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Yorkshire & Humber property market update

May 2018





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Sheffield has experienced sustained annual growth over the past 12 months, according to Hometrack. More on Page 4.

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Yorkshire & Humber Region	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 Feb-18	How much higher/lower are latest prices vs height in 2007/8	How much higher/lower are latest prices vs 2009 low	Year on year change in price in Feb 18	Annual average increase since 2000	Highest yearly average increase since 2000	
									Date	% Increase
All property types	£150,233	£123,833	-17.57%	£155,385	3%	25%	3.1%	6.4%	Jun-04	29.3%
Detached	£234,339	£195,153	-16.72%	£251,880	7%	29%	3.7%	6.1%	Jan-03	28.3%
Semi Detached	£145,954	£120,454	-17.47%	£152,839	5%	27%	3.3%	6.4%	Apr-03	29.3%
Terraced	£121,144	£98,920	-18.35%	£123,055	2%	24%	2.9%	6.7%	Jun-04	33.0%
Flat	£119,083	£91,823	-22.89%	£113,576	-5%	24%	1.7%	6.2%	Jan-03	32.3%

Source: [UK HPI](#)

Asking prices			Mortgaged only prices			Sold prices inc cash sales			Sold prices inc cash sales & new builds		
Rightmove Average Price Apr-17	Rightmove Average Price Apr-18	Rightmove % Change YoY	Nationwide Average Price Q1 17	Nationwide Average Price Q1 18	Nationwide % Change YoY	LSL Acadata HPI Average Price Feb-17	LSL Acadata HPI Average Price Feb-18	LSL % Change YoY	UK HPI Average Price Feb-17	UK HPI Average Price Feb-18	UK HPI % Change YoY
£183,100	£188,044	2.7%	£147,983	£154,121	4.1%	£183,450	£188,882	3.0%	£150,721	£155,385	3.1%



KATE FAULKNER COMMENTS ON YORKSHIRE & HUMBER PRICES

“Yorkshire and Humber has only just recovered ‘on average’ from the falls seen post the credit crunch and, although we are seeing property prices increase year on year, it’s only just in line with inflation at 3%, so those owning property with cash are not going to feel much richer today than they were over a decade ago.

On the other hand, for those that bought at the low of the market, property prices have seen a decent increase. With flat prices still 5%

lower than they were 10 years ago, it shows that the city centre flats market – which was a success in many areas south of Watford – could potentially have been a bit of a disaster for investors, or even for first-time buyers who were keen to get on the ladder. This is one of those areas that in several cases, tenants should be very pleased they didn’t strap themselves down to a property that has made no money and that they have had the flexibility to live the lifestyle they can and want.

Yorkshire & Humber Towns & Cities	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 Feb-18	How much higher/lower are latest prices vs height in 2007/8	How much higher/lower are latest prices vs 2009 low	Year on year change in price in Feb 18	Annual average increase since 2000	Highest yearly average increase since 2000
									Date % Increase
Bradford	£139,640	£115,089	-17.58%	£133,248	-5%	16%	1.9%	6.1%	Sep-04 36.5%
Kingston upon Hull	£101,148	£83,446	-17.50%	£109,156	8%	31%	2.4%	6.7%	Feb-05 31.5%
Leeds	£161,439	£130,128	-19.39%	£178,607	11%	37%	5.7%	6.7%	Apr-03 30.7%
Sheffield	£144,875	£120,193	-17.04%	£158,176	9%	32%	5.0%	6.6%	Sep-04 31.9%
Wakefield	£147,726	£116,090	-21.42%	£144,978	-2%	25%	6.2%	6.3%	Sep-03 37.5%
York	£202,883	£164,691	-18.82%	£239,187	18%	45%	0.6%	7.0%	Dec-02 29.5%

Source: [UK HPI](#)

City	Current price	%yoy Mar-18	%yoy Mar-17
Leeds	£162,600	7.0%	3.8%
Sheffield	£134,100	6.1%	3.5%

Source: [Hometrack](#)



LSL Acadata HPI

“Outside London, it is hard to spot the slowdown in property prices. At least nine of the major cities in England & Wales set new peak prices in February. They include West Yorkshire, with Leeds, in Yorks and Humber (3.7%)” (Mar 18)



Hometrack

“Cardiff, Leeds, Newcastle and Sheffield have all recorded a sustained upward shift in the annual rate of growth over the last 12 months. Capital growth in these cities has under-performed that recorded across the larger regional cities over the last two years. The increased rate of growth is a result of rising demand and a lack of housing for sale.” (Mar 18)



KATE FAULKNER COMMENTS ON YORKSHIRE & HUMBER TOWN AND CITY PRICE DIFFERENCES



This is an incredible range of price growth (and some still in negative territory) within one region. Bradford and Wakefield are clearly struggling to recover from the harsh recession in their areas, while economically successful cities such as York and Leeds are clearly leading the way and performing so much better – with Leeds and Sheffield seeing more normal year-on-year growth.

