

March 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 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

[Rightmove](#)

"Housing affordability improves at fastest rate for eight years"

[Home.co.uk](#)

"Prices move into the red after notching up 87 months of growth"

[NAEA Propertymark](#)

"Business as usual for house sellers while buyers put plans on hold"

[RICS](#)

"Short-term indicators point to further weakness"

[Nationwide](#)

"Annual house price growth remained sluggish in February"

[Halifax](#)

"Annual house price growth increases to 2.8%"

[Hometrack](#)

"UK city house price inflation +2.9%"

Key facts: Average prices across the indices vary from mortgaged-only prices from the Nationwide HPI (Feb 19) of £211,304, through to marketing prices (ie not necessarily sold) from Rightmove (Feb 19) of £300,715 and actual prices from LSL Acadata HPI of £306,647 (Dec 18). Average sold prices from the UK HPI stand at £230,776 (Dec 18). There is a 45% 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 Dec-18	Current Month Jan-19	Current Month Feb-19	Annual Change	Annual Average (05 - 19)		
Rightmove	£241,474	£213,570	£297,527	£298,734	£300,715	0.2%	3.4%	Asking prices	E & W
Nationwide	£184,131	£147,746	£212,281	£211,966	£211,304	0.4%	2.3%	Mortgaged only	UK
Halifax	£199,766	£157,767	£229,729	£223,691	£236,800	2.8%	2.7%	Mortgaged only , seasonally adjusted	UK
LSL Acadata HPI	£231,829	£197,145	£306,647	n/a	n/a	0.6%	3.6%	Actual prices, includes cash sales	E & W
UK HPI	£190,032	£154,452	£230,776	n/a	n/a	2.5%	3.1%	Sold prices, includes cash sales and new builds	UK

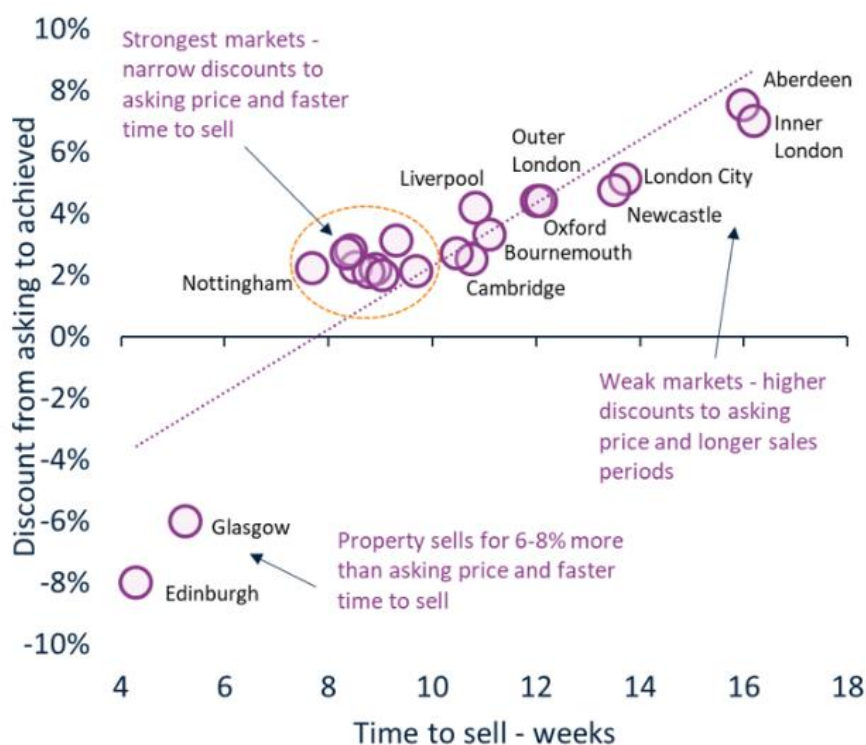
Kate Faulkner comments on the national market:

For the property market 'to keep going' ideally we need the annual rate of property price growth to lag behind wage growth. However, this hasn't been something we've experienced, certainly up until the credit crunch and this trend definitely hasn't existed since then, bar the last year or two in London, the South and East Anglia. However, with affordability in these areas hitting the buffers and even though property prices are still rising in most of the Midlands/North, Wales, Scotland and Northern Ireland, according to Rightmove, "annual wage growth of 3.4%* is now outstripping asking prices at the fastest rate since 2011, improving buyer affordability". Nick Leeming from Jackson-Stops believes that if you add to this "a limited supply of stock coming to the market currently, so if a property ticks all of the boxes in terms of price, location, access to key amenities and good transport links, we would advise them to really consider purchasing the home." And with short and long term mortgage rates currently incredibly competitive, buying a home can still make sense – even if people are worried about what will happen post Brexit or indeed any other economic factors which could affect the market.

However, the market is getting tougher with Home.co.uk's time on the market analysis suggesting the South East is taking 38% longer to sell, the East of England 46%. Meanwhile, Hometrack are reporting weak markets in Aberdeen, Inner London and even Newcastle. However for those in Nottingham, Glasgow and Edinburgh, market dynamics remain fairly strong, with fast sales and small discounts versus asking prices [see diagram below]. What is interesting in the current market is despite weak transaction levels eg Oxford and Cambridge according to Home.co.uk "today's supply levels would need to more than double to match those darkest of days for the UK property market. Three years of slowly sliding prices [in the likes of London] would appear to be enough to rebalance supply and demand, paving the way for transactions to pick up and growth to return". Suggesting that even though some markets are currently weak, this doesn't mean, as yet, a 'crash' is coming.

