

## May 2016 Latest Property Price Summary

We track key reports on property prices produced on a monthly basis. This report summarises crucial numbers and what the experts are saying 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.

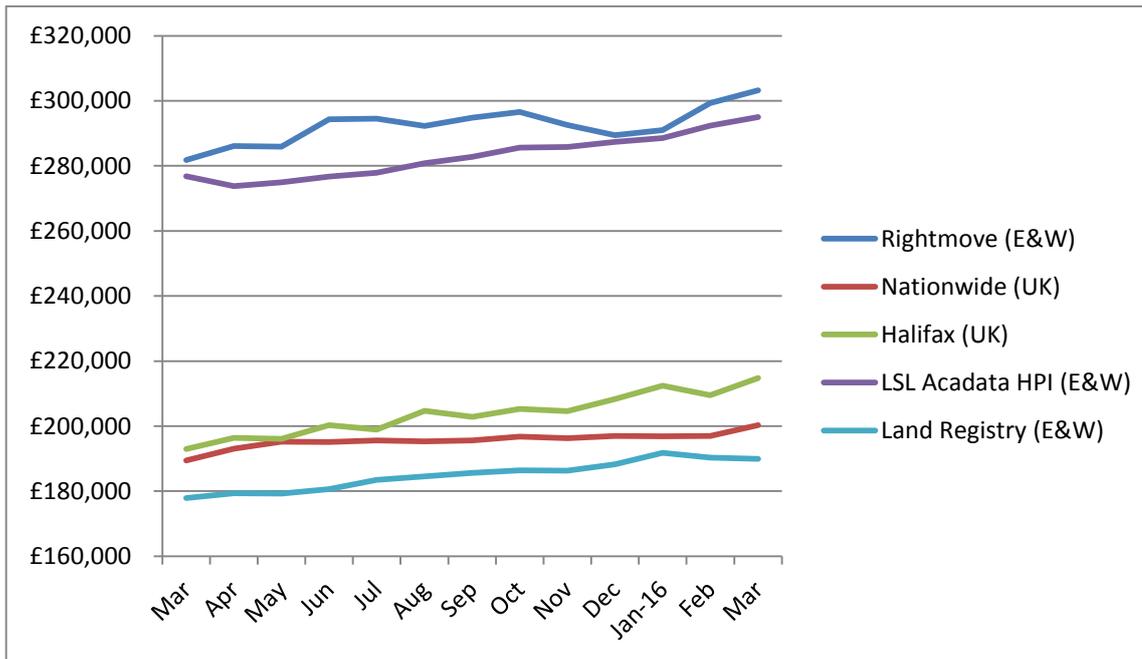
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### Kate's view on individual indices

- [Rightmove](#) - Useful to measure average time to sell and sellers' sentiment. *(E & W)*
- [Nationwide](#) - Measures mortgaged property prices and affordability. *(UK)*
- [Halifax](#) - Measures mortgaged prices and produces individual research, ie seaside towns. *(UK)*
- [NAEA](#) - Tracks first time buyer sales and provides supply/demand figures from agents. *(UK)*
- [RICS](#) – Excellent for supply/demand analysis and on forecasting the market. *(UK)*
- [BBA](#) – Provides a huge amount of data on the economy/prices/transactions and financing. *(UK)*
- [Agency Express](#) - Analyses for sale/sold board, good for 'current' market trends. *(E,W & S)*
- [Hometrack](#) - City analysis across the UK and compares current prices annually and quarterly. *(E,W & S)*
- [LSL Acadata HPI](#) – Analyses Land Registry figures, separates out London, good analysis on transactions. *(E & W)*

## Latest National Market Movements



	High	Low	Current Month Mar-16	Current Month Apr-16	Annual Change	Annual Average (05-16)
<b>Rightmove</b>	£241,474	£213,570	£303,190	£307,033	7.3%	4.5%
<b>Nationwide</b>	£184,131	£147,746	£200,251	£202,436	4.9%	2.6%
<b>Halifax</b>	£199,766	£157,767	£214,811	£212,321	9.2%	2.4%
<b>LSL Acadata HPI</b>	£231,829	£197,145	£294,969	£298,030	8.9%	4.3%
<b>Land Registry</b>	£180,925	£149,899	£189,901	n/a	6.7%	1.9%

