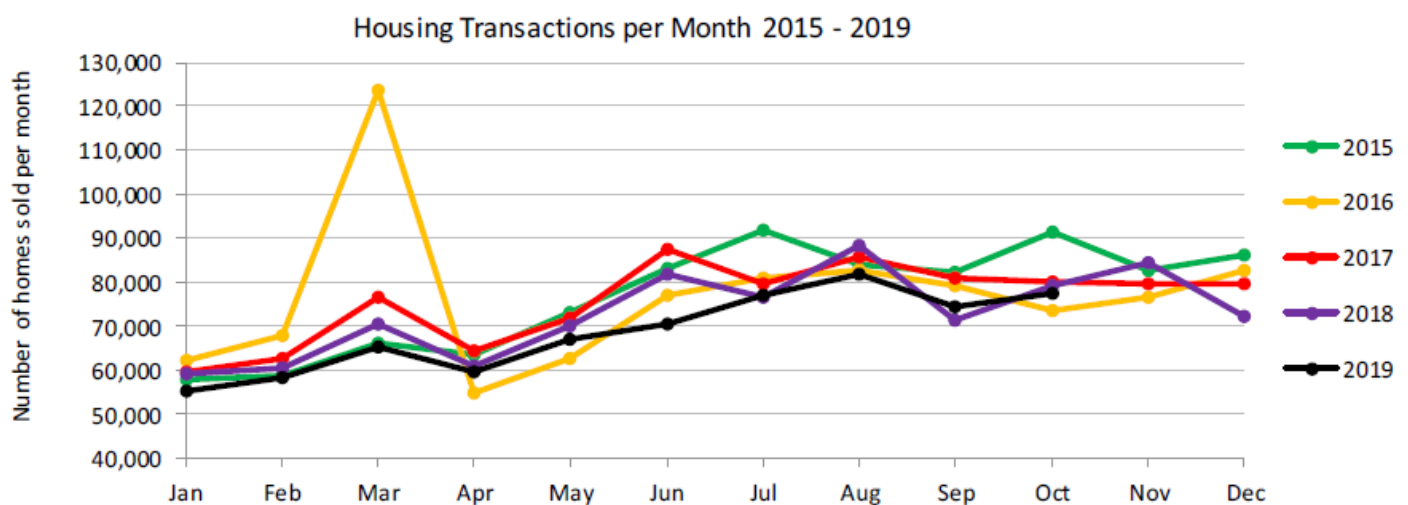


## Property transactions, demand and supply

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:

Strangely, the number of sales agreed seems to be holding up – with the NAEA saying they are the same as last month, while Rightmove suggest sales agreed fell by nearly 3% year on year (although larger properties are seeing even lower falls). It's likely the lower prices and less competition for properties is helping to keep transactions moving, even if there are less properties on the market. To really know what will happen to transactions in 2020, we need to find out what happens election wise and then we can work out whether there will be a 'mass sell-off' if Labour get in or 'a flurry of activity' if the Conservatives managed to secure a majority parliament.



Source: [LSL Acadata HPI](#)

### Rightmove

*"The number of sales agreed remains resilient, just 2.9% lower than a year ago and 14.9% fewer properties have come to market this month compared to the same period a year ago. This is the largest year-on-year slump in new seller numbers in any month since August 2009. If this reluctance to sell continues into next year's spring selling season, the lack of new sellers will have knock-on effects throughout 2020, potentially reducing housing market activity. In contrast, the number of sales agreed nationally has fallen by just 2.9% compared to this time last year, and two regions are up on last year, the North East (+4.2%) and Scotland (+2.2%)."*

*"Larger properties (detached houses with four bedrooms, and all types with five or more bedrooms) are the most active sales sector at present, with the number of sales agreed just 1.4% down compared to last year, a sign that demand from buyers due to changes in everyday life like the need for more space carries on." (Nov 19)*

### NAEA PropertyMark

*"The number of sales agreed remained at an average of eight per branch in October. The number of sales made to FTBs in October fell to 27 per cent, down three percentage points from 30 per cent in September. The number of house hunters registered per estate agent branch decreased in October, from 387 to 341. Year-on-year, housing demand is up, rising from 294 house hunters per branch in October 2018." (Oct 19)*