Hometrack - UK Cities House Price Index - Jan 19

Fig.2 - Time to sell and asking price discounts



Source: Zoopla UK Cities Index powered by Hometrack

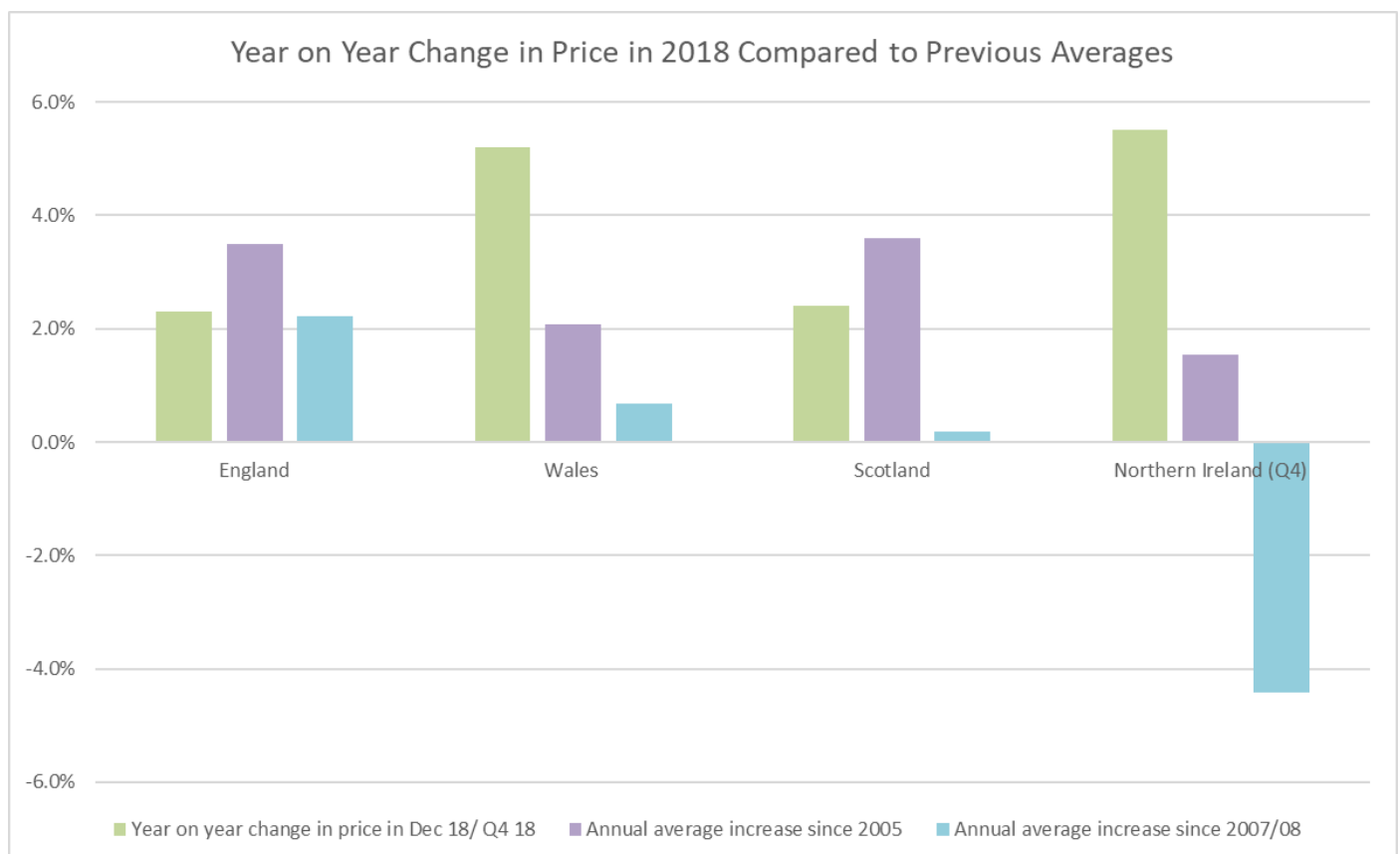
Country and regional summary (data from UK HPI)

UK HPI Market analysis by country

Kate Faulkner comments on country differences:

From a country perspective, Northern Ireland is definitely in the lead with prices up 5.5% year on year and volumes up for the first half of 2018 by 108% versus the disastrous year of 2009. However, it's only really the current and recent market that is 'looking good'. For those that bought at the height of the market, prices for some will still be around 40% lower than they bought them for. According to the RICS, the strongest price expectations over the next 12 months are "Northern Ireland and Scotland, followed by the North West of England and Wales". And it's not all 'bad' news for London either – from the RICS five year forecast prices "across the capital (viewed as a three month average) prices have risen above the national average over recent months with a growth of 2.2% per annum expected nationally compared to 2.6% for London."