### Kate Faulkner comments on the national market:

*Well Mr Osborne and Mr Carney.....that didn't go quite according to plan! So the rationale for the introduction of the new 3% stamp duty for second home owners, especially aimed at buy-to-let investors, was to reduce the impact of a potential 'bubble' in house prices which would worsen the effect of a recession on house prices in general. Instead, what appears to have happened to date is succinctly put by the CML "The distortion caused by this stamp duty change appears to be larger than any previous stamp duty change we've seen." Oops! As we can see the price growth (bar Halifax) pretty much caused, albeit in the short term, exactly what it was supposed to have prevented!*

*However, it was all pretty good news for the industry with transactions being more of a driver of performance than property prices. According to Nationwide, "There were 165,400 transactions in March, an all-time high, some c11% higher than the previous peak of c149,000 recorded in January 2007".*

*And it doesn't seem to be having a tremendously bad effect on April's sales, in fact I am hearing from some regions that landlords are now coming to them away from London/South to invest, as stamp duty bills are lower and that other landlords are just using the 3% stamp duty hike as an opportunity to negotiate money off the purchase. So far, so good for the industry, and although the treasury will benefit from extra funds to invest in first time buyer initiatives, it still doesn't appear to have dampened investors' enthusiasm to purchase more property.*

*However, a slowdown may just not have filtered through the figures yet, as the Halifax reports that confidence in the UK housing market "is at its lowest level in over a year" (\*according to their Halifax Housing Market Confidence Tracker).*

## Report Headlines

<a href="#"><u>Rightmove</u></a>	<i>"Buy-to-let ignites chain reaction, driving prices to record high"</i>
<a href="#"><u>NAEA</u></a>	<i>"Glimpse of light at end of the tunnel for first time buyers"</i>
<a href="#"><u>RICS</u></a>	<i>"Buyer demand contracts as April Stamp Duty deadline passes"</i>
<a href="#"><u>Nationwide</u></a>	<i>"Annual pace of house price growth moderates in April"</i>
<a href="#"><u>Halifax</u></a>	<i>"Annual house price growth eases to 9.2%"</i>
<a href="#"><u>LSL Acadata HPI</u></a>	<i>"London house prices break through the £600k barrier"</i>
<a href="#"><u>Hometrack</u></a>	<i>"City level house price inflation accelerates as investors rush to beat stamp duty deadline"</i>
<a href="#"><u>Land Registry</u></a>	<i>"The annual price change now stands at 6.7 per cent"</i>

## Regional Property Price Differences

### Kate Faulkner comments on regional differences:

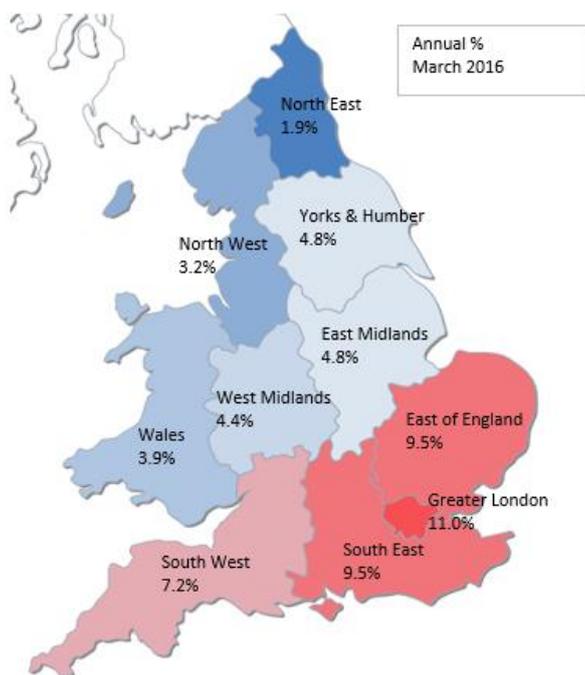
From a regional perspective, as ever, not just the area, but the postcode and the individual property type dictate what's happening locally. Never before have I seen a time when the agent is crucial in determining the value of a property, for me, their local expertise is essential. This is good news for the agents that can market this knowledge to their advantage. Looking forward at a regional level, Hometrack interestingly think that "Tougher lending criteria and tax changes are likely to push investors into higher yielding, lower priced markets. Liverpool recorded the fastest increase in 2016 Q1 as prices rise off a low base." And their thoughts are that overall, although growth has been good so far this year, "City level house price growth is expected to moderate in 2016 Q2 with a market slowdown in higher value, lower yielding cities over the remainder of 2016".

