

August 2014 Latest Property Price Summary

We track most of the monthly reports on property prices produced on a monthly basis. This report summarises what's being said about the market and includes [Kate Faulkner's](#) comments on what this means primarily for the general public, but also for the industry, market and economy.

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Report Headlines:-

Rightmove	<i>"Year-end forecast revised to +8%, in spite of first fall of 2014."</i>
Home.co.uk	<i>"Supply surges in London and prices still on the rise."</i>
NAEA	<i>"Buyer numbers decrease with significant drop in first time buyers."</i>
Hometrack	<i>"Hometrack reveals 'seasonal' dip is likely to linger as London market cools rapidly."</i>
Nationwide	<i>"House price growth moderated in July."</i>
Halifax	<i>"House prices in the three months to July were 3.6% higher than in the three months to April."</i>
Acadata	<i>"House sales recover to the highest level for 7 years - 4.6% annual price growth outside London and SE."</i>
Land Registry	<i>"The annual price change now stands at 6.4 per cent, bringing the average house price in England and Wales to £172,011."</i>

Kate Faulkner comments on Report Headlines:

"I can see the headlines now – are we heading for a crash? Is the bubble about to burst? The reality? Pent up demand is slowing, it's a hot summer, and added to this some pretty scary headlines about wars are all things that will really dent people's confidence in the market. Most of the forecasts suggested a 3-6% increase for areas outside London and a 7-9% increase for London itself this year. So far the forecasts have been pretty good, bar London prices which have grown at two to three times the rates expected throughout the year."

Regional Property Price Differences

Home.co.uk

"Overall, house prices rose, by 0.6% in England and Wales, month on month. However, this figure masks a great diversity across the regional property markets. Prices actually fell in Scotland and the North East over the last month (by 0.4% and 0.3% respectively), whilst further south, the markets in East Anglia, London and the South East posted strong rises (of 1.0%, 0.9% and 0.8% respectively). Price rises over the last month were more muted in the South than in previous months, but it should be noted that this is consistent with seasonal expectations. (July 14)"

Hometrack

"Less than a quarter of postcode districts registered a price rise in July – almost half the level seen in the spring, when 50% of markets were registering price gains. The proportion of the asking price being achieved is starting to decline nationally, as agents find it harder to push prices ahead in the face of weaker demand. The percentage of asking price being achieved is still relatively high but has fallen from 96.8% in May to 96.1%. In London it has declined more sharply from over 99% to 97.5% over the same period. (July 14)"

Acadata

"The three regions which have seen an increase in the rate of growth in house prices in June are Greater London, the South East and Wales. Greater London continues to dominate the regional league table in terms of house price growth, with house price inflation double that of any other region in England & Wales. Record average house prices have again been set in two regions, being Greater London and the South East, where we suggest demand for properties is outstripping supply. (July 14)"

Land Registry

"The region with the most significant annual price increase is London with a movement of 16.4 per cent. North East saw the lowest annual price growth with a movement of 0.8 per cent. West Midlands experienced the greatest monthly price rise with a movement of 1.9 per cent. Yorkshire & The Humber saw the most significant monthly price fall of 1.3 per cent. (June 14)"

Kate Faulkner comments on Regional Price Differences:

"Even in London, property price growth has started to subside, while other areas which have seen much more modest gains, are still managing to increase at rates up to more 'normal'+5-6% year on year. Hometrack's survey suggests that buyers are being more cautious and offering less 'panic' buying amounts as we see offer to asking price ratios slip from 99% to 97.5% in London and to 96% in other regions."

Demand for Property

Rightmove

"There is evidence the frenetic activity seen in some areas during the first half of the year is cooling, in part due to stricter mortgage eligibility and previously pent-up demand. (July 14)"

NAEA

"The average number of house hunters registering with NAEA agents decreased by 1% percent in June, from an average of 374 house hunters in May to 371 in June. However, NAEA member agents also reported a decrease in the average number of sales agreed per branch, down from ten in May to nine in June. The average number of first time buyers also significantly decreased in June, down from 25% of total sales in May to 20% with just 3% of these buyers aged 18-30 recorded, compared with 48% of buyers aged 31 to 40. June 2014)"

Hometrack

"Demand for housing fell slightly in July, with the percentage change in new buyers registering with agents at -0.9% compared to 0% in June. The gap between supply and demand has narrowed sharply in the last three months, pointing to a reduction in the pressure on house prices (July 14)"

Nationwide

"Mortgage approvals declined by almost 20% between January and May, and there has also been some softening in forward looking indicators, such as new buyer enquiries. At least part of the slowdown relates to the introduction of Mortgage Market Review measures. The modest rebound in mortgage approvals in June adds weight to the notion that the slowdown will prove temporary, though the underlying pace of demand remains unclear. (July 14)"