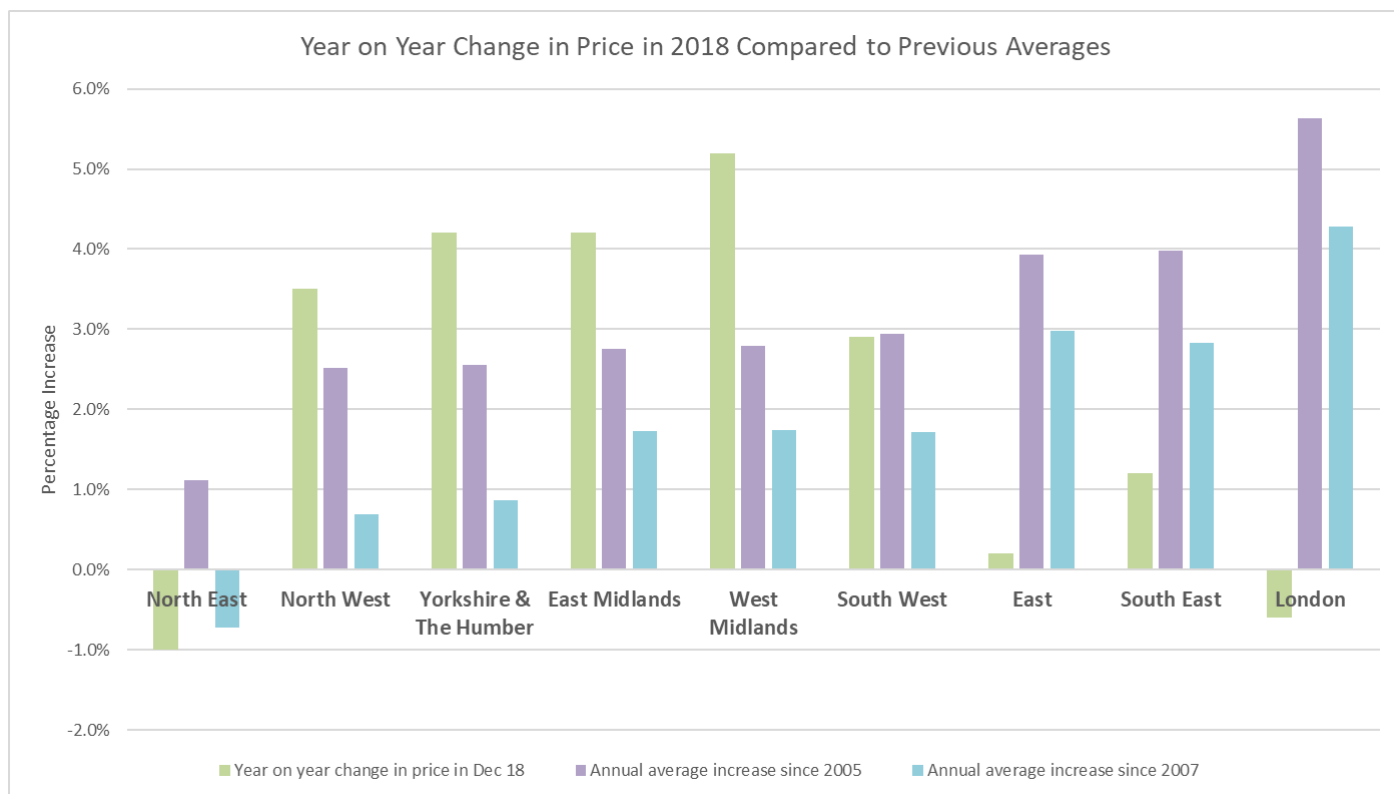
Property Prices - Countries	Highest average house price pre-credit crunch 2007/08	Lowest average house price during recession 2009	Market low +/- versus market height	Latest month's data Dec 18/ Q4 18	How much higher/lower are latest prices vs height in 2007/8	Year on year change in price in Dec 18/ Q4 18	Annual average increase since 2000	Highest yearly average increase since 2000	
								Date	% Increase
England	£194,764	£159,340	-18.19%	£247,886	27%	2.3%	6.8%	Jan-03	26.4%
Wales	£150,316	£123,104	-18.10%	£161,845	8%	5.2%	6.5%	Jul-04	33.4%
Scotland	£145,641	£120,180	-17.48%	£148,711	2%	2.4%	n/a	Feb-05	19.0%
Northern Ireland (Q4)	£224,670	£97,428	-56.64%	£136,669	-39%	5.5%	n/a	Q1 07	51.5%



Country and regional summary – cont'd

Kate Faulkner comments on regional differences:

Regionally, the property market from a price perspective is 'all over the place'. London has managed to achieve 4-5% annual growth since 2005, while the North East which should by now be benefiting from a price boom similar to that seen in the North West and the Midlands, is hardly seeing any growth at all. Year on year prices are down by 1% and long term growth either non-existent or seeing slight falls. Although we are used to a 'ripple' effect for price growth, with London leading the way up or down and the rest of the country following, this doesn't seem to be the case in the new, 'localised' property world we are now living in.



Source: [UK HPI](#)

[Home.co.uk](#)

"Sliding prices in London, the South East, the South West and the East of England have served to push down the national average into the red year-on-year. London's loss over the last twelve months has now edged up to 3.3%, and 6.9% since the start of the slide in May 2016. Asking prices in the South East and the East are now dropping faster and losses have increased to 2.5% and 1.8% respectively. In the South West, prices are now down 0.5% year-on-year.

"Growth has been nowhere more prevalent than in Wales and the West Midlands where asking prices are 6.4% and 5.0% higher than they were a year ago. The North West and Yorkshire have also pushed up their average asking prices by 4.3% and 3.4% respectively over the last twelve months. However, the West and East Midlands markets are slowing as shown by their typical time on market increases." (Feb 19)

Country and regional summary – cont'd

RICS

“London and the South East continue to display the weakest price indicator readings, while pricing sentiment also remains negative in East Anglia and the South West. In each instance, strong price growth over the past six years as a whole has left measures of affordability looking stretched, with high prices therefore a key factor hampering demand at present. Elsewhere, although house price inflation seems to have lost at least some impetus in most English regions over the past six months or so, prices continue to rise firmly in Northern Ireland and Scotland. In fact, both Northern Ireland and Scotland also display the strongest price expectations for the coming twelve months, followed by the North West of England and Wales.” (Jan 19)

