



Latest Property Price Summary

National Average UK House Prices are now Meaningless

We track over eight monthly reports on property prices produced on a monthly basis. This report summarises what these reports say about the market and Kate Faulkner comments on what this means for the industry, the market and general public.

Report Headlines:-

Rightmove
Nationwide
Hometrack

"Rightmove forecasts 2% rise in 2013, in spite of largest ever monthly fall in December"
"UK house prices little changed in December, continuing the trend evident throughout 2012"
"Prices fall [on average] 0.3% in 2012 despite price rises across 20% of country. House prices forecast to fall 1% in 2013"

RICS

"December's price balance indicates a stable picture, buyer interest increases further, confidence in sales and prices improves."

Acadametrics
Land Registry

"2012 shows a modest rise in average prices but it was a year of two halves"

Smart New Homes

"November house prices up 0.3 per cent since October"

"New home prices rise moderately in November"

Kate Faulkner comments:

"Although many of the reports are desperately trying to make their headlines interesting, the reality is house prices in the main are relatively flat when you look at national averages. For 2013, predictions are small falls such as Hometrack's 1% through to small rises such as Rightmove's 2%. Few though are expecting any dramatic movement of national statistics. The big news is really what's happening at a local level and how this varies across the country."

New Home Property Prices

Smart New Homes

"Annual growth remained positive at 3.2% but dropped marginally from 3.8% in October. The new homes market stabilised in November with nominal growth. In the wider market, prices have fallen marginally in the lead up to Christmas with vendors pricing more realistically hoping to secure a sale before the festive season. Eight out of the 11 regions recorded positive monthly price growth in November. The North saw more monthly declines in price with Yorkshire and Humberside prices falling by 4.2%, compared to the South which saw positive monthly price growth across the board. Wales recorded a 2.5% price increase this month while prices in Scotland fell by 0.4%"

Kate Faulkner comments:

"Developers tend to offer their best prices in December as it ties in with their end of year targets. This is reflected in the figures which show prices fell – although not dramatically. New build prices are much more stable than second hand homes, mainly because the developers are very much building to demand and after five years of building few homes, there is little choice of new builds from a buyer's perspective."

Latest Property Price Summary – Cont'd

Regional Property Price Differences

Rightmove

"Average national house prices in 2013 will be less affected by the often distorting impact of London. However, this will be compensated for by a stronger market in other parts of The South and a continuation of the signs of life seen in some parts of The North at the back end of this year. Conditions will remain patchy within regions, with new sellers' pricing power reflected by local micro-market conditions of supply and demand."

Hometrack

"During the year the London market has remained the consistent out-performer thanks to strong demand from overseas buyers and above average growth in higher value domestic markets. Prices in London grew across 70% of postcodes in 2012, up from 42% in 2011. Across the rest of the country we have seen a clear north/south split with improved price growth in southern England compared to northern regions and Wales"

RICS

"At the regional level, the London market not only continues to outperform the rest of the UK, but in recent months has also seen a marked pick up in price momentum, activity and expectations. The only other region in the UK where surveyors are on balance reporting rising prices is the South East. Meanwhile, the results for Scotland and Northern Ireland continue to show negative price balances."

Acadameetrics

"It was a year of geographic splits. The market in some northern regions remained in a state of near-paralysis thanks to the debilitating combination of public sector cuts, weak private sector growth, and a lack of mortgages for less affluent borrowers. In contrast, prices in the south of England, and particularly London, went from strength to strength during 2012. Prices in the capital soared over the course of the year and dragged up the overall national average on their coat tails. By boosting the national average house price, London disguises the weak state of the housing market in northern areas."

Land Registry

"The region in England and Wales which experienced the greatest increase in its average property value over the last 12 months is London, with a movement of 5.9 per cent. The North East experienced the greatest monthly rise with an increase of 2.4 per cent. The North East also experienced the greatest annual price fall with a decrease of 2.9 per cent. Wales saw the most significant monthly price fall with a decrease of 1.6 per cent."

Kate Faulkner comments:

"Reporting national house price averages now has to be a thing of the past. The reports all show that dramatic regional differences exist and a national average has become a statistical nonsense which is not of any use to policy makers, the industry or consumers. Regional differences are likely to become more and more stark over 2013, as the good markets continue to recover while the poor markets sadly continue to suffer."

Demand for Property

Rightmove

"Pent-up demand remains high, fuelled by frustrated home-movers whose moving ambitions have been on hold since the start of the credit-crunch in the autumn of 2007. Some of this group will find ways and means to make their move happen in 2013. Some estate agents report that October and November were among their best sales months for five years."

RICS

"Developments on the activity front were a little mixed during December; the new buyer enquiries balance recorded its third consecutive double digit reading."