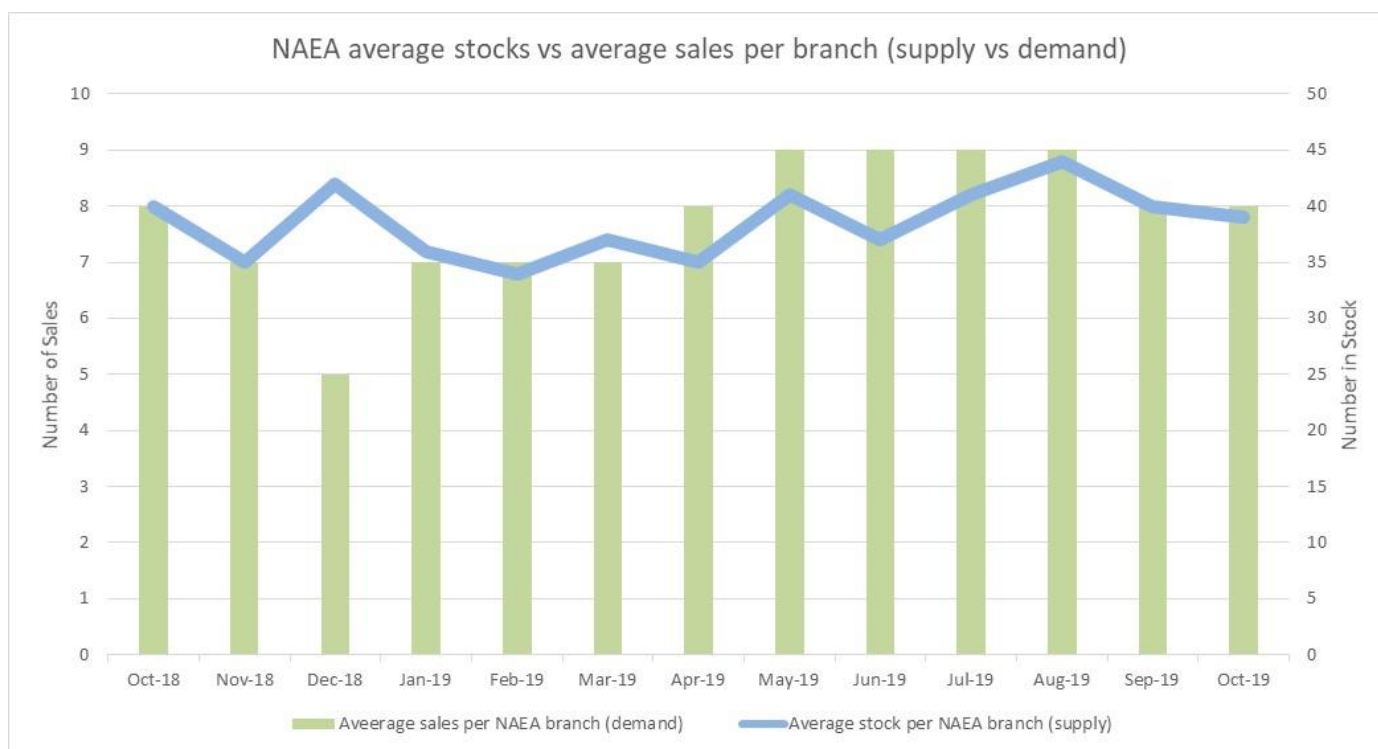
## Property transactions, demand and supply – cont’d

**RICS** *“Across the UK as a whole, new buyer enquiries reportedly fell for the second month in succession, with a net balance of -16% of respondents citing a decline (compared to a net balance of -17% in September). Alongside this, newly agreed sales continued to slip, albeit the pace of decline (in net balance terms) appeared to ease somewhat as the latest balance moved to -19% from -27% previously. When disaggregated, sales dipped to a greater or lesser extent across virtually all parts of the UK. Northern Ireland was the sole exception, where contributors noted a marginal increase in sales. In terms of the average time taken to complete a sale, this remained at roughly 17 weeks according to the latest results (slightly quicker than the 19 week duration being reported earlier in the year).”*

