



August 2013 Latest Property Price Summary

News Flash: Prices rising, falling and staying the same!

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.

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Report Headlines:-

<u>Hometrack</u>	<i>"Slowdown in house price growth in July"</i>
<u>Nationwide</u>	<i>"House prices continue to gain momentum in July"</i>
<u>Halifax</u>	<i>"House prices in the three months to July were 2.1% higher than in the previous three months"</i>
<u>Acadameetrics</u>	<i>"House prices hit another record high in July"</i>
<u>Savills</u>	<i>"Back to health. Is the market showing signs of recovery?"</i>
<u>Land Registry</u>	<i>"The June data shows a monthly price change of 0.6 per cent"</i>

Kate Faulkner comments on Report Headlines:

"The economic experts who understand property markets have now all said they don't believe a housing bubble will ensue – showing the importance of 'who to listen to' when it comes to property market data. In the main, yes, house prices have moved forward and we are seeing this month some of the highest prices we've seen for a while, but the increments are so tiny it's almost impossible to measure them! Even Acadameetrics who are the most upbeat about the market of all the surveys say prices in real terms (taking inflation into account) have fallen year on year."

Regional Property Price Differences

Hometrack

"London continues to be the engine for overall house price growth with prices in the capital up 0.7% in July, down from a 0.9% increase in June. Across the rest of the country, three regions saw prices remain unchanged in July (East Midlands, Yorkshire & Humberside, North East) while the remainder all registered price increases of up to 0.4% in the South East. (July)"

Acadametrics

"Greater London continues to dominate the housing market in terms of annual price change, with house price inflation over two and a half times that of any other region of England & Wales. For the sixth month running, East Anglia takes second place and joins Greater London in being one of only two regions in the country with annual price increases higher than the average for England & Wales as a whole. Despite a small upward movement this month in its annual rate of price change, Wales continues to experience the greatest fall in house prices of all the ten regions in England & Wales. Wales has now been at the bottom of the house price growth league for seven of the last twelve months in 2012/13. (July)"

Savills

"Recent evidence suggests that London is continuing to outperform, with the Land Registry index showing house price growth of 5% in the past year. In the worst performing region, Yorkshire and the Humber, prices fell by just over 2% suggesting that, at a regional level at least, the markets have largely bottomed out. This said, in a property black spot such as Blackpool, prices are 43% below their level five years ago in real (inflation adjusted) terms. (Q3 13)"

Land Registry

"The region with the most significant annual price increase is London with a movement of 6.9 per cent. The region with the greatest annual price fall is the North East with a movement of -3.8 per cent. London also saw the greatest monthly price rise with a movement of 3.1 per cent. The North East also saw the most significant monthly price fall with a movement of -2.2 per cent."

Kate Faulkner comments on Regional Price Differences:

"The regional data continues to reinforce the need for local property market information for buyers, sellers and investors. With figures showing growth for places such as London of 7% and falls in places such as Blackpool of 43%, average property price data is only any use to the government, economists and retailers. The credit crunch has absolutely shown how diverse our property markets are in the UK. This is a tremendous opportunity for excellent estate agents who understand their local market, to communicate regularly with their local community rather than only talk to stressed buyers and sellers and sometimes somewhat over excited or too optimistic property investors."

Demand for Property

Hometrack

"The rate of house price growth slowed slightly in July as a result of weakening demand as we enter the holiday season. The momentum generated over the last six months looks set to moderate in the short term with less upward pressure on prices. The level to which new buyers enter the market in the autumn will dictate whether 2013 turns out to be the year with the highest increase in house prices since the start of the downturn. Looking ahead we expect demand to continue to slow over the rest of the summer as seasonal factors play their part. (July)"

Bank of England

"The number of loan approvals for house purchase was 57,667 in June, compared to the average of 54,798 over the previous six months. The number of approvals for re-mortgaging was 31,486 compared to the average of 29,216 over the previous six months."

Severn Trent

"The average number of daily transactions (Drainage and Water Searches) in July was up 12% on the same period last year. It was, however, down 4.5% on the average number of daily transactions in June. A spike in transactions on Wednesday 10th July represents the highest number of daily transactions since mid-2010. (July)"

Land Registry

"In the months January 2013 to April 2013, sales volumes averaged 47,308 transactions per month. This is a decrease from the same period a year earlier, when sales volumes averaged 48,299 per month. Over the past 37 months transaction volumes have been relatively consistent. (June) "

Kate Faulkner comments on Demand for Property:

"Demand has definitely improved over the last few months to buy, and it's not just the surveys that are showing this. Talking to agents and even just driving up and down roads on regular visits, property 'for sale' boards are rapidly turning into 'sold' in good areas where properties are priced fairly. As always though, it depends where you are based. Areas such as Chorley in Manchester and Arnold in Nottingham have plenty of stock versus buyers, while areas such as Welwyn Garden City or Bury St Edmunds seem to have buyers clamouring after tiny numbers of properties still for sale. It's likely in these successful areas, demand will continue to be high, potentially for the rest of the year, while others will still suffer price falls from too much stock and low demand."

Supply of Property

Nationwide

"The supply side of the market remains fairly constrained. Building activity is still subdued – in Q1 13 housing completions in England were down 8% compared to the same period of 2012 and around 40% below the average number of quarterly completions in 2007. (July)"

Hometrack

"In July the survey registered an increase in new supply for the first time since the spring, rising by 2.4% in the month. It was the first time for six months that new supply exceeded the growth in demand. This is a pattern that has been seen before in recent years where improving sentiment brings more homes to the market. This in turn shifts the balance of supply and demand which leads to a moderation in the scale of price rises. (July)"

Acadametrics

"Despite this overall improvement in the market, the level of first-time buyer activity is still around half of what might be considered normal levels. Both the lack of housing supply and rising competition in the property market are supporting prices, but at the same time making it more difficult for first-time buyers. The Government urgently needs to address housing supply if it is serious about boosting home ownership levels. One way would be to remove stamp duty, which is a disincentive to buying for both home movers as well as first-time buyers. (July)"

Kate Faulkner comments on Supply of Property:

"With more new builds coming through (according to developers) and sellers starting to see properties around them selling faster and at better prices for a while, more stock is just coming onto the market. However, we have an enormous way to go before transactions reach pre-credit crunch levels. Currently, the number of homes sold remains 40% down versus the long term average. Housing associations, developers and institutions need to double the production of new homes, while sellers need to be sure they can afford to make the next jump 'up' the ladder while it's still cost effective to trade up."

What to do next?

Don't carry out a property project, especially buying and selling without taking independent, up to date, advice. On average 30% of property sales fall through after offers are accepted – this can cost you thousands of pounds, let alone the stress of losing a property you wanted to buy.

For more help, from Kate and her team, join [**Property Checklists**](#), it's free of charge and here are links to checklists which will be of real help to you:-

- [Buying your first home](#)
- [Trading up](#)
- [Buy to Let](#)
- [Renting a Property](#)
- [Selling a Property](#)

For Industry Professionals

If you are you a property professional or journalist who needs up to date, accurate, facts and figures about residential property, subscribe to our [**Property Information Portal**](#).

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 2's Jeremy Vine Show, Radio 4's You and Yours, Radio 5 Live, ITV/ITN News and The Big Questions.

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