Property Prices - Country	Latest Month's Data - Mar 16	Current Price +/- versus Market Height	Year on year change in price in Mar	Annual average increase since 2000	Land Registry Highest Yearly Average Increase Since 2000	
					Date	% Increase
England & Wales	£ 189,901	5%	6.7%	6.4%	Jan-03	24.7%
Wales	£ 122,221	-12%	3.5%	5.8%	Jul-04	28.7%
Scotland *	£ 158,056	-2%	-13.9%	n/a	n/a	n/a
Northern Ireland **	£ 154,685	-38%	9.0%	n/a	n/a	n/a

\* Ros.gov Data (Mar 16)

\*\* University of Ulster & NIHE (Q4 15)

Property Prices - Regions	2007/8 Height	Market Low	Market Low +/- versus Market Height	Latest Month's Data - Mar 16	Current Price +/- versus Market Height	Year on year change in price in Mar	Annual average increase since 2000	Land Registry Highest Yearly Average Increase Since 2000	
								Date	% Increase
North East	£ 129,519	£ 94,940	-26.70%	£ 97,581	-25%	-0.7%	4.8%	Apr-03	30.9%
North West	£ 137,582	£106,141	-22.85%	£ 116,018	-16%	5.3%	5.6%	Jul-04	27.2%
Yorkshire & The Humber	£ 145,571	£113,887	-21.77%	£ 121,841	-16%	1.6%	5.7%	Jan-03	27.3%
East Midlands	£ 147,541	£118,668	-19.57%	£ 140,219	-5%	5.7%	6.1%	Jan-03	31.8%
West Midlands	£ 153,944	£126,365	-17.91%	£ 140,528	-9%	3.1%	5.4%	Feb-03	26.7%
South West	£ 195,465	£158,279	-19.02%	£ 197,085	1%	5.8%	6.4%	Jan-03	28.2%
East	£ 194,114	£157,445	-18.89%	£ 220,989	14%	10.7%	7.1%	Feb-03	27.2%
South East	£ 228,328	£185,432	-18.79%	£ 266,729	17%	10.3%	6.7%	Jun-00	23.5%
London	£ 351,512	£292,977	-16.65%	£ 534,785	52%	13.9%	8.9%	Apr-00	29.0%



LSL Acadata HPI - Heat Map of the annual change in the average house price, analysed by region, March 2016

## Property Price Towns and City Differences

### Kate Faulkner comments on prices in towns and cities:

*This is where the differences in the market continue to be astonishing. Land Registry (it's the last report from them as the government is moving towards a new ONS index) shows that areas such as Newcastle are not only still seeing property prices 16% lower than they were eight years ago, they have even fallen versus last year. This begs the question as to whether in some parts of the country, for some property types, eg city centre flats, whether we will over the coming years be reporting the UK's first 'true' property price bubble where prices don't actually ever recover – or certainly not in the next 5-10 years. Reporting these different property price fluctuations to the media locally and nationally needs to be done by all agents and lenders now to help the media see that this is the 'real story' when it comes to reporting on housing – affordability is an issue in areas where prices are high, because people 'can' afford it, but in areas that aren't seeing much economic/wage growth, prices remain pretty affordable.*

Cities	2007/8 Height	Market Low	Market Low +/- versus Market Height	Latest Month's Data - Mar 16	Current Price +/- versus Market Height	Year on year change in price in Mar
Scotland						
Glasgow *	£ 130,629	£105,000	-19.62%	£ 122,012	-7%	-10.6%
Edinburgh *	£ 185,000	£168,000	-9.19%	£ 226,585	22%	-21.5%

\* Ros.gov Data (Mar 16)

City	2007/8 Height	Market Low	Market Low +/- versus Market Height	Latest Month's Data - Mar 16	Current Price +/- versus Market Height	Year on year change in price in Mar
Northern Ireland						
Belfast **	£ 258,332	£135,385	-47.59%	£ 169,817	-34%	8.4%

\*\* University of Ulster & NIHE (Q4 15)