Hometrack

“The annual rate of growth continues to moderate. Thirteen cities are registering weaker growth than a year ago as a result of affordability pressures and increased uncertainty. The sharpest slowdown in the rate of growth has been registered in Edinburgh, Bournemouth, Portsmouth and Bristol. Bristol, for example, is recording annual house price growth of 1.8%, the lowest rate for over 5 years (September 2012) as affordability pressures impact demand. It is a similar story in Portsmouth, Bournemouth and other cities across southern England.” (Jan 19)

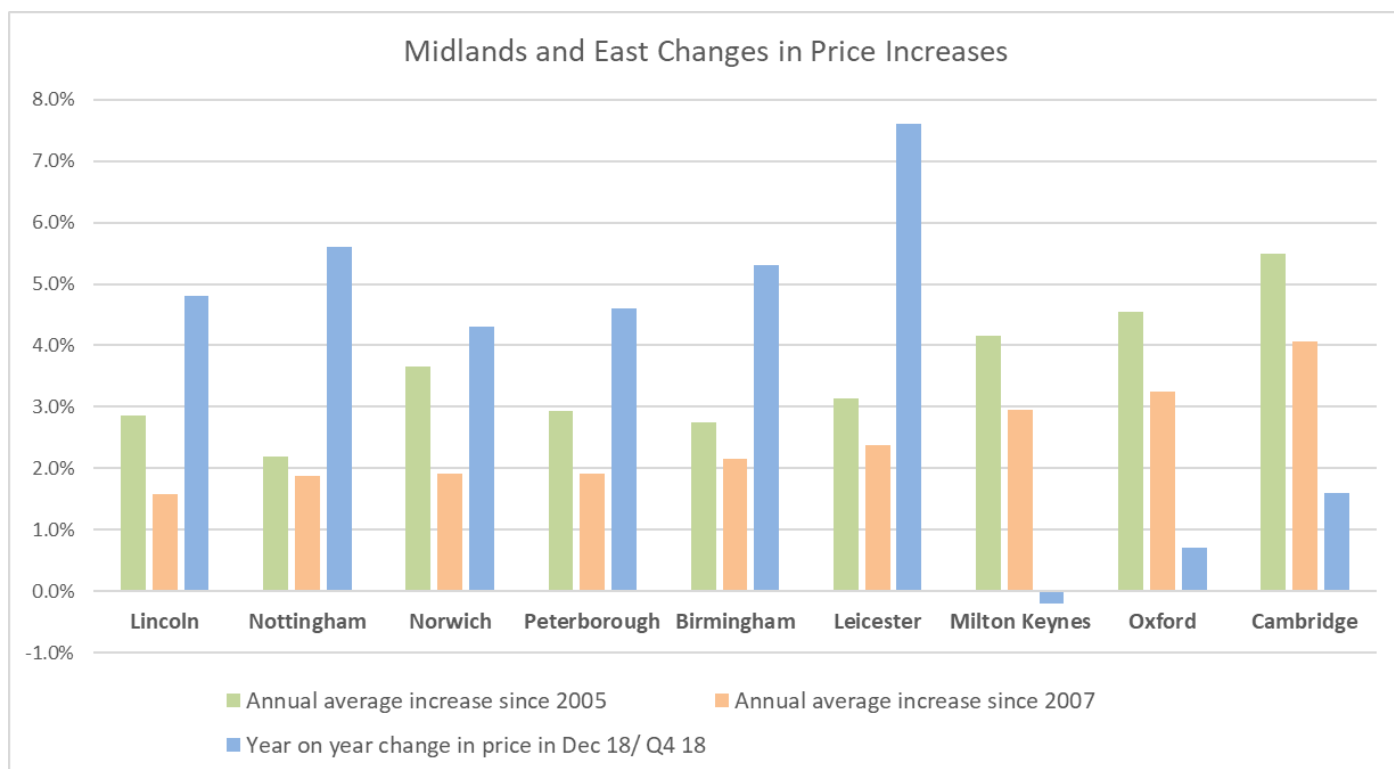
Detailed analysis of towns/cities current versus over time

Kate Faulkner comments on town and city differences:

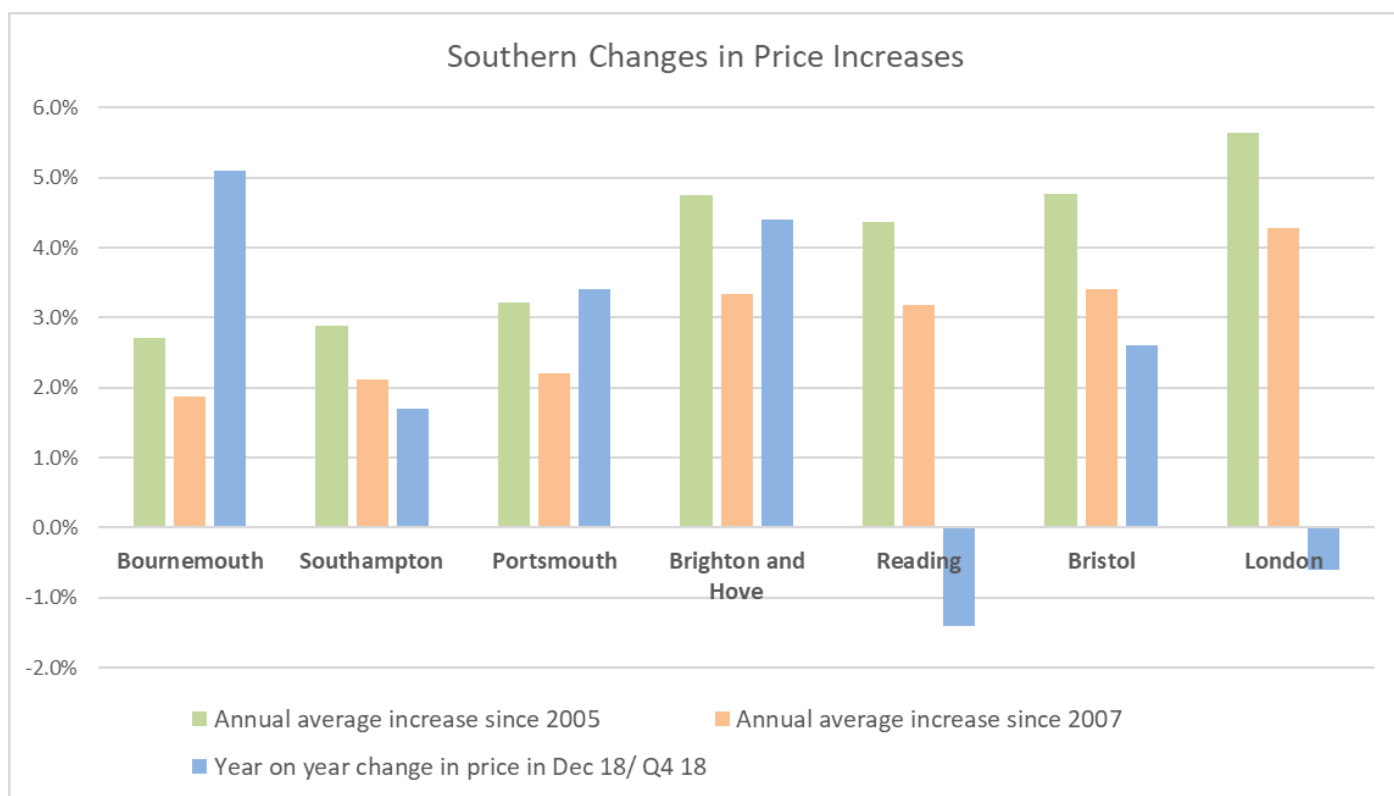
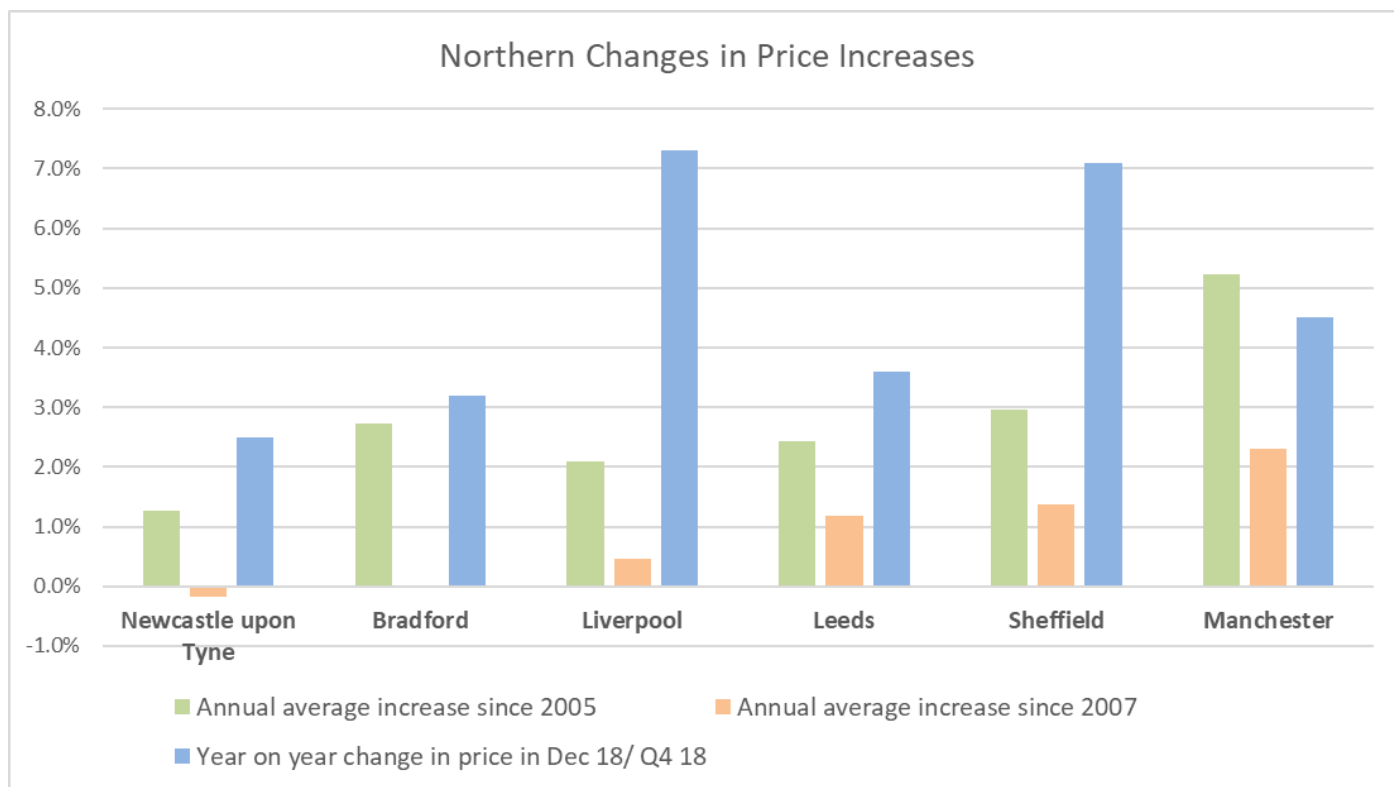
With differing performances by country and region, it's no surprise that when it comes to towns and cities, property prices are performing vastly differently too – as are transactions (see separate article). Leicester is the top city performer according to Hometrack, with Aberdeen continuing to see poor performance as the economy is badly affected by low oil prices. The next big faller should, in theory at least, be Swindon, but this will depend on how much the latest news about Honda impacts on the local community. But for those in Belfast, Leicester, Liverpool, Edinburgh and Sheffield, prices and markets are still buoyant, while previous big performances such as Cambridge, Oxford, Milton Keynes, London and Reading are nearly all either seeing just small rises or falls.

