

FREE PROPERTY CHECKLISTS

Find out the key steps to successfully carrying out your property project

Latest Property Price Summary

Green shoots, but frosty patches still ahead!

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.

Report Headlines:-

Rightmove	<i>"Records tumble: national nears £250k, London passes £500k"</i>
Home.co.uk	<i>"Regional markets show signs of genuine recovery"</i>
Hometrack	<i>"Scarcity of supply pushes up house prices in the South"</i>
Nationwide	<i>"Modest pick-up in UK house prices in May"</i>
RICS	<i>"Help to Buy gives sales market a lift"</i>
Acadametrics	<i>"Prices rise £6,726 over the past twelve months"</i>
Land Registry	<i>"The April data shows a monthly price increase of 0.4 per cent"</i>
Smart New Homes	<i>"New homes market continues Spring soar"</i>

Kate Faulkner comments on Report Headlines:

"Rightmove stats are showing more confidence in the market with asking prices up, however, it's important to remember this is a statistical average, the actual average cost of a home in London is just over £375,000, according to the Land Registry. Still high, but there is a big difference between advertised property price averages and actual prices achieved. The latest house prices suggest small rises, but we should bear in mind inflation is up by over 2% and in most places around the UK, prices certainly aren't keeping up, so in real terms, prices are actually still falling."

New Home Property Prices

Smart New Homes	<i>"The average price of a new home was £236,122 in April 2013, compared to £231,797 in March, rising 1.9% over the month. Annual growth escalated by 4.1% in April. All the major indices have shown a steady rise in average house prices in recent months. New homes cost marginally less than the average asking price in the wider housing market as house builders incentivise sales and price realistically. (April)"</i>
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Kate Faulkner comments on New Home Prices:

"New home property prices tend to rise to May, then fall back over the summer, and pick up over the autumn period. The latest price of £236k is actually only £1,000 above last May's price and the hike from April to March is from an unusually low base in March. Barratt report, overall their prices are pretty flat. However, any increases in new homes over the next few months need to be monitored carefully to assess the impact of the Help to Buy Scheme."

Regional Property Price Differences

Rightmove

"This month's 2.1% (+£5,135) rise has left the national average for asking prices (ie what a property is marketed for) just shy of a quarter of a million pounds at £249,841, surpassing the previous high by £3,606. London, the South East and East Anglia have also hit all-time highs. Buyers in the capital face new average asking prices in excess of £500,000 for the first time. (May)"

Home.co.uk

"A boost in prices and considerable falls in the average time on the market is finally being felt beyond the capital. London still witnessed another strong monthly rise in average prices but, nonetheless, it was outperformed by the South East (+1.2%), South West (+1.0%) and Scotland (+1.0%). The South East has shown four consecutive months of price growth and prices are now 3.9% up on this time last year. (April)"

Hometrack

"The impetus for rising house prices is originating almost exclusively from London and the South East where prices grew at an above average rate (0.9% and 0.5% respectively). Elsewhere, housing market conditions are improving gradually with prices trending slowly upwards, averaging just 0.1% over May. Prices remained static in four regions (North East, North West, Wales and Yorkshire & Humberside) and grew in a further four (East Anglia, East Midlands, South West and West Midlands). (May)"

RICS

"The forward looking indicators for sales and prices recorded more positive readings at both the three and twelve month horizons. The net balance for price expectations twelve months out jumped from 26 to 34 and arguably even more importantly, the results are now positive in every part of the country with the notable exception of Northern Ireland. (April)"

Acadametrics

"Greater London continues to dominate the housing market in terms of annual price change, with house price inflation over twice that of any other region of England & Wales. For the third month running, East Anglia takes second place and joins Greater London in being one of the only two regions in the country with annual price increases higher than the average for England & Wales as a whole. The region with the largest fall in annual house prices is the North, down 1.3% over the year, marginally below Wales where prices have fallen by 1.1%. This month, we have four regions showing an increase in the annual price change compared to last month, and six regions showing a decrease in the rate of change. (April)"