Towns/Cities/Counties	2007/8 Height	Market Low	Market Low +/- versus Market Height	Latest Month's Data - Mar 16	Current Price +/- versus Market Height	Year on year change in price in Mar	Annual average increase	Land Registry Highest Yearly Average Increase Since 2000	Date	% Increase
England & Wales										
Liverpool	£ 124,934	£ 87,986	-29.57%	£ 92,197	-26%	3.0%	5.1%	Jul-04	42.7%	
Bradford	£ 125,925	£ 91,102	-27.65%	£ 96,235	-24%	2.8%	5.0%	Oct-04	29.1%	
Manchester	£ 121,340	£ 89,621	-26.14%	£ 105,885	-13%	7.4%	6.3%	Sep-04	24.4%	
Leeds	£ 155,110	£120,678	-22.20%	£ 136,062	-12%	5.5%	6.0%	May-03	28.3%	
Newcastle upon Tyne	£ 143,040	£114,028	-20.28%	£ 120,679	-16%	-1.0%	5.8%	Apr-03	32.5%	
Birmingham	£ 136,345	£109,972	-19.34%	£ 125,565	-8%	6.4%	5.5%	Apr-03	28.8%	
Peterborough	£ 134,523	£103,729	-22.89%	£ 123,181	-8%	4.8%	6.1%	Dec-02	26.9%	
Nottingham	£ 105,214	£ 81,782	-22.27%	£ 94,521	-10%	5.7%	5.1%	Feb-03	33.5%	
Sheffield	£ 139,484	£112,582	-19.29%	£ 126,921	-9%	3.1%	6.5%	Apr-03	26.7%	
Leicester	£ 131,434	£106,103	-19.27%	£ 123,694	-6%	7.5%	6.7%	May-03	33.3%	
Bournemouth	£ 192,914	£152,100	-21.16%	£ 196,262	2%	7.9%	6.1%	Feb-03	25.5%	
Southampton	£ 160,228	£132,012	-17.61%	£ 160,911	0%	7.1%	5.8%	Feb-03	27.4%	
Cardiff	£ 159,475	£131,853	-17.32%	£ 158,739	0%	5.6%	6.0%	May-03	28.8%	
Portsmouth	£ 161,407	£128,349	-20.48%	£ 167,637	4%	6.7%	6.3%	Feb-03	27.4%	
Norfolk	£ 163,779	£134,922	-17.62%	£ 168,245	3%	5.9%	7.2%	Feb-03	27.2%	
Milton Keynes	£ 176,806	£141,250	-20.11%	£ 202,459	15%	10.3%	7.2%	Feb-03	28.9%	
Cambridgeshire	£ 196,770	£160,406	-18.48%	£ 227,041	15%	10.1%	7.2%	Feb-03	21.9%	
Bristol	£ 188,869	£148,839	-21.19%	£ 227,583	20%	14.3%	8.1%	Feb-03	29.8%	
Reading	£ 217,746	£177,338	-18.56%	£ 271,989	25%	15.0%	6.4%	Jun-00	32.1%	
Oxfordshire	£ 249,860	£211,963	-15.17%	£ 304,338	22%	8.9%	6.8%	Jul-00	23.4%	
Brighton and Hove	£ 232,584	£187,183	-19.52%	£ 301,356	30%	12.1%	8.9%	Jul-00	35.5%	
London	£ 351,512	£292,977	-16.65%	£ 534,785	52%	13.9%	8.9%	Apr-00	29.0%	