Five high growth areas YoY towns/cities	YoY %	Five low growth areas YoY towns/cities	YoY %	Five high growth areas last 10 years towns/cities	%	Five low growth areas last 10 years towns/cities	%
Belfast (Q4)	7.7%	Cambridge	1.6%	Oxford	42%	Belfast (Q4)	-39%
Leicester	7.6%	Oxford	0.7%	Brighton and Hove	43%	Newcastle upon Tyne	-2%
Liverpool	7.3%	Milton Keynes	-0.2%	Bristol	44%	Glasgow	0%
Edinburgh	7.2%	London	-0.6%	Cambridge	55%	Bradford	0%
Sheffield	7.1%	Reading	-1.4%	London	59%	Liverpool	5%

Three high growth areas YoY London	YoY %	Three low growth areas YoY London	YoY %	Three high growth areas last 10 years London	%	Three low growth areas last 10 years London	%
Southwark	4.7%	Croydon	-4.3%	Waltham Forest	76%	Hounslow	43%
Barking and Dagenham	3.5%	Tower Hamlets	-8.2%	City of Westminster	75%	Hammersmith and Fulham	41%
Redbridge	3.1%	City of Westminster	-10.1%	Lewisham	72%	Tower Hamlets	33%



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



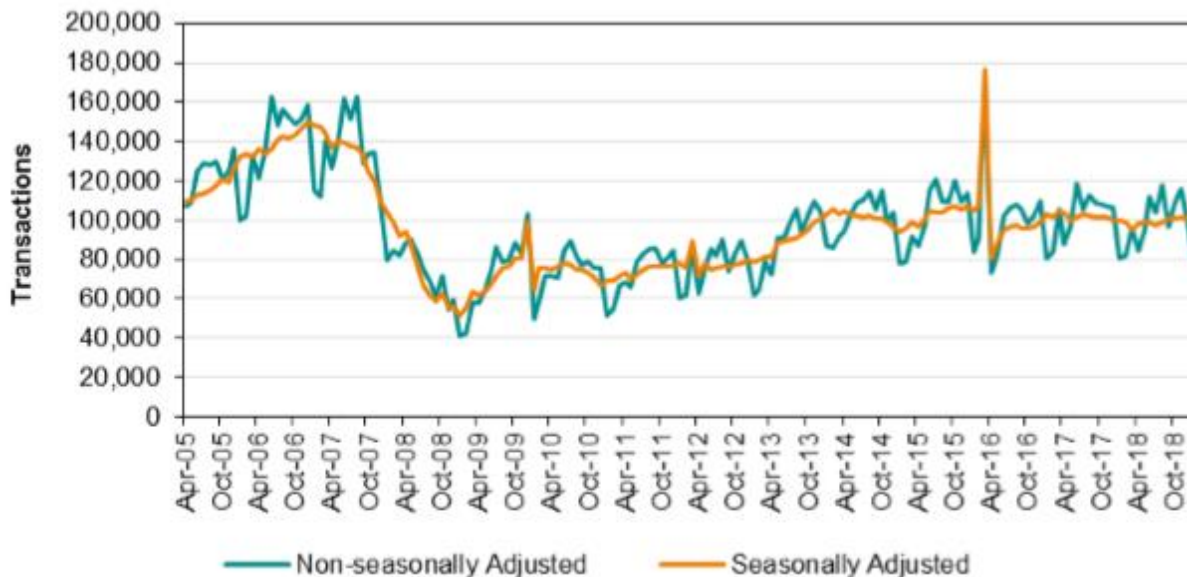
Source: [UK HPI](#)

Property transactions

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:

According to the NAEA, "in January, the number of house hunters registered per estate agent branch fell from 304 in December, to 297.... Meanwhile, year-on-year, demand has fallen by a fifth (19 per cent), from 367 in January 2018, as buyers hold off on making any decisions, in light of the current political climate. Supply of housing fell by 14 per cent in January, from 42 in December to 36 per member branch". What is incredible is to see how fast transactions have slowed either because an area has out grown affordability or because the fear of Brexit has kicked in, encouraging people to 'to wait and see'. As soon as Brexit is settled, if it gets settled, one way or another, at least this uncertainty will disappear. Once that's settled, we'll either 'bounce back' or 'tip into the red', with the Midlands, North and other regions likely to follow London's falls, despite the fact that affordability is still good and mortgage rates remain low.



Source: Gov.uk

NAEA PropertyMark

"The average number of sales agreed per branch increased from five in December to seven in January. The percentage of properties sold to FTBs increased for the second month running, rising from 23 per cent in November to 24 per cent in December, and to 26 per cent in January. This is the highest recorded since July 2018, when 30 per cent of sales were made to the group." (Jan 19)

Bank of England

"Mortgage approvals for house purchase (an indicator of future lending) increased in January to 66,800, slightly above the average of the previous six months of 65,500. Approvals for remortgaging ticked-up to 50,400, marginally higher than the recent average of 48,900." (Jan 19)

UK Finance

"There were 370,000 new first-time buyer mortgages completed in 2018, some 1.9 per cent more than in 2017. This is the highest number of first-time buyer mortgages since 2006, when this figure stood at 402,800. The £62 billion of new lending in the year was 4.9 per cent more than in 2017.