Halifax

"Housing demand continues to be supported by a continuing economic recovery, growth in employment, improving consumer confidence and low mortgage rates. However, earnings growth is still lagging behind consumer price inflation. (July 14)"

Bank of England

"The number of loan approvals for house purchase was 67,196 in June, compared to the average of 68,240 over the previous six months. (June 14)"

Severn Trent

"The average number of daily transactions in the first half of July was up 8.5% on the same period last year. It was, however, down 6.6% on the average daily number of transactions in June. We would expect transactions to dip slightly over the second half of the month as we move into the holiday period. (July 14)"

Acadata

"First-time buyers and buy-to-let landlords are helping the flow of activity in the UK housing market. Overall 90,000 properties were sold across England and Wales in July, up 21% yoy, representing the highest monthly total since November 2007. As the common property choice of a new buyer or investor, flats have seen the largest increase in sales during the second quarter of this year, rising a third (36%) compared to Q2 2013. As the market emerges from the chrysalis of regulatory change, sales have climbed 10% in the past month. (July 14)"

Land Registry

"In the months January 2014 to April 2014, sales volumes averaged 65,679 transactions per month. This is an increase from the same period a year earlier, when sales volumes averaged 48,597 per month. (June 14)"

Kate Faulkner comments on Demand for Property:

"It's not a surprise demand is waning – prices are up and in London, affordability is tough again after the crash. The so called 'surprise' stats by the media that FTBs are now over 30 though does make me worry about our interpretation of housing numbers. Surely, if only half the number of FTBs who could have bought between 2007-2012 ie over a six year period, actually bought – isn't it just natural that FTBs will come out a bit older post the recession?"

Supply of Property

Rightmove

"While the national average shows the number of properties coming to market is up by 9.5% this year compared to a year ago, supply remains more constrained in the high-demand commuter and second-home hotspot areas of East Anglia (+5%), the South East (+6%), and the South West (+6%). London itself has seen a boost in property coming to market, up by 15%, which will act as a brake on prices rising further in areas that buyers judge to have an excess of over-priced or poor quality supply. (July 14)"

Home.co.uk

"The regions where the number of properties entering the market has fallen the most over the last year are East Anglia, the South East, the South West, East Midlands and Yorkshire. Meanwhile, supply has increased dramatically in London and less so in Wales and the North West. (July 14)"

NAEA

"The supply of homes for sale in June continues to increase from the previous month. In June, there was an average of 46 properties available per NAEA member branch, compared with 44 in May 2014. While the growth in stock levels offers a promising sign, the supply crisis continues to affect the market. As records show, the number of properties available per member branch has not reached above 50 per month since November 2013, and above 60 since May 2013. (June 14)"

Nationwide

"Over the longer term, the trajectory of house prices will remain crucially dependant on supply side developments. While there have been some encouraging signs that construction activity is picking up, the pace of home building continues to run far below most estimates of what would be required to keep up with household formation in the years ahead. (July 14)"

Acadata

"Chequered supply across the country has created considerable regional variation in sales. London and the South East have seen the slowest growth in house sales between Q2 2013 and Q2 2014. In these areas, limited availability of property is impacting sales. (July 14)"

Kate Faulkner comments on Supply of Property:

"It's good to see London homeowners are starting to sell up rather than holding on in the hope of 'maximising' property prices. This will help everyone in the London market move up or down to more appropriate housing, or in the case of some, move out of London altogether to cash in on the huge wealth their property had created for them. This 'lead' in more properties for sale in the London market is likely to spread out into the regions over coming months and hopefully relieve pressure on areas where buyers who are desperate to move but who are struggling to find the right property at the right price."

What to do next?

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 [Property Checklists](#), make it easy to access the information and support you need via the FREE of charge checklists, daily articles and advice:-

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If you need Kate to appear on TV, radio or for general comment, please contact directly:-

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About Kate Faulkner

Kate has written six property books including four for the consumer organisation Which? – Buy, Sell and Move House; Renting and Letting; Develop your Property and Property Investment Handbook. Kate presents at a seminar almost every week to landlords, investors, first time buyers and is often asked to present at industry conferences and chair debates.

From a media perspective, Kate's appearances include BBC Breakfast News, Your Money, GMTV, ITV, Radio 4 You and Yours, The Big Questions and 5Live. In the last 12 months, Kate has carried out over 15 TV and radio interviews, has been quoted every month in major newspapers and magazines and being featured in many local newspapers.

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