Land Registry

"The region with the most significant annual price increase is London with a movement of 6.2 per cent. The region with the greatest annual price fall is the North East with a movement of -5.7 per cent. London also experienced the greatest monthly price rise with a movement of 1.4 per cent. The North East also saw the most significant monthly price fall with a movement of -1.6 per cent. (April)"

Smart New Homes

"Prices in the seven out of the 11 regions have recorded positive growth on a monthly, quarterly and annual basis, with Greater London witnessing the biggest monthly price rise in April of 6.8%. Outside the capital, Yorkshire & Humberside recorded the highest monthly price growth of 4.4%. East Anglia suffered its first price drop of the year, falling back to £213,789, its lowest price since April 2012. All regions in the UK except Scotland witnessed positive annual price growth with the South West and North West seeing price rises of 9.0% and 6.6% respectively. (April)"

Kate Faulkner comments on Regional Price Differences:

"When people ask me 'what's happening in the property market' I usually answer 'it's going up, down and staying the same, where do you live?'. Even within these regions, there are properties in areas where house prices regionally are rising, but are falling and vice versa. The truth is, we don't have one property market anymore and it's a mistake for anyone to advise people without local knowledge or expertise on whether now is a good time to buy, sell, invest, build or rent a home. Overall it does look like there is a bit of a recovery. However, we've seen this pretty much every May since 2010. We won't know if this is the normal 'Spring bounce' for several months yet and we may end up as we have every year back where we started unless this growth really is sustained."

Demand for Property

Rightmove

"Demand is being driven primarily by the equity-rich generation with a definite southern bias, though agents in most parts of the country are reporting strong demand for well-priced and decent-quality stock. The pent-up demand is still being frustrated by the restricted supply of fresh property. Rightmove has recorded 3% fewer properties coming to market when comparing the first five months of 2013 to those of 2012. (May)"

Hometrack

"While levels of demand for housing have been increasing each month, the total growth in buyer numbers has been broadly in line with that seen in recent years. The shortage is being exacerbated by the rate of new stock coming to the market failing to keep pace with the number of sales agreed. Nationally, new supply grew by 2.8% in May while sales agreed were up 8.2%. Respondents to the survey reported a lack of housing for sale as one of their greatest concerns in the market at present with one reporting the lowest level of stock for 15 years. (May)"

RICS

"The more rapid rise in 'demand' than 'supply' in recent months is consistent with the improving trend that is visible in the headline price balance; the latest reading shows the first positive outturn in this series since June 2010. (April)"

Land Registry

"In the months November 2012 to February 2013, sales volumes averaged 51,386 transactions per month. This is a decrease from the same period a year earlier, when sales volumes averaged 53,151 per month. Over the past 35 months transaction volumes have been relatively consistent. (April)"

NAEA

"It is clear that supply continues to outstrip demand in the first quarter of 2013, although sales levels remain strong. The average number of FTBs entering the market decreased significantly, falling from almost a quarter (24%) in February to almost a fifth (19%) in March. Following after an initially positive start to the year, this is the second month in a row that FTB figures have dropped. (March)"

CML

"Our forward estimate is that gross lending in April was £12.1 billion. This would have been 4% up on March. The comparison with April last year – 21% higher – is flattered by the temporary dearth of house buying activity immediately following the closure of the Stamp Duty concession. The true underlying position is that April 2013 is likely to have been one of the strongest months for lending activity since late 2008, but not as strong as the year-earlier comparison suggests. Gross lending on a seasonally adjusted basis has been running comfortably above £12 billion for several months, but this is still barely half the average level of lending seen in 2003-4. (April)"

Kate Faulkner comments on Demand for Property:

"There certainly seems to be a 'spring' (sorry!) in buyers' steps during April and May. This is likely to be fuelled by a more positive picture in the media about potential for a housing bubble and prices rising again. The main thing which gets buyers out and buying is confidence, and the one way to improve confidence is scaring people that prices will rise! The reality is this may be a little short lived. Nationwide rightly point out that people's wage packets are still low and there is a little less job security out there this year. The reality is, we might see as in previous years, demand fall back in many areas by the summer. If it is maintained though, this could be the turning point for some areas (not all) which people really need after six years of being 'stuck' in their home."