*“Turning to supply, new instructions reportedly fell for the fourth consecutive month at the national level. What’s more, respondents across all parts of the UK reported a decline during October. With respect to the pipeline going forward, at -49%, the net balance of survey participants reporting an annual decline in the level of market appraisals undertaken over the month was the most negative since this series began in 2017. As such, this suggests the flow of new instructions being listed on the sales market will remain particularly weak in the immediate future.” (Oct 19)*

**Bank of England** *“Mortgage approvals for house purchase (an indicator for future lending) fell slightly in October, to 65,000, but remained within the narrow range seen over the past two years.” (Oct 19)*

**UK Finance** *“There were 29,100 new first-time buyer mortgages completed in September 2019, 1.6% more than in the same month in 2018. There were 29,050 homemover mortgages completed in September 2019, 1.8% more than in the same month a year earlier.” (Sep 19)*



Source: [NAEA Propertymark](#)

The Hotter Your Market - The Easier Your Sale

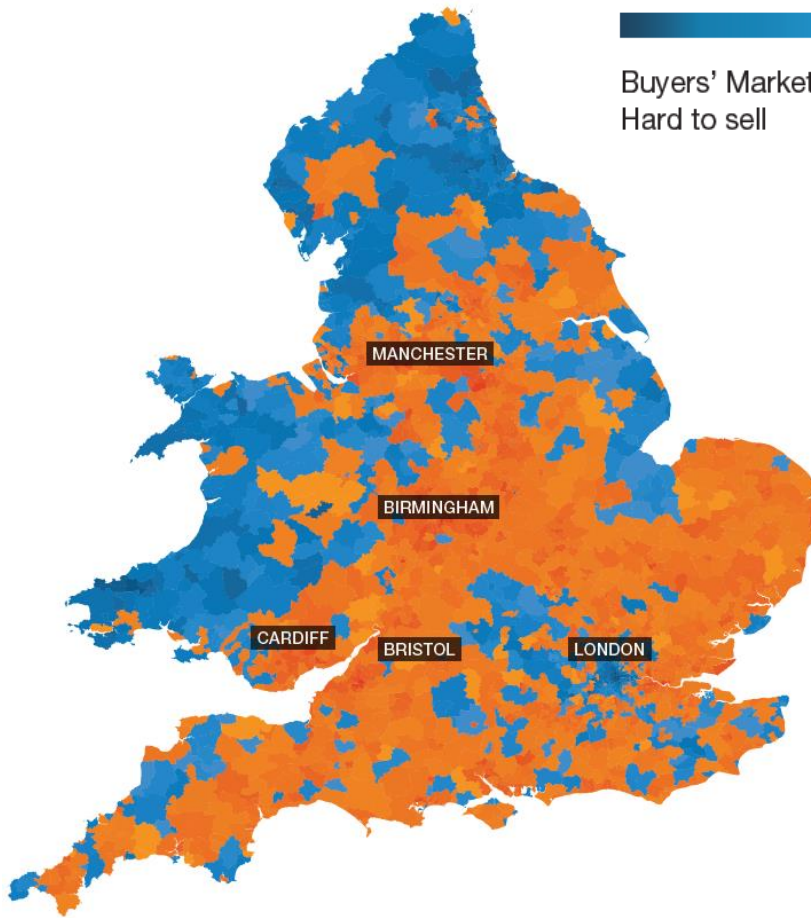
# England and Wales

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	%	Dec 19
BS7	76°	Bristol
BS3	73°	Bristol
BS6	72°	Bristol
M32	71°	Manchester
BS5	69°	Bristol
RM9	68°	Dagenham
BS4	68°	Bristol
BN41	68°	Brighton
S8	66°	Sheffield
S11	65°	Sheffield

### Top 10 cold markets - buyer demand

Postcode	%	Dec 19
EC2	8°	London
L2	9°	Liverpool
WC2	9°	London
W1	10°	London
NW8	12°	London
TS22	14°	Billingham
SW10	14°	London
L1	14°	Liverpool
NE33	14°	Gateshead
W2	14°	London

Source: [The Advisory](#)