## Summary of Property Price Indices comments on Town and City Differences

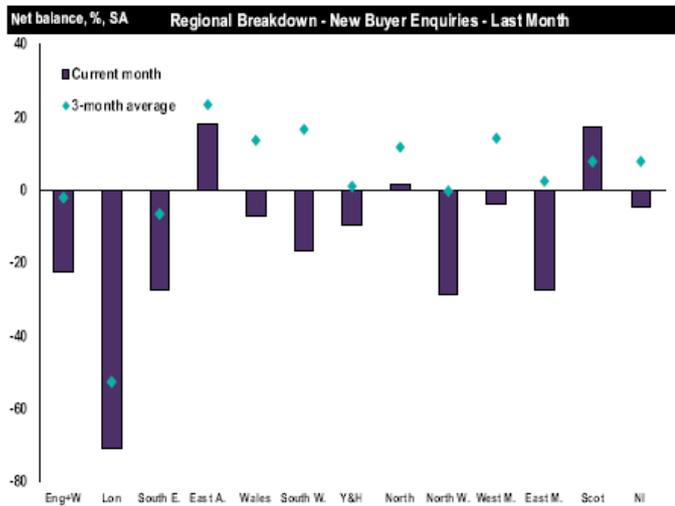
- RICS *“Most parts of the UK report price increases with London and the North of England the only exceptions. London reported a second, albeit modest monthly decline, while prices in the North of England remained broadly unchanged. (Apr 16)”*
- LSL Acadata HPI *“London has led the way this April, with the value of the average home in the capital breaking through the £600,000 barrier for the first time. Property prices in London have seen an 11% upswing year-on-year, surpassing all other regions. This rapid growth means the average house price in London has almost doubled over the past seven years, rocketing up from £321,917 in April 2009.*
- “While London may have seen the biggest boost in house prices this month, property values have hit new records in nine of the ten regions in England and Wales, as growth ripples out from the capital. This is the first time nine regions have broken records in the same month since October 2007 at the height of the boom – as the market has now fully recovered from the crash. For those looking for houses to buy, the North East offers the most affordable options, home to the lowest average property values in England & Wales and the only region where house prices haven’t set a new peak in April. (Apr 16)”*
- Hometrack *“The highest increase in house prices in the last quarter was recorded in Liverpool as prices rise off a low base, closing the gap to other major cities such as Manchester and Leeds where house price growth is running at over 7% per annum - the highest year on year growth since 2007. (Mar 16)”*
- Land Registry *“The region with the most significant annual price increase is London with a movement of 13.9 per cent. The North East saw the only annual price fall with a movement of -0.7 per cent. London and the East experienced the only monthly price rises with a movement of 0.2 per cent. Yorkshire & the Humber saw the most significant monthly price decrease with a movement of -2.6 per cent. (Mar 16)”*

# Demand for Property

## Kate Faulkner comments on demand for property:

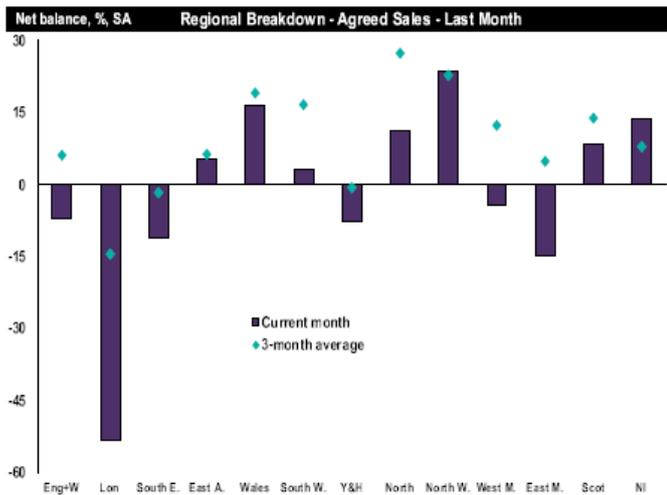
Most of the indices this month point to a change in demand in the market place following one of the biggest transaction months for some time in March. Rightmove talk about far more people 'trading up' and there is an expectation and some evidence from the NAEA that first time buyers are seizing on the idea that less buy to let investors are buying, and coming back to see what the competition to buy is like. However, so far there doesn't seem to be a substantial fall in buy to let investors and in some cheaper areas some agents are reporting more enquiries.

Regional Enquiries - Past month



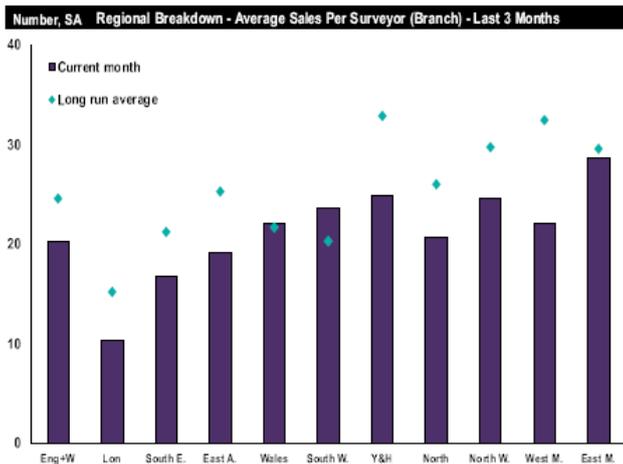
Source: [RICS – Apr 16](#)

Regional Newly Agreed Sales - Past month



Source: [RICS – Apr 16](#)

