

## June 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>"Regional price records defy Brexit uncertainty"</i>
<a href="#">Home.co.uk</a>	<i>"Prices levitate in a market plagued by uncertainty"</i>
<a href="#">NAEA PropertyMark</a>	<i>"Number of property transactions increases despite fall in supply and demand"</i>
<a href="#">Nationwide</a>	<i>"UK house price growth slows in May"</i>
<a href="#">Halifax</a>	<i>"Average house price in May edges up to £237,837"</i>
<a href="#">LCPAca Residential Index</a>	<i>"England and Wales catch Brexit cold"</i>
<a href="#">Hometrack</a>	<i>"UK city house price inflation +1.7% as price momentum slows across cities"</i>

**Key facts:** Average prices across the indices vary from mortgaged-only prices from the Nationwide HPI (May 19) of £214,946, through to marketing prices (ie not necessarily sold) from Rightmove (May 19) of £308,290 and actual prices from LSL Acadata HPI of £303,073 (Mar 19). Average sold prices from the UK HPI stand at £226,798 (Mar 19). There is a 40.5% 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 Mar-19	Current Month Apr-19	Current Month May-19	Annual Change	Annual Average (05 - 19)		
Rightmove	£241,474	£213,570	£302,002	£305,449	£308,290	0.1%	3.5%	Asking prices	E & W
Nationwide	£184,131	£147,746	£213,102	£214,920	£214,946	0.6%	2.5%	Mortgaged only	UK
Halifax	£199,766	£157,767	£233,181	£236,619	£237,837	5.2%	2.7%	Mortgaged only, seasonally adjusted	UK
LSL Acadata HPI	£231,829	£197,145	£303,073	£302,122	n/a	0.2%	3.5%	Actual prices, includes cash sales	E & W
LCPAca Residential Index	£198,659	£190,649	£254,196	£253,522	n/a	3.3%	n/a	Actual prices, includes cash sales	E & W
UK HPI	£190,032	£154,452	£226,798	n/a	n/a	1.4%	3.0%	Sold prices, includes cash sales and new builds	UK

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

Nationally, Rightmove which reflects sellers' views on what should be happening to house prices, suggests a slight uptick, but this is not reflected in actual prices when properties are sold – with LSL and Nationwide showing very little change. The recent discussions about accuracy of the Halifax price index are a little dated in my view, we reported issues with the index, as far as the headline prices, when the recession started, and it's often differed from everyone else's. However, their long term analysis of different property prices, areas and deposits as well as transaction information they provide, continues to be useful.

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

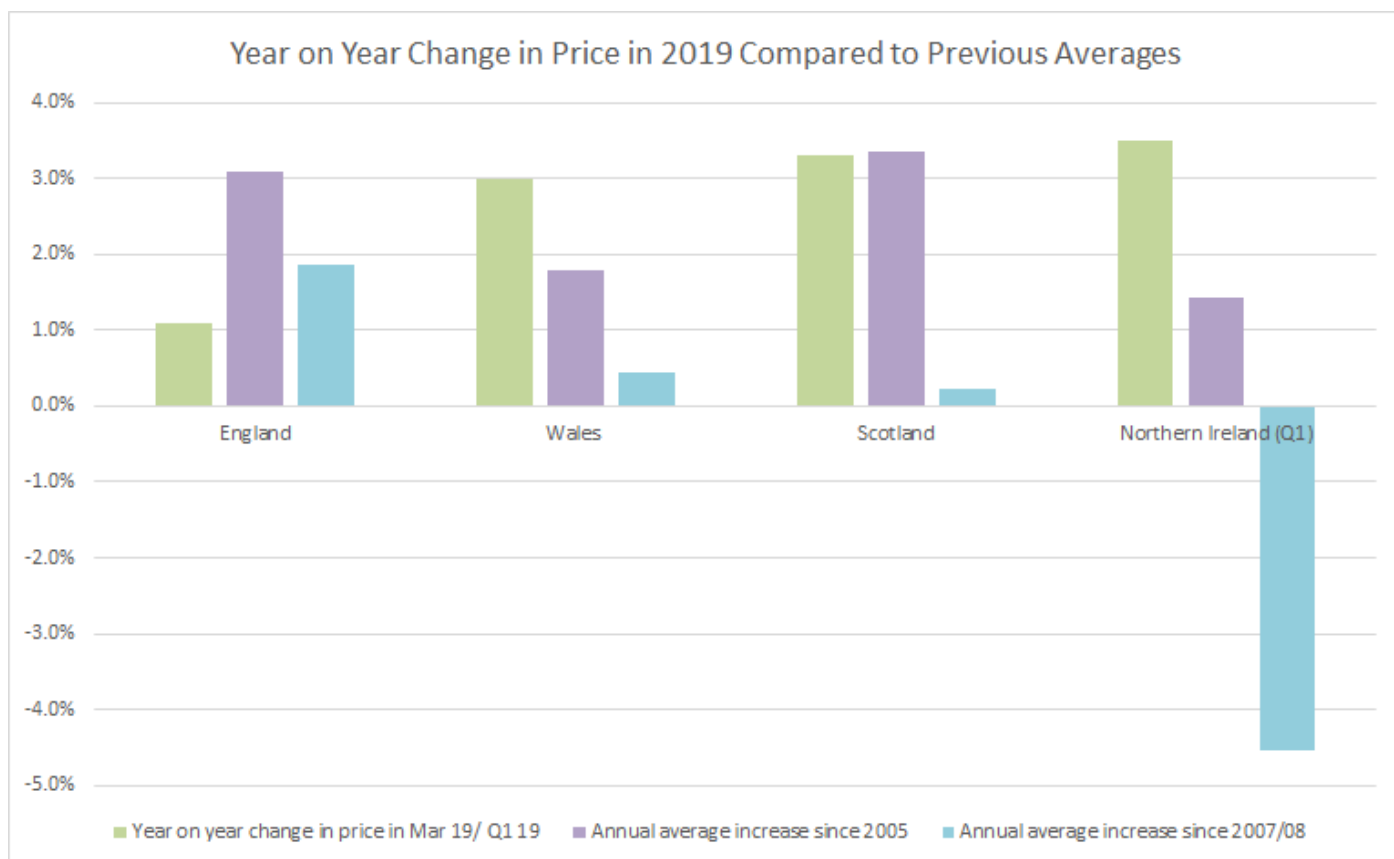
### UK HPI Market analysis by country

#### Kate Faulkner comments on country differences:

Country differences remain fairly large, with England slowing down to an almost 'stop' for price growth while Scotland, Wales and Northern Ireland also slowing this month, but remain up year on year by 3%. Comparing annual property price rises versus 2005, the recession and year on year, a trend of 3% increases does appear to be more of a 'norm' in the market – not the 6-7% we see if we take average prices back before 2005.