Acadameetrics

"Sales levels are still weak – there were 4,165 fewer sales this year than last year. Capital adequacy rules are too stringent. Economic growth is insipid. And mortgage lending criteria are too restrictive. In particular, tough requirements on the amounts of capital banks have to hold are crippling their ability to lend more to first-time buyers. More needs to be done to help banks lend to new buyers, because a significant improvement in first-time buyer lending is the one and only catalyst for a full market recovery."

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Land Registry

"The South East tops the table of regional applications with 262,078 in November. The most up-to-date figures available show that during September 2012, the number of completed house sales in England and Wales decreased by 21 per cent to 50,517 compared with 63,552 in September 2011."

NAEA

"Interest in property reduced for a fourth consecutive month with the number of house hunters registering with an NAEA agent moving from an average of 275 per branch in September to 265 in October. Compared with figures recorded in October 2011 (305), this represents a significant year-on-year decrease."

Kate Faulkner comments:

"Stimulating demand is the main requirement to move the housing market forward. Although the government is creating initiatives to help generate demand for the new build sector, this still only tackles 10% of the overall housing market. Currently, 90% of the housing market is still suffering as much today from a lack of demand as it was when the credit crunch hit in 2007."

Supply of Property

Rightmove

"The number of new sellers looks set to remain constrained in 2013 with new listings [NOT SALES] likely to be around the 1.2 million level seen in each of the last three years. At this level, desirable property coming to market will be in short supply in all price sectors. With many potential sellers still unable to raise the necessary equity to trade up, their homes will remain off the market and this is especially true of 'first-time sellers'. This will create some upwards price pressure on those well-finished examples that do come to market as cash strapped buyers favour properties that require little or no improvement"

Hometrack

"Looking at the overall housing market, it is difficult to see what factors are most likely to make a material change to current trends in the year ahead. Pricing will continue to be supported by a lack of new supply and low turnover, especially in southern England. The improving outlook for the economy and a return to growth in household incomes is all positive news. However, the benefits of lower mortgage rates, which have also delivered important support, are now fully priced into a market trading at 9% off 2007 peak levels."

RICS

"The balances for new vendor instructions and agreed sales volumes indicate relatively little change on the month. However, on a three month moving average basis, the latter still indicates modest growth in volumes."

NAEA

"The level of housing supply held firm in October, remaining at an average of 62 properties per branch although this still remains down on year-on-year figures; In October 2011, an average of 72 properties were available for sale."

Smart New Homes

"The number of new homes coming onto the market is now recovering slowly but the volumes are still significantly short of the number of new homes required to meet demand across the country. A surge in new homes hitting the market is expected in the New Year with some developers opting to delay the launch of new phases and developments until January 2013."

Kate Faulkner comments:

"The supply of properties in 2013 will be the main factor which affects house prices at a local level. Where demand exceeds supply and there is confidence in a local area as well as cash available, prices will rise. However, in areas suffering economically with low salaries and poor, if not non-existent rises, then demand is likely to be low and higher supply levels could cause prices to fall further. The only thing likely to stimulate more supply in the future is a growth in confidence, coupled with more mortgages for 10% or less deposit. Longer term, increased supply could come from people having to sell their homes due to rises in mortgage rates fuelled by increases in interest rates which make the home less affordable."

Need more facts and figures? Can't find a stat you need? Subscribe to our [Property Information Portal](#) and if you can't find the stats or research you need, we'll do our best to source them.

Are you a consumer? If you want to carry out a property project and need to make sure you do all the right things in the right order, choosing the best companies to work with, then sign up to our new service: [Property Checklists](#). It's not quite finished yet, but there will be a checklist to help you and if there isn't, just email us and request a checklist you need and we'll make sure we create it for you.

For more information and property market commentary for consumers, and one to one consumer property advice:-

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Notes to Editors

Designs on Property Ltd (www.designsonproperty.co.uk) is run by Kate Faulkner, who spends half her time working as a consultant to the residential property industry, and the other half helping people carry out property projects. Kate is uniquely placed to help first time buyers, tenants, people trading up and trading down, renovators, self-builders and would be property investors.

Kate's '[Help me find a house' service](#) offers property hunters a 100+ page property pack which contains how tos, top ten tips, checklists and advice at every step of the way, including a one to one helpline via email or phone.

The six property packs include:-

<u>First Time Buyer</u>	£19.99
<u>Sellers Pack</u>	£19.99
<u>Tenant Pack</u>	£14.99
<u>Renovating a Property</u>	£19.99
<u>Making Money</u>	£24.98
<u>Buy to Let</u>	£59.95

About Kate Faulkner

Kate carries out over 50 speaking engagements every year, highlighting property market issues to the industry and consumers. She has written six property books including four for Which? is a featured property expert on the 4Homes website, regularly presents market issues for BBC Radio Nottingham and has a column in the Nottingham Evening Post.

She has appeared on Daybreak, BBC Breakfast and 'Your Money', Radio 4's You and Yours, Radio 5 Live, ITV News and The Big Questions.

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