Property transactions – cont’d

UK Finance

“There were 30,900 new first-time buyer mortgages completed in December 2018, some 1.6 per cent more than in the same month a year earlier. The £5.2 billion of new lending in the month was 4 per cent more year-on-year.

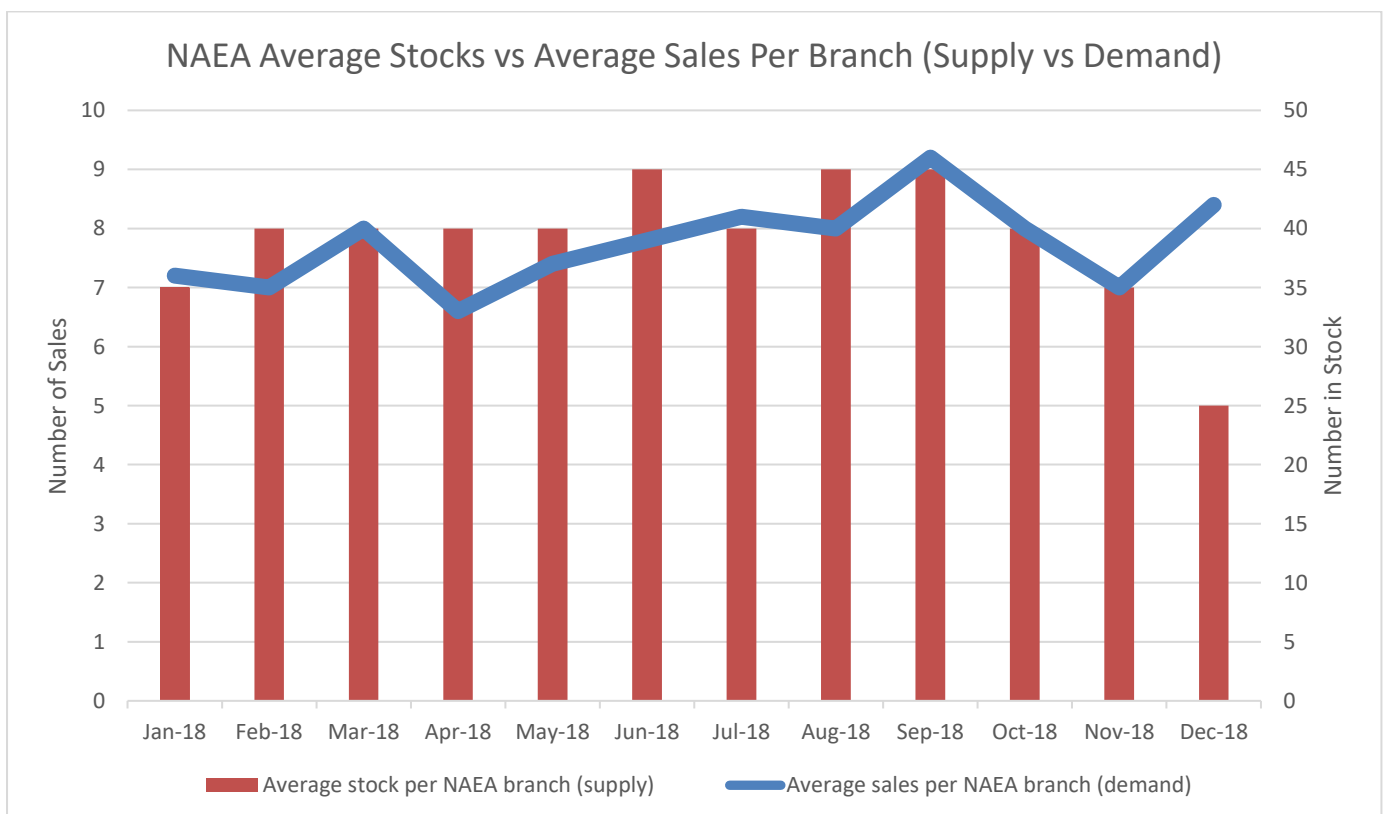
“There were 30,000 new homemover mortgages completed in December 2018, some 1.3 per cent fewer than in the same month a year earlier. The £6.5 billion of new lending in the month was the same year-on-year. In 2018, there were 367,800 new homemover mortgages completed, some 1.9 per cent less than in 2017. The £80 billion of new lending in the year was the same as in 2017.

“There were 34,000 new homeowner remortgages completed in December 2018, some 9.3 per cent more than in the same month a year earlier. The £6.1 billion of remortgaging in the month was 13 per cent more year-on-year. In 2018, there were 476,900 new homeowner remortgages completed, some 10.8 per cent more than in 2017. The £85 billion of new lending in the year was 13 per cent more than in 2017.” (Dec 18)