This is important as it very much suggests prices are rising in line with inflation/income rises, which has rarely happened in the past. This reflects the interesting insight from Hometrack's index this month: *"Lower mortgage rates supported increased buying power and higher prices, but the impact is weakening with mortgage rates having bottomed out two years ago at c.1.5% and new mortgage regulations limiting the ability of households to push affordability. Once lower mortgage rates are fully priced into the housing market then house price growth should track the growth in earnings long term hence the recent convergence in city house price growth."*

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 Mar 19/ Q1 19	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in Mar 19/ Q1 19	Annual average increase since 2000	Highest yearly average increase since 2000
								Date % Increase
England	£194,764	£159,340	-18.19%	£243,128	25%	1.1%	6.4%	Jan-03 26.4%
Wales	£150,316	£123,104	-18.10%	£158,696	6%	3.0%	6.0%	Jul-04 33.4%
Scotland	£145,641	£120,180	-17.48%	£149,461	3%	3.3%	n/a	Feb-05 19.0%
Northern Ireland (Q1)	£224,670	£97,428	-56.64%	£134,811	-40%	3.5%	n/a	Q1 07 51.5%

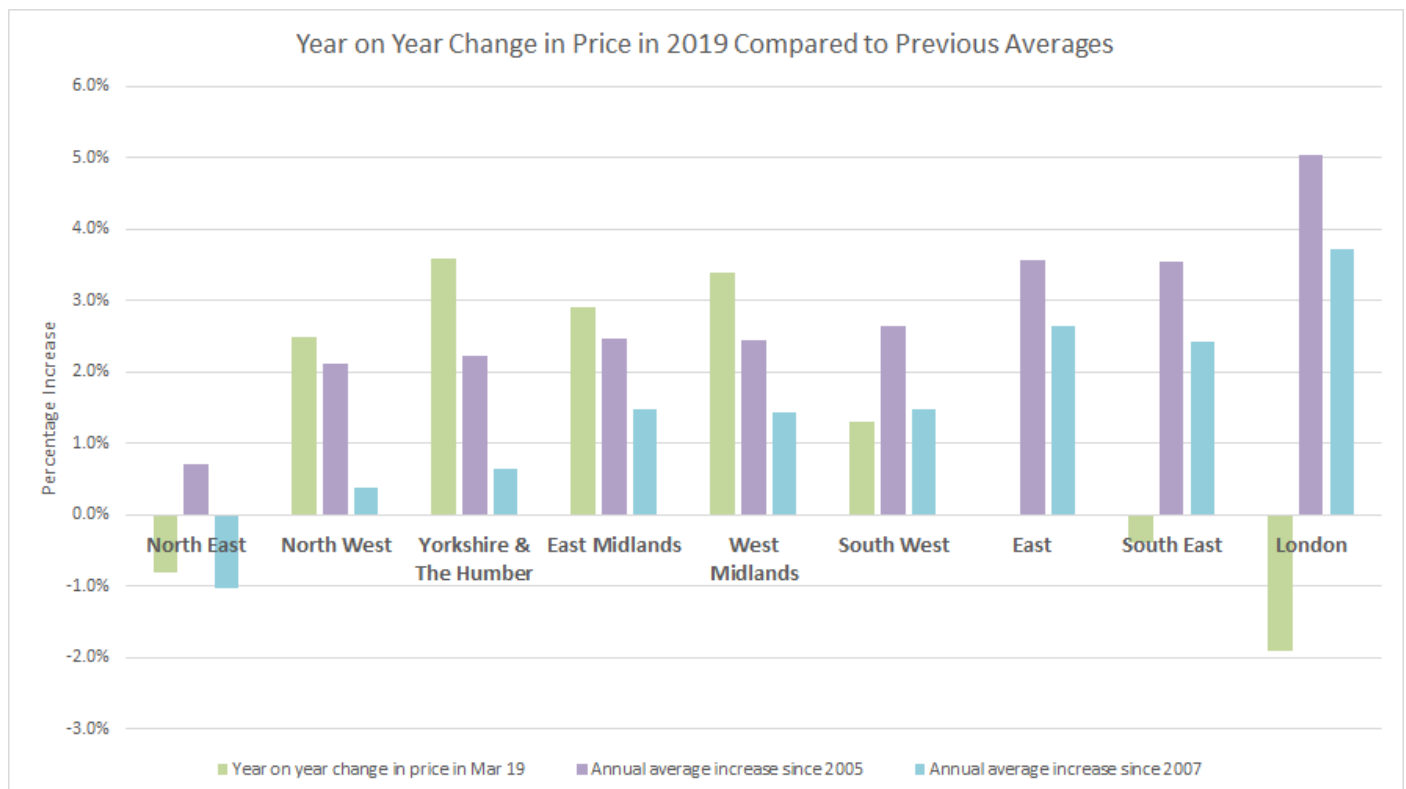


## Country and regional summary – cont'd

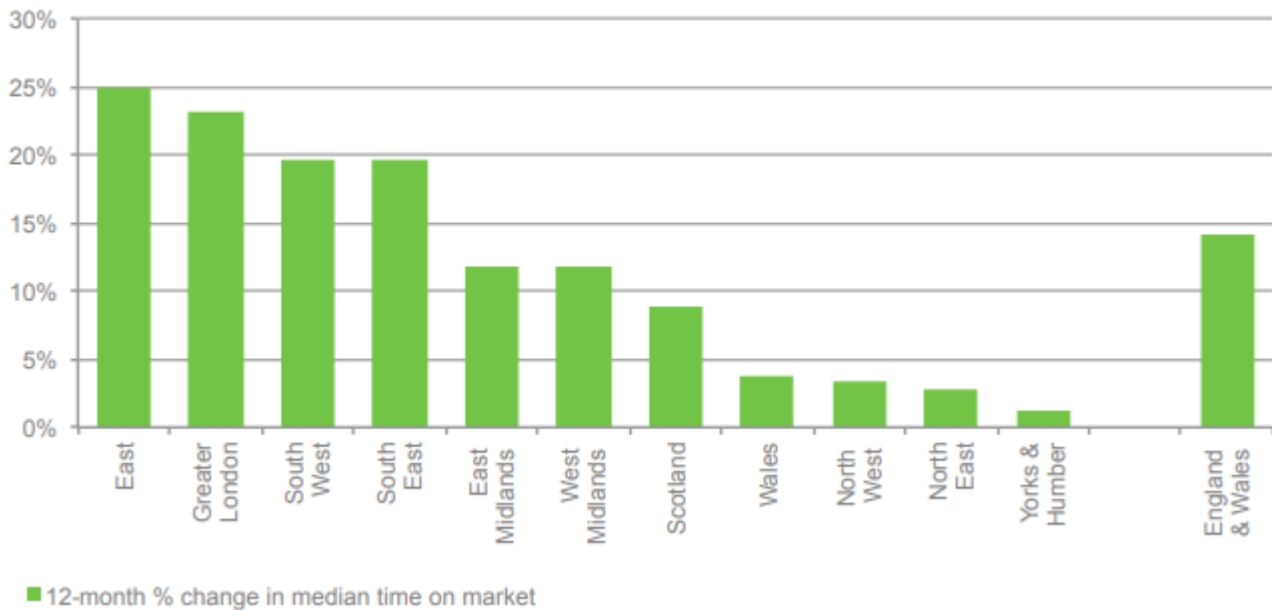
### Kate Faulkner comments on regional differences:

A recent survey by Zoopla says that *"Confident homeowners predict 4.8% house price growth"* Source: [Zoopla](#). Fortunately, not everyone thinks this will happen or the market could grind to a halt even more than it already has in some areas! So, for those in Yorkshire & The Humber, the North West, Scotland, Wales, the North East and Midlands, price rises of around 5% are expected, while in London and the South East, falls are expected of up to 6.7%. What this potentially shows is that agents, surveyors and brokers have to ensure buyers and sellers understand the local market and the true value of their home. Some may be too optimistic, holding back sales through overpricing, while others may be unnecessarily pessimistic, not selling where in actual fact they have a good property in a decent area and with general poor availability of stock, this may be the right time for them to buy and sell.

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 Mar-19	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in Mar 19	Annual average increase since 2000	Highest yearly average increase since 2000	Date	% Increase
North East	£139,400	£112,008	-19.65%	£123,046	-12%	-0.8%	5.1%	Jan-04	34.8%	
North West	£152,427	£124,578	-18.27%	£159,471	5%	2.5%	6.2%	Jul-04	33.0%	
Yorkshire & The Humber	£150,233	£123,833	-17.57%	£162,129	8%	3.6%	6.3%	Jun-04	29.3%	
East Midlands	£159,537	£129,876	-18.59%	£190,171	19%	2.9%	6.4%	Feb-03	33.9%	
West Midlands	£165,807	£136,966	-17.39%	£196,571	19%	3.4%	6.1%	Jan-03	29.5%	
South West	£212,666	£171,356	-19.42%	£253,752	19%	1.3%	6.2%	Jan-03	29.8%	
East	£209,624	£168,263	-19.73%	£286,611	37%	0.0%	6.7%	Jan-03	28.9%	
South East	£238,845	£191,156	-19.97%	£318,491	33%	-0.4%	6.0%	Jun-00	25.0%	
London	£298,596	£245,351	-17.83%	£463,283	55%	-1.9%	6.9%	Apr-00	28.3%	



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



Source: [Home.co.uk](http://Home.co.uk)

### Hometrack

“Annual growth ranges from a high of 5.1% in Glasgow to -0.5% in London - the smallest spread in annual growth recorded across the 20 cities since 1996. The recent narrowing is down to a slowing in the rate of price falls in Aberdeen, which have recently turned positive (+0.3%), alongside a general slowdown in price inflation across all cities, matching the national trend. In 2014 the fastest growing city was London where prices were rising at an annual rate of 18%. There was a further increase in growth 3 years ago, as demand grew as investors rushed to beat the stamp duty changes introduced in April 2016. Since then, the rate of price growth has slowed to 5.1%. The last time the fastest growing city was at this level was in London seven years ago, at the end of 2012, just as the house price growth started to accelerate. Looking across the 20 cities, house price growth is higher than a year ago in eight cities. The deceleration in price growth has been most marked in southern England with Bristol, Portsmouth, Bournemouth and Southampton all registering price inflation at or below 2.5%.” (Apr 19)

### Cushman & Wakefield

“When broken down regionally, the recent status-quo has shifted of-late, with the North West overtaking the Midlands as the region experiencing the highest rate of house price inflation. As of February 2019, year-on-year rates of house price growth in the North West were at 4.0%, with the West Midlands and East Midlands recording 2.9% and 1.6% respectively. Yorkshire & The Humber, the North East, the South East, and London all recorded year-on-year falls in February 2019 data.” (May 19)