Regional Average Sales Per Surveyor - Past three months



Source: [RICS – Feb 16 – Apr 16](#)

## Summary of Indices Commentary on the Demand for Property

### NAEA

*“Sales to first time buyers (FTBs) increased in March, with three in ten (28%) of total sales made to the group. This is an increase of four percentage points from February, when 24% of sales were made to FTBs. The number of sales agreed on average per branch increased in March, rising from nine last month to 10 this month. (Mar 16)”*

### RICS

*“New buyer enquiries declined during the month, with the fall widespread across the UK and only Scotland and East Anglia seeing some modest growth. While the reduced demand from buy to let and second homes appears to have been the main cause of this fall, it may also reflect some uncertainty beginning to enter the market in the run up to the UK’s referendum on its EU membership. (Apr 16)”*

### Nationwide

*“There was a surge in the number of residential property transactions in March (which includes mortgaged and cash purchases) ahead of the introduction of the additional stamp duty levy on second properties from 1 April 2016. There were 165,400 transactions in March, an all-time high, some c11% higher than the previous peak of c149,000 recorded in January 2007. Viewing the transactions and mortgage lending data together suggests that, while BTL lending is likely to have risen strongly in March, a large proportion of the boost to house purchase activity came from cash buyers. (Apr 16)”*

### LSL Acadata HPI

*“We estimate that the number of housing transactions in England & Wales for March, as recorded by the Land Registry, will total some 97,500 properties – Land Registry currently has some 91,500 transactions recorded on its books, with a further 6,000 properties likely to be added to this total as more data emerge. This total is 30,000 larger than we would have ‘normally’ expected for the time of year. Conversely, we estimate that in April 2016 only 47,500 transactions will have taken place, approximately 20,000 less than anticipated. The reason for this ‘distortion’ in the market is the introduction of the 3% surcharge in stamp duty on second homes, including buy-to-let properties, the tax having been introduced on 1st April. There was a consequent rush of buyers looking to complete their purchase prior to the introduction of the tax, with a subsequent dearth of buyers one month later, when the tax had become established.*

*“We anticipate that in May there will be a further shortfall in transactions, although of a slightly lesser scale, for similar reasons, and further distortion is likely to arise in June as a consequence of the Brexit referendum. The market is therefore set for a bumpy ride over the next few months, only returning to the new ‘norm’ for 2016 from July onward. (Apr 16)”*

### Agency Express

*“National data recorded by the Property Activity Index revealed an unexpected decline in properties ‘sold’ with figures falling by -1.5%. Across the UK the regions recording the largest month on month increases included the South East +4.6%, East Anglia +3.5%, Wales +3.1%, Yorkshire & Humber +2.3% and North West +1.7%. (Apr 16)”*

### Bank of England

*“The number of loan approvals for house purchase was 71,357 in March, broadly in line with the average over the previous six months. (Mar 16)”*

### BBA

*“Gross mortgage borrowing of £17.1 billion in March was 64% higher than a year ago and the highest borrowing since April 2008 following a reported sharp increase in purchase of buy-to-let and second homes, ahead of the increase in stamp duty on 1 April 2016. The number of mortgage approvals in March was 20% higher than a year ago, with remortgaging up 25% and house purchase up 14%. (Mar 16)”*

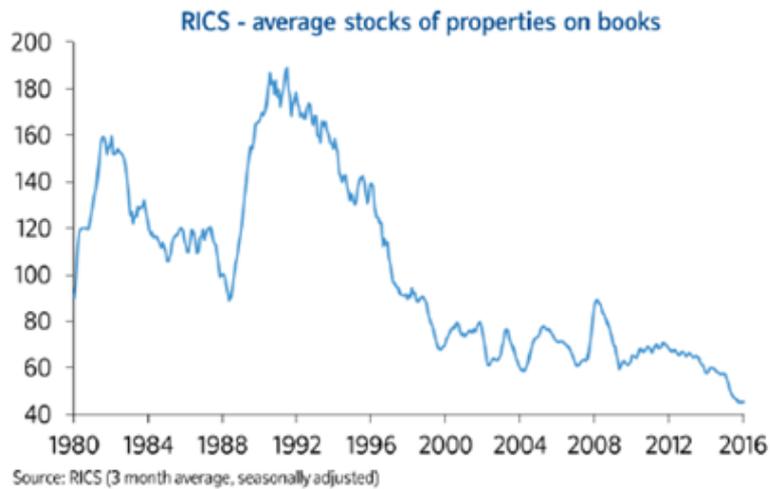
### Land Registry

*“In the months October 2015 to January 2016, sales volumes averaged 74,374 transactions per month. This is an increase from the same period a year earlier, when sales volumes averaged 73,744 per month. (Mar 16)”*