Search Acumen

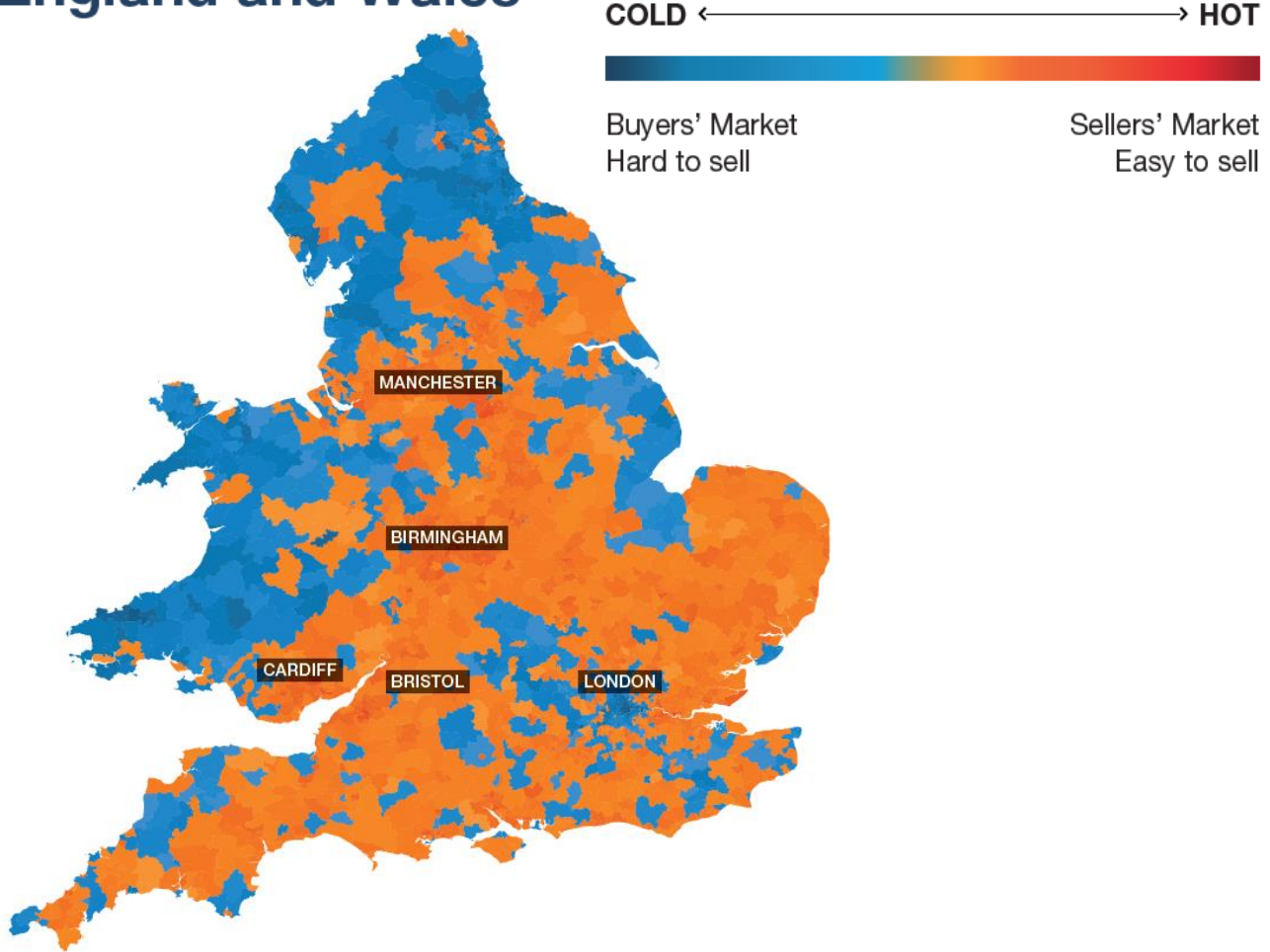
“The average number of cases (65) conveyancing firms dealt with during Q4 2018 is the highest figure recorded since before the 2016 referendum and has only been bettered on three occasions since 2011 (in Q4 2014, Q4 2015 and Q2 2016). As a result, the average firm processed 26% more transactions in Q4 2018 than five years earlier and 10% more year-on-year. The average number of cases conveyancing firms dealt with in Q4 2018 was the strongest seen for three years.” (Q4 18)

Property demand and supply



The Hotter Your Market - The Easier Your Sale

England and Wales



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	%	March 19
BS3	66	Bristol
S8	66	Sheffield
B44	64	Birmingham
B33	63	Birmingham
BH17	62	Poole
S10	62	Sheffield
S11	61	Sheffield
B34	61	Birmingham
BS6	60	Bristol
M32	59	Manchester

Top 10 cold markets - buyer demand

Postcode	%	March 19
EC2	7	London
L2	7	Liverpool
SW8	8	London
WC2	9	London
NW8	9	London
W1	9	London
SW10	10	London
W2	10	London
SW7	10	London
W10	11	London

Source: [The Advisory](#)

Property demand and supply – cont'd

RICS *“During January, new buyer enquiries fell again at the headline level (on a seasonally adjusted basis), marking the sixth successive monthly decline. What’s more, demand softened to some degree across virtually all parts of the UK. Scotland was a slight exception, but even here the trend was only flat. Alongside weakening demand, the flow of properties being listed on the sales market also deteriorated, with the net balance reading of -25% the poorest since July 2016. Moreover, the pipeline for sales instructions going forward still appears weak, evidenced by survey participants continuing to report the number of appraisals being down on an annual comparison. Rounding off a subdued month for market activity, agreed sales also fell further, with the pace of decline seemingly gathering momentum compared to the December results. Meanwhile, the average time taken to sell a property, from listing to completion, continued to lengthen, reaching 19.4 weeks (the longest since this series was introduced back in 2017).” (Jan 19)*

NAEA Propertymark *“The number of house hunters registered per estate agent branch fell from 304 in December, to 297 in January. Looking at a year-on-year comparison, demand has fallen by a fifth (19 per cent) from 367 in January 2018.” (Jan 19)*