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

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

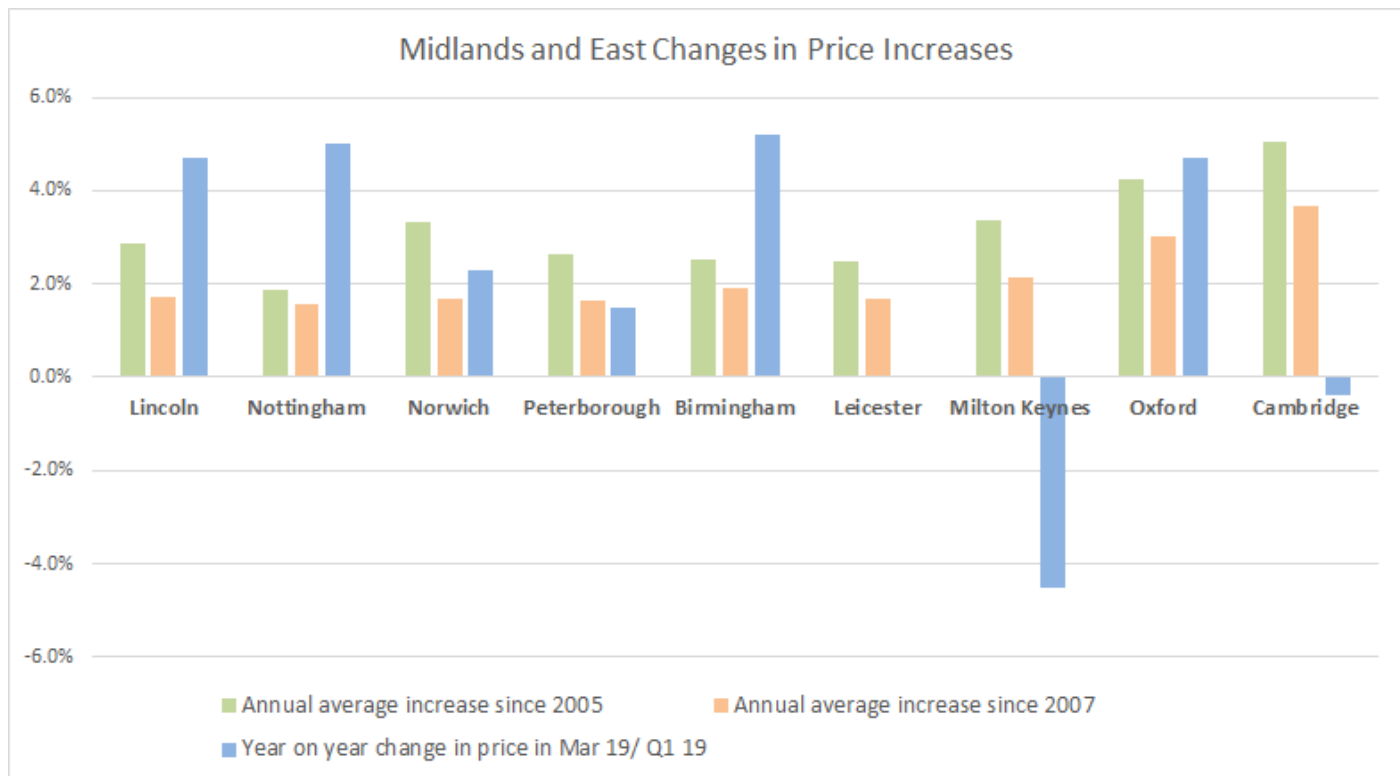
I keep staring at the town and city differences, astonished at the complete erratic nature of property price growth – or declines across the country. Considering there is now talk of a recession – 2020 or 2021 if global, it's hard to see in some areas how property prices will be affected, when they just haven't recovered from the last recession. Areas like Liverpool which are doing well year on year – almost 4% up, have actually only grown by 1% since 2007, so a loss in real terms. Other areas such as Newcastle and Bradford are, on average still below prices seen in 2007, yet they aren't seeing a resurgence now either, with falls of -2% or no growth at all respectively. The country is used to property prices edging up higher than inflation, on average, each year and this fuels people's ability to trade up or if trading down, fund a better pension lifestyle, but looking at these figures, that is a rare occurrence in most places and in the areas where it has happened such as Milton Keynes, Brighton and Hove, London, Bristol and Reading, prices are now falling (on average). If the forecasted next recession hits, who knows what impact this will have on property prices. Perhaps though if mortgage rates remain low, we may not see the falls we have in past downturns – but until then, property is still a 'boom and bust' market, so everyone needs to carefully 'brace' themselves for impact. Just in case.

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 Mar 19/ Q1 19	How much higher/ lower are latest prices vs height in 2007/8	Year on year change in price in Mar 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%	£129,764	-1%	4.3%	n/a	Jan-05	19.2%
Edinburgh	£225,750	£183,029	-18.92%	£263,868	17%	4.5%	n/a	May-07	17.3%
Cardiff	£170,496	£139,651	-18.09%	£207,531	22%	2.5%	6.3%	May-03	30.7%
Newcastle upon Tyne	£164,935	£133,086	-19.31%	£153,442	-7%	-2.0%	5.3%	Feb-04	39.2%
Bradford	£139,640	£111,109	-20.43%	£130,790	-6%	0.5%	5.7%	Sep-04	36.5%
Liverpool	£130,249	£103,705	-20.38%	£131,276	1%	3.9%	6.1%	Jul-04	59.0%
Leeds	£161,439	£130,128	-19.39%	£184,517	14%	4.1%	6.5%	Apr-03	30.7%
Sheffield	£144,875	£120,193	-17.04%	£161,475	11%	0.5%	6.4%	Sep-04	31.9%
Manchester	£140,431	£111,679	-20.47%	£178,039	27%	5.6%	8.2%	Jun-04	34.9%
Lincoln	£128,707	£106,017	-17.63%	£157,576	22%	4.7%	7.2%	Feb-03	38.0%
Nottingham	£119,010	£93,696	-21.27%	£143,297	20%	5.0%	6.2%	Mar-03	37.9%
Norwich	£166,498	£123,698	-25.71%	£203,029	22%	2.3%	7.0%	Oct-02	37.9%
Peterborough	£156,264	£123,752	-20.81%	£189,904	22%	1.5%	6.6%	Dec-02	30.2%
Birmingham	£148,578	£122,773	-17.37%	£186,806	26%	5.2%	6.4%	Feb-03	36.4%
Leicester	£135,317	£110,071	-18.66%	£165,258	22%	0.0%	7.0%	Mar-03	35.4%
Milton Keynes	£194,666	£147,827	-24.06%	£250,755	29%	-4.5%	6.7%	Feb-03	32.0%
Oxford	£289,855	£223,319	-22.95%	£414,972	43%	4.7%	6.5%	Jun-00	29.5%
Cambridge	£283,241	£224,469	-20.75%	£436,255	54%	-0.4%	7.3%	May-00	27.5%
Bournemouth	£206,227	£163,937	-20.51%	£256,579	24%	4.8%	6.2%	Apr-03	32.5%
Southampton	£168,795	£134,665	-20.22%	£208,692	24%	-0.1%	5.9%	Apr-03	29.7%
Portsmouth	£169,633	£130,868	-22.85%	£207,033	22%	-1.4%	5.9%	Mar-03	29.1%
Brighton and Hove	£257,108	£202,054	-21.41%	£348,955	36%	-2.3%	6.9%	Jul-00	35.4%
Reading	£216,724	£176,087	-18.75%	£292,609	35%	-3.0%	5.6%	Jun-00	35.9%
Bristol	£195,196	£153,648	-21.29%	£274,351	41%	-0.8%	7.3%	Apr-03	29.7%
London	£298,596	£245,351	-17.83%	£463,283	55%	-1.9%	6.9%	Apr-00	28.3%