Supply of Property

Rightmove

"Rightmove has recorded 3% fewer properties coming to market when comparing the first five months of 2013 to those of 2012. This helped exert the upwards price pressure resulting in this month's new record asking price. (May)"

Home.co.uk

"The total volume of on-market property has not shown any considerable growth over recent months and new instructions remain down 4.0% year-on-year and 22% down on April 2011. London and the East Midlands have witnessed the largest annual falls in new property stock, with drops of 14% and 8.0% respectively. (April)"

Nationwide

"In the first four months of 2013, the number of property transactions was running at around 5% above the monthly average prevailing in 2012. A number of factors are likely to be contributing to the pick-up in activity. There has been an improvement in the availability and a reduction in the cost of credit, partly as a result of policy measures, such as the Funding for Lending Scheme. (May)"

Hometrack

"Nationally, new supply grew by 2.8% in May while sales agreed were up 8.2%. Respondents to the survey reported a lack of housing for sale as one of their greatest concerns in the market. In London the gap between supply and demand is the largest it has been since Spring 2009. In the last six months, demand has grown 15% while supply has declined by 0.6%. The net effect has been house prices rising at a level not seen since May 2007. High moving costs, uncertainty over the outlook for jobs and a lack of available housing to move to, means homeowners remain unwilling to put their own properties on the market. This is only serving to limit supply further. (May)"

RICS

"The RICS survey showed new instructions to agents rose in April, albeit at a more modest pace. The more rapid rise in 'demand' than 'supply' in recent months is consistent with the improving trend that is visible in the headline price balance; the latest reading shows the first positive outturn in this series since June 2010. (April)"

NAEA

"For the second consecutive month the supply of homes increased, with the average number of properties available per branch increasing from 58 in February to 60 in March. This rise follows a similar increase between January and February, which suggests sustained market confidence that sellers can secure a sale. The number of homes sold per branch during the month remained at 8, on par with February. (March)"

Smart New Homes

"The number of new homes added to the market fell further in April. We expect the number of homes coming onto the market to increase following the encouraging news from NHBC that new home registrations have increased by 22% in the first quarter of 2013. This is fuelled by the government's £2.2 billion Affordable Homes Programme, set to deliver 170,000 new homes by April 2015. The scarcity of supply remains the thorn in the side of the housing industry. Despite recent planning reform, we are yet to see any notable impact on supply and the number of homes being built remains as low as ever. (April)"

Kate Faulkner comments on Supply of Property:

"Over time, Hometrack have measured the time people typically stay in a home is 15 years. It fell to around eight in the late eighties, but is currently 25 years. This is partly demographic, our baby boomers are settled, and partly due to some being unable to move due to negative equity or fear over the last six years. Although we see more buyers around, it'll take a rise in prices and properties selling faster for more sellers to put their homes on the market. And this is where our frosty patch could come from. By September, if the news on property prices and sales remains good, the market could be flooded with people who rented out their home to move and those deciding now is the time to take the plunge. This could end up with a roller coaster ride where prices rise due to lack of supply, more supply comes in, tips us back into prices stalling and falling, demand falls and then we are back at the start!"

What to do next?

We hope you find this update useful. For more help, from Kate and her team, please see below.

For Consumers

Are you looking to buy or sell a property? Then sign **FOR FREE** up to [Property Checklists](#). When carrying out any property projects, it's essential to make sure you do all the right things in the right order and choose the best companies to work with. Signing up to [Property Checklists](#) will give you free access to buy to let, building a home and first time buyer checklists, and if there isn't one for your property project, just email us and we'll make sure we create it for you.

For Industry Professionals

Are you a property industry professional or journalist who needs up to date, accurate, 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.

For Media Professionals

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

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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 and is currently the Telegraph's property club Q&A person.

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

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