However, it looks like York has peaked now and prices are settling back as affordability and the fall in the buy to let is dragging demand. And, although Bradford remains

continued...



KATE FAULKNER COMMENTS ON YORKSHIRE AND HUMBER TOWN AND CITY PRICE DIFFERENCES *continued...*



firmly in the doldrums price-wise, Wakefield seems to have rediscovered its mojo with highest year on year increase. Clearly there are still some great bargains to be had in this region and, with average FTBs paying under £140k for a home, it's likely many are still getting on the ladder with zero stamp duty, so government policy to scrap it is clearly not making much of an impact here.

FTBs can take their time currently to find a home worth living in, while tenants can feel relatively relaxed they aren't missing out too much and those trading up and down who price their property fairly are likely to be able to buy and sell in a fairly relaxed, but still moving, market.

Table 3: First-time buyers: average Price, loan and deposit by region, 2017

	Average House Price (£s)	Average Mortgage (£s)	Average Deposit (£s)	Deposit as % of purchase price
Yorkshire and the Humber	139,970	119,292	20,678	15%

FTB average paid	£133,369
Trading up average price paid	£174,669
Cash purchase average price paid	£149,803
New build average price	£202,766

Source: [UK HPI](#)



Leeds (pictured), like Sheffield, is seeing more normal year-on-year growth than struggling Bradford and Wakefield.

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Property Price Forecasts	Savills 2018	Savills 5 Yr compound growth	Knight Frank 2018	Knight Frank 5 Yr Forecast	Countrywide 2018	Chestertons 2018	Chestertons 2016-20 growth (compounded)	NAEA 2018	YoY %
<i>Date of publication/source</i>	(Nov 17)	(Nov 17)	(Dec 17)	(Dec 17)	(Summer 17)	(Nov 16)	(Nov 16)	(Dec 15)	Increase
UK	1.0%	14.2%	1.0%	14.2%					
Great Britain					2.0%				
England & Wales						6.0%	31.9%		
England									
London	-2.0%	7.1%	-0.5%	13.1%	2.5%	6.0%	37.6%*	£626,133	6.2%
South East	0.5%	11.5%	0.0%	14.2%	2.5%	6.0%	35.6%	£435,031	6.8%
South West	1.0%	14.2%	1.0%	14.2%	2.0%	4.5%	25.8%	£292,435	2.8%
East of England	0.5%	11.5%	2.0%	15.9%	2.0%	6.0%	36.9%	£372,139	8.2%
East Midlands	1.0%	14.8%	2.0%	14.2%	2.0%	4.5%	25.8%	£209,613	2.7%
West Midlands	1.0%	14.8%	2.0%	14.8%	2.0%	4.0%	22.8%	£218,218	2.5%
North East	1.5%	17.6%	2.0%	14.8%	1.0%	3.0%	14.8%	£174,780	4.3%
North West	1.5%	18.1%	1.0%	16.4%	2.0%	4.0%	23.4%	£206,046	3.7%
Yorks & Humber	1.5%	17.6%	1.0%	12.6%	1.5%	4.0%	21.1%	£208,358	3.8%
Wales	1.0%	15.9%	1.5%	13.1%	2.0%			£182,162	1.8%
Scotland	1.5%	17.0%	1.0%	12.0%	2.0%			£218,474	4.6%



KATE FAULKNER COMMENTS ON YORKSHIRE & HUMBER PRICE FORECASTS



Prices aren't expected to rise too much moving forward over the next five years; good news for those looking to buy who need to save, not so good news from an investment perspective or for those hoping to secure natural house price growth so they can move up the ladder. To keep up with inflation over the next five years, prices

would need to go up by 17%, so if Savills and Chesterton's forecasts are accurate, any cash investors would see their money 'standing still' while Knight Frank's forecasts would suggest that real property values may well fall. Anyone looking to invest in this area would be wise to talk to a mortgage broker about the benefits of gearing.

Sales volumes by local authority/county

Local authority/county	Sales volume		Sales volume YoY %
	Jan-Dec 16	Jan-Dec 17	
Bradford	7160	7429	3.8%
Kingston upon Hull	3042	3289	8.1%
Leeds	12791	12427	-2.8%
Sheffield	7434	7468	0.5%
Wakefield	5706	5595	-1.9%
York	3382	3488	3.1%

Source: [UK HPI](#)

SUPPLY AND DEMAND

The data below comes from Agency Express and gives an indication over a three-month period of what's happening to supply (new listings) and demand (properties sold over time).

	New Listings		Properties Sold	
	Apr 18	Apr 17	Apr 18	Apr 17
Yorks & Humber	-5.6	-16.9	-4.2	-17.9

Source: [Agency Express](#)



The Humber Bridge. Despite sluggish house prices in the region, people are still buying and selling well.