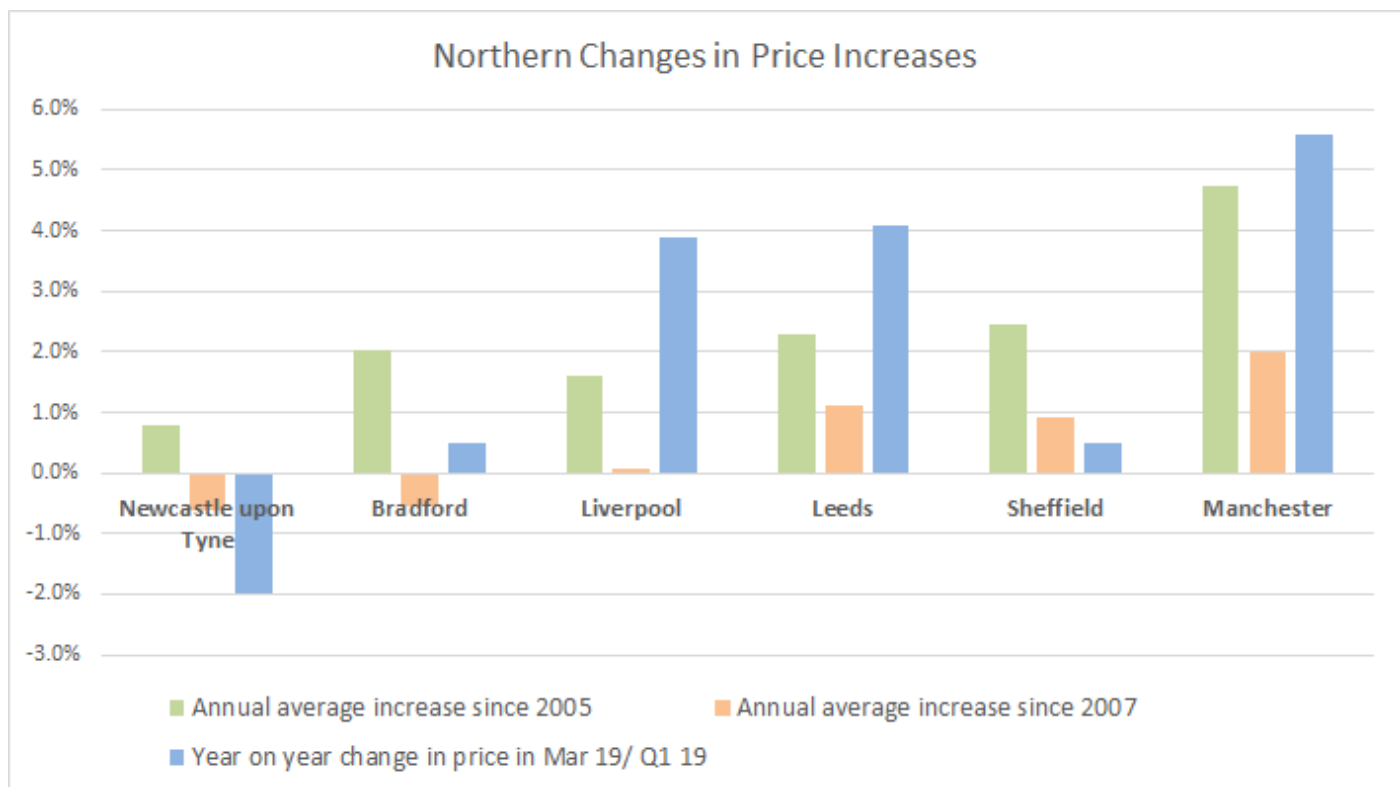
Five high growth areas YoY towns/cities	YoY %	Five low growth areas YoY towns/cities	YoY %	Five high growth areas last 11 years towns/cities	%	Five low growth areas last 11 years towns/cities	%
Manchester	5.6%	Milton Keynes	-4.5%	London	55%	Belfast (Q1)	-40%
Birmingham	5.2%	Reading	-3.0%	Cambridge	54%	Newcastle upon Tyne	-7%
Nottingham	5.0%	Brighton and Hove	-2.3%	Oxford	43%	Bradford	-6%
Bournemouth	4.8%	Newcastle upon Tyne	-2.0%	Bristol	41%	Glasgow	-1%
Lincoln	4.7%	London	-1.9%	Brighton and Hove	36%	Liverpool	1%

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	%
Hackney	5.6%	Kensington and Chelsea	-16.4%	Waltham Forest	74%	Hammersmith and Fulham	30%
Newham	5.0%	City of Westminster	-14.0%	Hackney	70%	Tower Hamlets	33%
Merton	4.0%	Camden	-9.3%	Haringey	64%	Kensington and Chelsea	40%