## Supply of Property

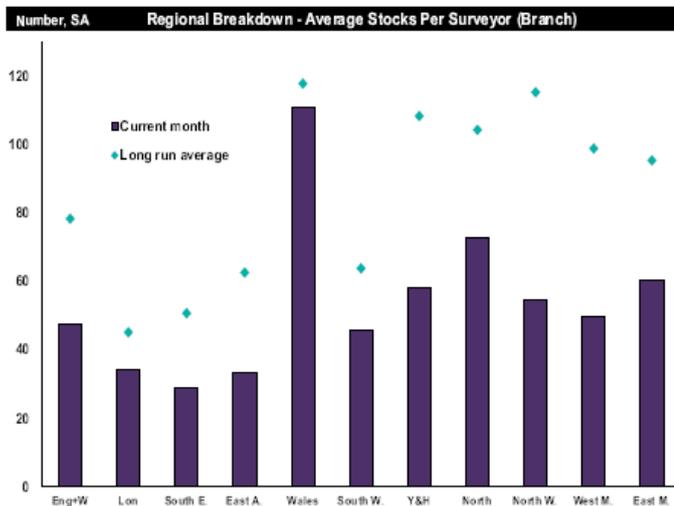
### Kate Faulkner comments on supply of property:

Slightly mixed indices feedback this month, with the NAEA suggesting a surge in March of 54% for stock per branch and Agency Express seeing huge growth in London and the South East, although sold numbers were down a bit. The RICS however, report the opposite, with a rise in the number of surveyors saying new instructions have fallen, although this could be due to the huge rises experienced in March/early April, and supply has fallen back since. The good news too is that the HBF are working more transparently with the government and local authorities to help reach the target of one million more homes by 2020. New build has to therefore be a core part of any agent's strategy moving forward.



Source: [Nationwide HPI](#)

### Regional Average Stock Per Surveyor



Source: [RICS - Apr 16](#)

Average Stock Per Branch	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Rightmove	61	62	63	65	65	63	63	62	59	53	53	54	57
NAEA	48	43	46	44	55	38	37	43	41	37	33	35	54
Average Sales Per Branch													
NAEA	10	8	9	9	9	10	9	9	8	7	8	9	10

## Supply of Property – cont'd

	New Listings		Properties Sold	
	Apr 16	Apr 15	Apr 16	Apr 15
NATIONAL	8.2	-3.8	-1.5	-4.9
Central England	7.2	1.3	-6.0	-9.1
East Anglia	-1.8	-1.7	3.5	-9.8
East Midlands	-1.7	-12.3	-1.6	0.9
London	16.1	4.9	-5.8	-0.7
North East	4.2	-4.9	-6.3	9.4
North West	8.6	-3.8	1.7	-0.7
Scotland	-0.9	1.4	-10.2	-10.8
South East	25.3	-3.4	4.6	1.3
South West	10.8	-2.8	-9.3	-2.9
Wales	10.7	-2.0	3.1	-10.3
West Midlands	7.8	-9.7	-6.2	-4.0
Yorks & Humber	12.4	-16.2	2.3	-7.8

Source: [Agency Express](#)

## Summary of Indices Commentary on the Supply of Property

### NAEA

*"The number of properties available soared by more than half (54%) in March to 54 per branch - up from 35 in February. (Mar 16)"*

### RICS

*"Supply conditions remain tight with 8% more surveyors reporting a fall in new instructions to sell rather than a rise. This decline was quite widespread with the majority of areas seeing a decrease in the number of new properties coming onto agents' books. (Apr 16)"*

### Agency Express

*"After a slowdown during March, April's property market bounced back with national new listings 'for sale' figures rising by 8.2%. Across the rest of the UK, nine of the twelve regions recorded reported increases in new listings 'for sale' with the South East reporting their largest increase in new listings up by 25.3%. The other regions recording the largest month on month increases include London +16.1%, Yorkshire & Humber +12.4%, South West +10.8% and Wales +10.7%. (Apr 16)"*

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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 20 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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