Image: © Photostone3008 | Dreamstime.com



KATE FAULKNER COMMENTS ON YORKSHIRE & HUMBER TRANSACTIONS



Better news for buyers and sellers is that house sales are, in the main, on the up – bar Wakefield and Leeds. This suggests that despite sluggish house prices in many towns/cities in Yorks and Humber, people are still buying and selling well if they price well and make fair offers.

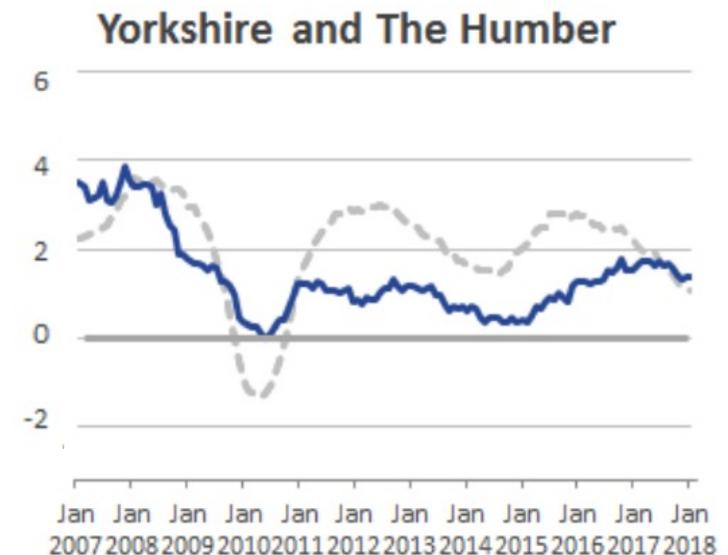
LSL Average Monthly Rent Mar-17	LSL Average Monthly Rent Mar-18	LSL % Change YoY	Homelet Average Monthly Rent Mar-17	Homelet Average Monthly Rent Mar-18	Homelet % Change YoY	Belvoir Average Monthly Rent Mar-17	Belvoir Average Monthly Rent Mar-18	Belvoir % Change YoY	ONS Index of PRS Rental Prices % Change over 12 months Mar-18
£565	£575	1.7%	£619	£623	0.6%	£680	£678	-0.3%	1.4%

<i>Belvoir</i>	Highest average monthly rent pre-credit crunch 2008	Lowest average monthly rent during recession 2009	How much higher/ lower are latest rents vs 2008 height	How much higher/ lower are latest rents vs 2009 low	Average Monthly Rent Mar-17	Average Monthly Rent Mar-18	% Change YoY	Annual average increase since 2008
Yorkshire & Humber	£613	£603	10.6%	12.4%	£680	£678	-0.3%	1.1%

Index of Private Housing Rental Prices:
percentage change over 12 months, Jan 07 to Mar 18

ONS	Lowest % change over 12 months during recession 2009/2010	Highest % change over 12 months pre-credit crunch 2008	% Change over 12 months Mar-18
Yorkshire & Humber	0.0%	3.8%	1.4%

Source: [ONS](#)



Source: [ONS](#)

Location	2018	2019	2020	2021	2022	5-year compound growth
UK	2.5%	2.5%	3.0%	3.5%	3.5%	15.5%
London	3.0%	3.0%	3.5%	3.5%	3.0%	17.0%
UK excl London	2.0%	2.0%	3.0%	3.5%	3.5%	15.0%
Wages	3.0%	3.0%	3.0%	3.5%	3.5%	17.0%
CPI	2.0%	1.5%	2.0%	2.0%	2.0%	9.5%

Source: [Savills](#)



Your Move

“The South West recorded 2.3% growth in the last year, the East of England saw prices rise by 2.1%, the West Midlands had 2% growth and the Yorkshire and Humber region was up 1.7%.” (Mar 18).

Yields

Region	Rents Mar 2018	One month change	Yields Mar 2018
Yorkshire and The Humber	£575	0.14%	4.4%

Source: [Your Move](#)

Auction data

January 2018 to March 2018	Residential	
Lots Offered	530 (585)	▼ 9.4%
Lots Sold	434 (469)	▼ 7.5%
Percent Sold	81.9% (80.2%)	▲ 2.1%
Total Raised	£38M (£42M)	▼ 9.6%

Source: [EI Group](#)



KATE FAULKNER COMMENTS ON THE YORKSHIRE & HUMBER RENTAL AND INVESTMENT MARKET



Despite talk of rents being ‘extortionate’ and ‘sky rocketing’ on a regular basis, this really isn’t the case in Yorkshire and Humber. Changes until recently have been well below the England average and indeed the general cost of living (inflation) so tenants can be satisfied that, in the main, they aren’t being ‘ripped off’ nor are they

likely to be spending rent as ‘dead money’ as property prices haven’t really risen as well as they have done in the past, meaning it’s often financially more efficient to rent rather than let. Only in areas and for property types that are ‘booming’ can the costs of buying outweigh renting.



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