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

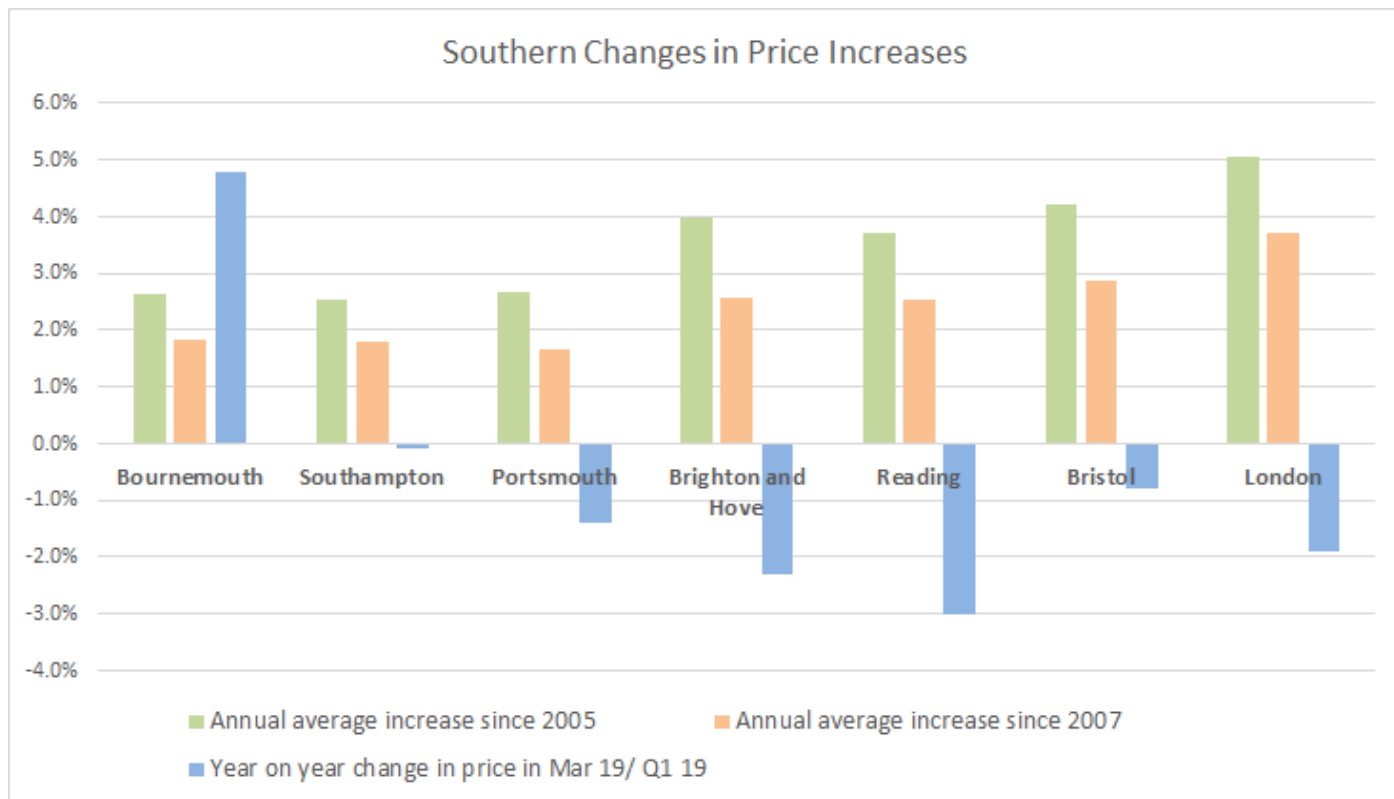


Source: [UK HPI](#)

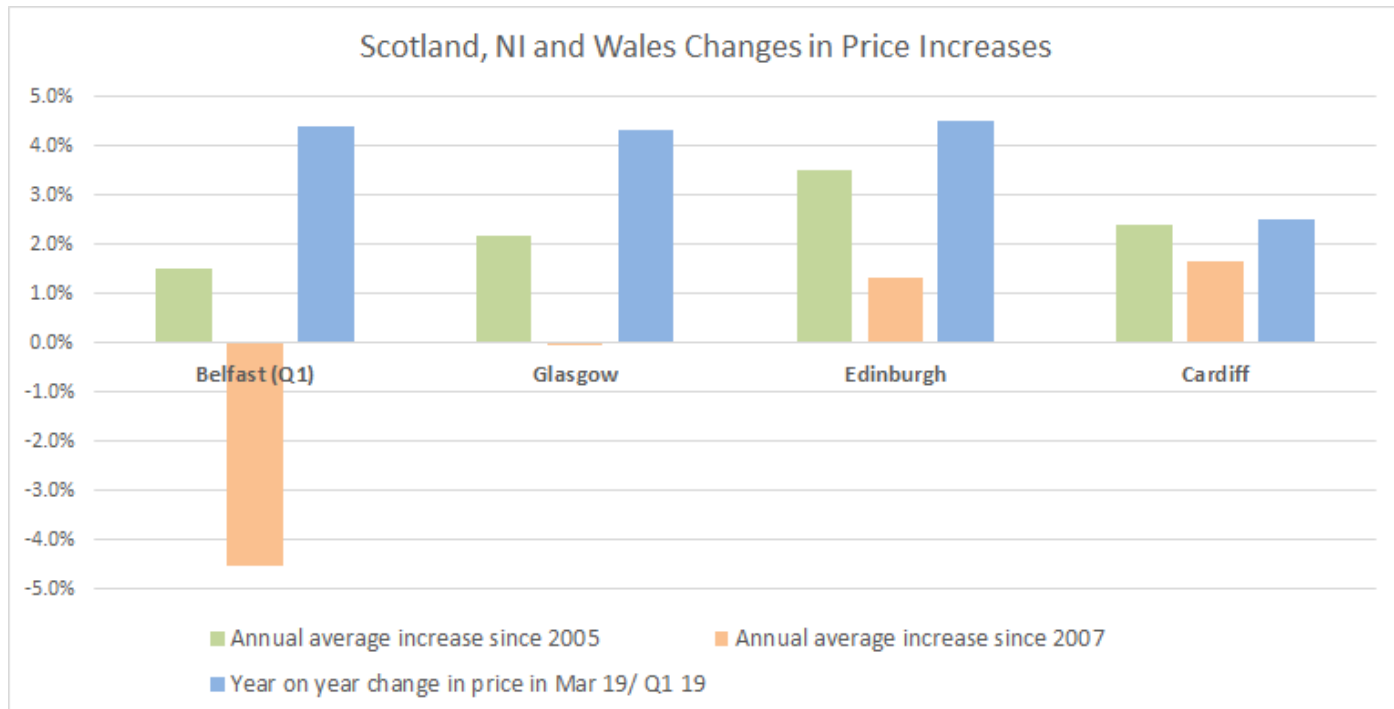


Source: [UK HPI](#)

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



Source: [UK HPI](#)

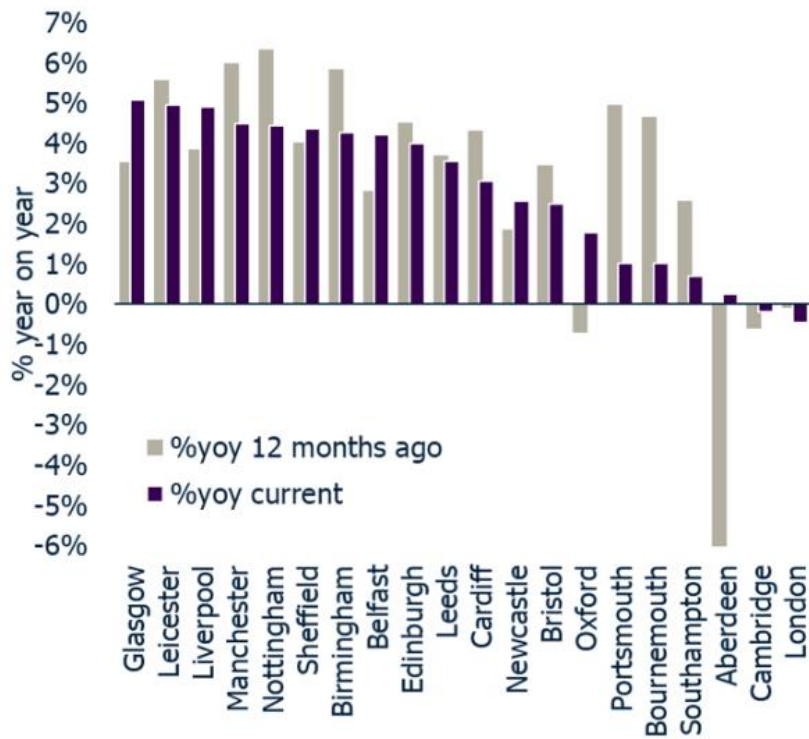


Source: [UK HPI](#)



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

Fig. 3 – House price inflation – current and 12m 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:**

If there is one thing that might reduce the impact of a recession it's the little stock that's currently on the market while demand is still relatively strong. First time buyers, although falling according to UK Finance, are propping up the market currently with the fall off of buy to let investors – at least in the south. However the most interesting data this month comes from a recent report by Cushman and Wakefield which shows just how differently markets are performing from a transaction perspective with *“Less than 1-in-50 houses in LB Brent sold during 2018, where in contrast, Northamptonshire appears to be the most functional market, with three of its Local Authorities appearing in our top 15. On average, 1-in-20 homes in the County were sold during 2018.”* Good news for agents in Northampton!

[NAEA PropertyMark](#) *“The number of sales agreed increased for the first time this year, to an average of eight per branch in April. This is the highest level seen since October 2018, when the same number of sales were recorded per branch. Year-on-year, the number of property transactions remains the same. The number of sales made to FTBs in April increased marginally, rising from 26 per cent in March, to 27 per cent. Year-on-year, this is an increase of three percentage points from 24 per cent.” (Apr 19)*

[Bank of England](#) *“The number of mortgage approvals for house purchase, a leading indicator of mortgage lending, ticked up in April to around 66,300. This was close to the average of the past two years and reversed the fall seen in March. The number of approvals for re-mortgaging was broadly unchanged, at around 49,400.” (Apr 19)*

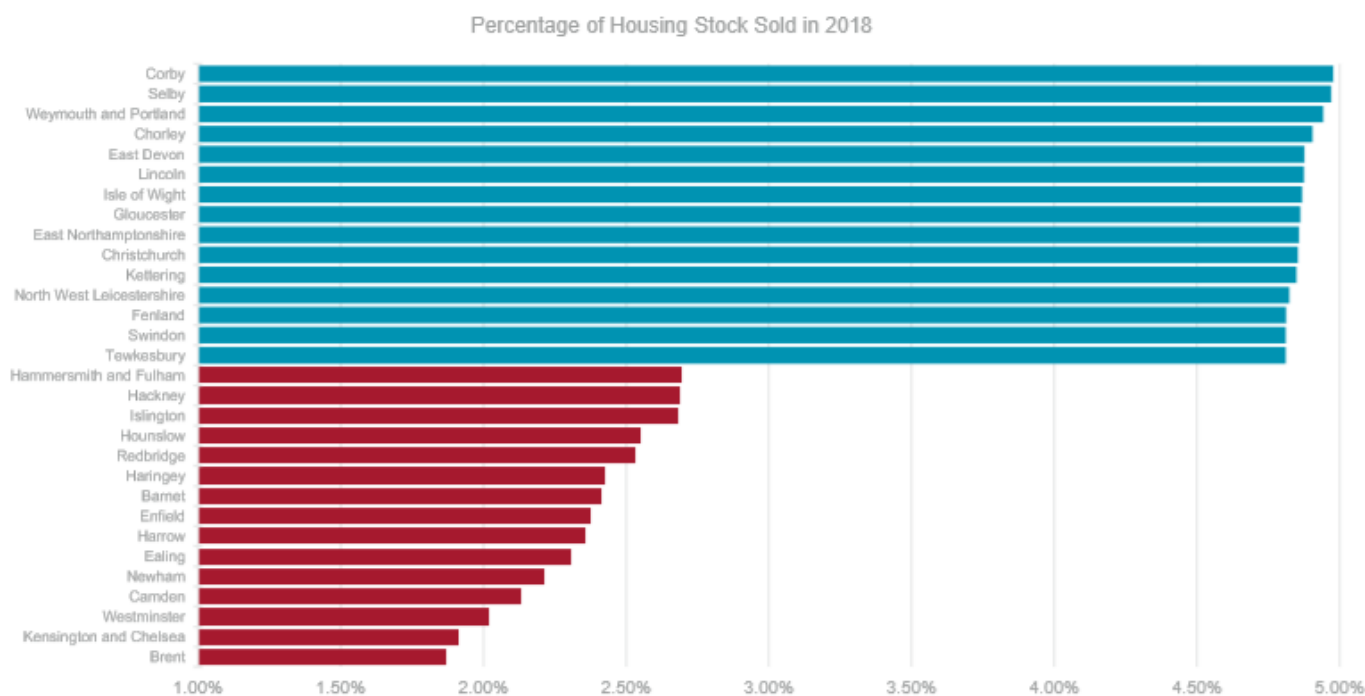
[UK Finance](#) *“There were 28,800 new first-time buyer mortgages completed in March 2019, 2.4 per cent fewer than in the same month in 2018. This is the first year-on-year decrease in first-time buyers since September 2018. There were 25,280 homemover mortgages completed in the month, six per cent fewer year-on-year.” (Mar 19)*

[Search Acumen](#) *“Total conveyancing transaction volumes were down 4% on a quarterly basis, as the market processed 255,989 cases in Q1 2019 compared to 267,438 in Q4 2018, and down 6% annually. The market has made only modest gains in the last 24 months, with volumes up 4% on Q1 2017. Total activity among firms outside the top 1,000 conveyancers dropped 8% annually.” (Q1 19)*

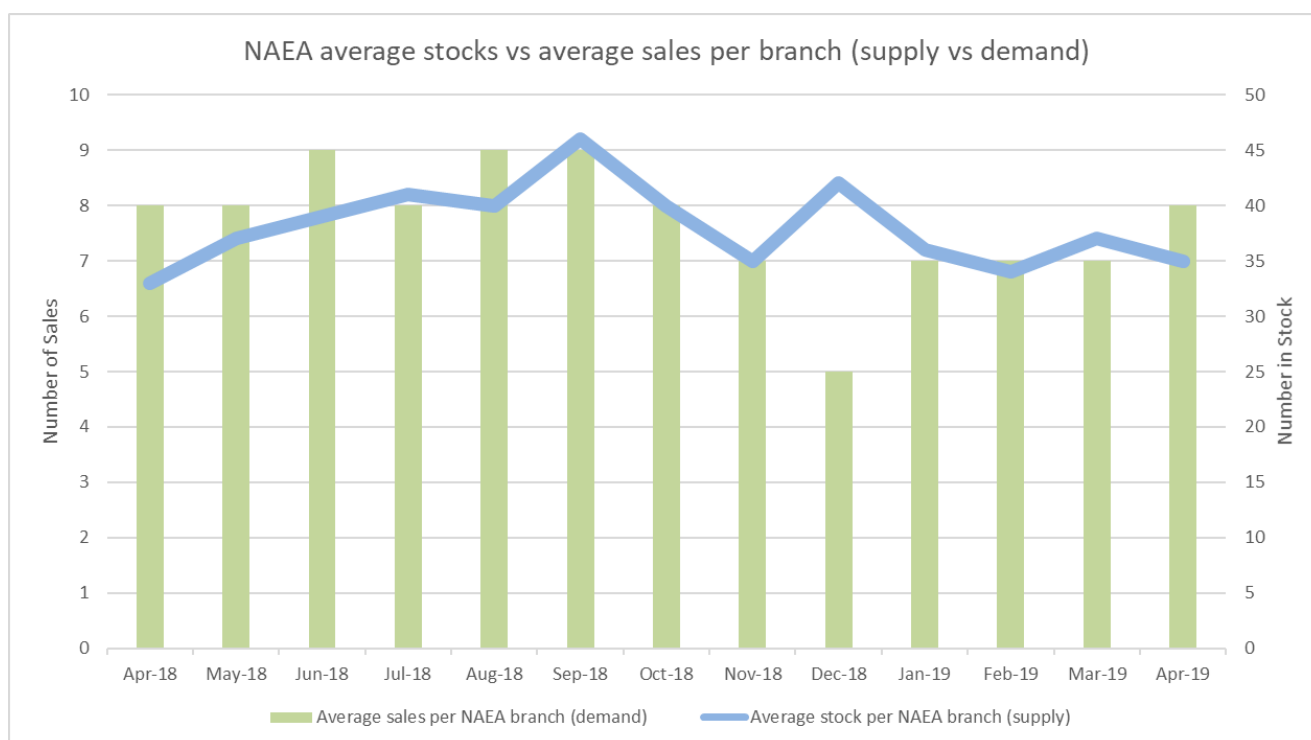
[NAEA PropertyMark](#) *“After a rise in demand in March, the number of house hunters registered per estate agent branch fell by 10 per cent in April, from 296 to 265. Year-on-year, demand was at the lowest level recorded for the month of April since 2008, when 237 prospective buyers were registered on average per branch. Housing demand also fell by a fifth (21 per cent) from April 2018 when there were 337 house hunters per branch.” (Apr 19)*

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

**Cushman & Wakefield** *“Complete data for 2018 highlights stark contrasts in the English market from a transactional perspective. By stripping-out new home sales data, and then applying second-hand sales figures to existing housing stock levels, we can clearly see that the true fluidity of a number of London markets is at record low levels. Less than 1-in-50 houses in LB Brent sold during 2018, where in contrast, Northamptonshire appears to be the most functional market, with three of its Local Authorities appearing in our top 15. On average, 1-in-20 homes in the County were sold during 2018.” (May 19)*



Source: [Cushman & Wakefield](#)



Source: [NAEA PropertyMark](#)

The Hotter Your Market - The Easier Your Sale

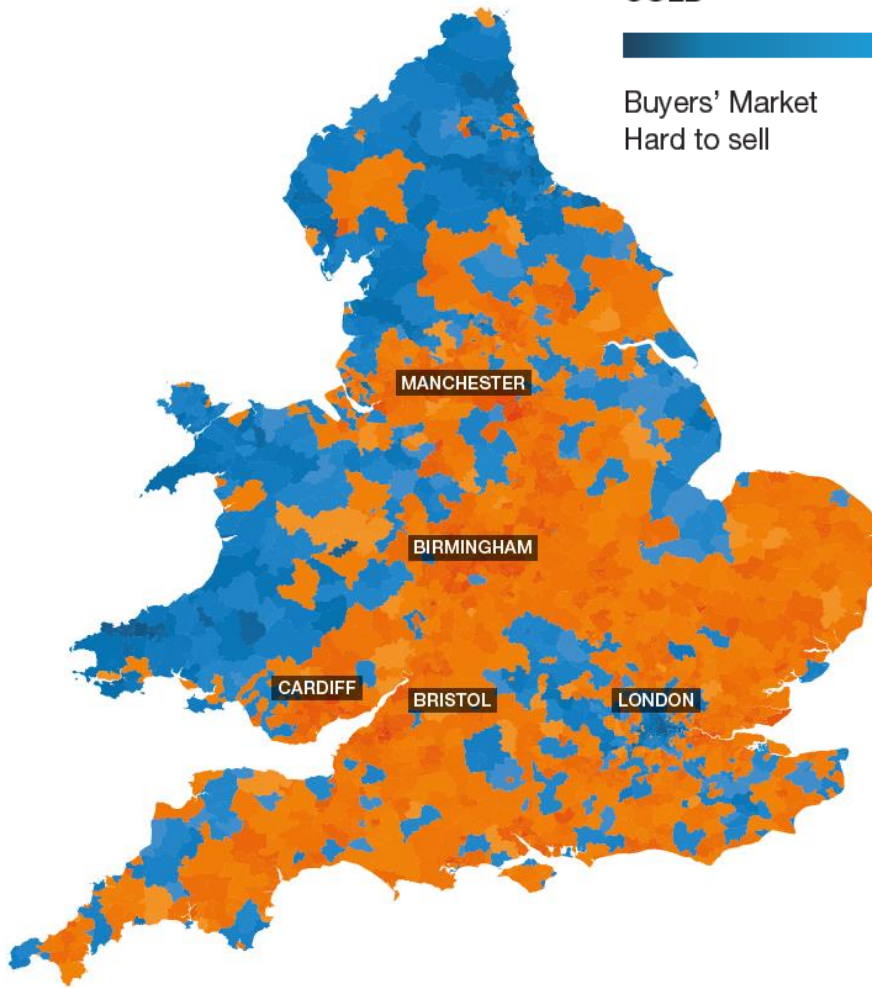
# England and Wales

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	%	June 19
BS3	70	Bristol
BH17	69	Poole
BS2	65	Bristol
M32	65	Manchester
BS6	64	Bristol
BS5	63	Bristol
B45	63	Birmingham
M27	63	Manchester
B98	62	Redditch
BN41	62	Brighton

### Top 10 cold markets - buyer demand

Postcode	%	June 19
NW8	8	London
L2	8	Liverpool
WC2	8	London
W1	9	London
SW8	10	London
SW10	10	London
ST12	10	Stoke-on-Trent
EC2	11	London
SW5	12	London
BD1	12	Bradford

Source: [The Advisory](#)