



Consumer Property Market Reports

This report is written by Kate Faulkner, one of the UK's top independent property price and rental market commentators. It is written to help the public considering buying, selling, investing, building, renovating or renting a home so they understand what's actually happening nationally and in their local property market. This helps them to work out if now is a good time to carry out their property project, or if they should wait.

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This report is aimed at giving an independent view, following a professional review of all the different property price reports to look for consistent trends, understand differences and utilise commentary from sources we have tracked over time who we believe, with hindsight, have given good analysis of what's happening, as opposed to reports which are often more for PR purposes.

We also analyse the market from a consumer, not a business perspective. As such, we take less notice of year on year and month on month price comparisons, and instead look at how prices are performing against previous market highs and lows. This helps us and the general public understand what's happening in their local area.

We ask questions people ask via our property clinics, free Q&As and seminars:-

- Are we at the bottom of the market? Does it matter if we are?
- Should you wait until prices are going up or buy as soon as the reports/media tell you prices are falling?
- What are the pros and cons of Help to Buy, Shared Ownership, Shared Equity?

Average House prices for August/September 2013

How do August/September's prices compare over time?

This month's figures suggest:-

- The [Nationwide](#) reported average property price of £172k for September 2013 which in comparison to previous years is the highest figure since Q2 2008 when it reached £174k.
- The [Land Registry](#) average prices continue to show no significant changes during the last three years with the latest August average showing £164,654.
- [Acadametrics](#) reported property prices in August are an average of £233,776 and show no major changes in the last six months.

**(Appendix about seasonal adjustments)*

How do this month's prices compare to the rest of the year in England and Wales?

So far this year we can see from the chart that prices do appear to be moving upwards – on average.

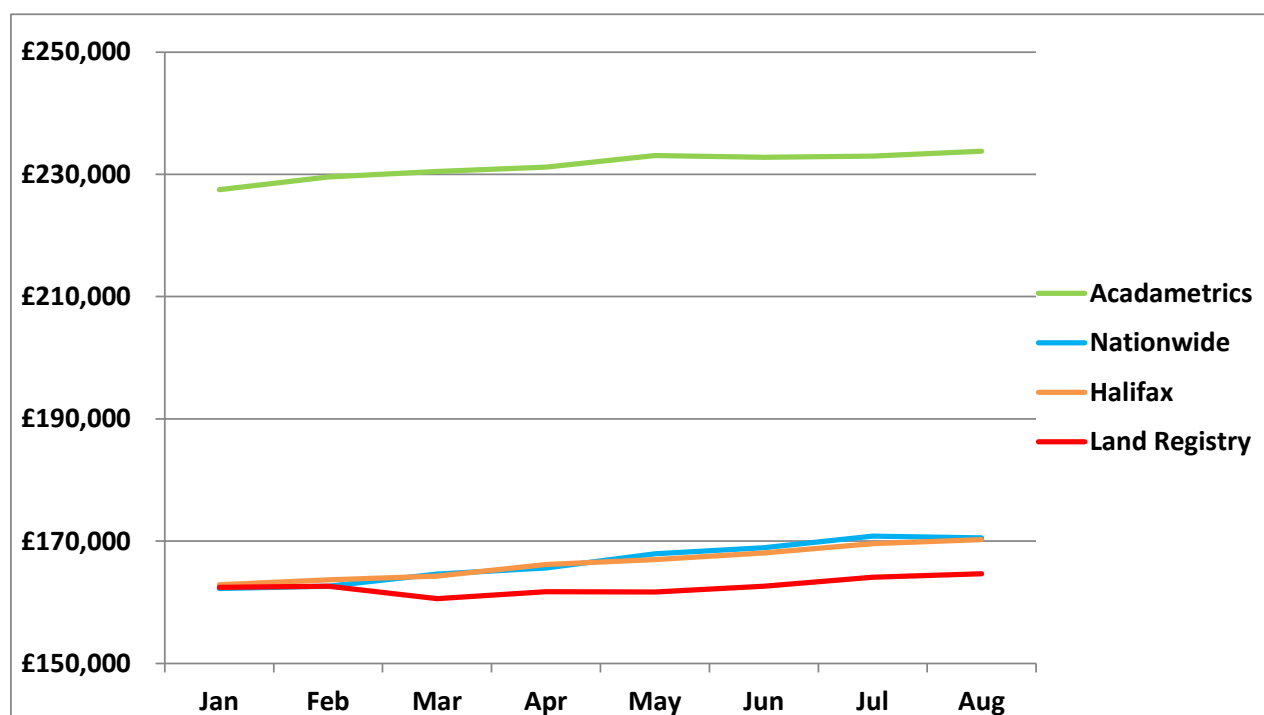


Chart showing average property/house prices in England and Wales from January - September 2013*

- So far this year, 'average property' prices for mortgaged properties started off at £162,245 in January and has grown consistently to a height of £172,000 for [Nationwide](#) (September)
- [Land Registry's](#) (August) average prices for their analysis (including some cash sales) started at £162,500, fell to £160,500 in March, but has risen to its highest so far this year at £165,000.
- [Acadametrics](#) (August) average property prices for all properties, started in January at £227,478 and is currently at a high for the year of £233,776.

Average House prices for August/September 2013 – Cont'd

How far away are property prices from the heights achieved in 2007/8?

Whilst we have seen recent improvements in property prices in some areas of the UK, compared to the heights of 2007/08, property prices remain:-

- -7% below the height of 2007/08 for [Nationwide](#)
- -10% below the height of 2007/08 for [Land Registry](#)
- 1% above the height of 2007/08 for [Acadametrics](#)

How do this month's property prices compare to the lows of 2009?

Although in the main, property prices haven't recovered to the heights of 2007/8, compared to 2009 lows, property prices are definitely recovering:-

- 16.5% above the lows of 2009 for [Nationwide](#)
- 8% above the lows of 2009 for [Land Registry](#)
- 18.5% above the lows of 2009 for [Acadametrics](#)

Kate's & other Expert Market Commentary

Additional supply of existing homes for sale, seems elusive to date

Miles Shippside, Rightmove Director says: *"New seller activity has fallen again this month and the lower volumes of property coming to market over the summer have resulted in price drops that seem counter-intuitive given that buyer demand is holding up. Sellers have yet to respond en masse to increased buyer demand, with the summer heat wave distracting homeowners from the recovering market and increased chances of finding a buyer and moving home. It shows that potential sellers are still cautious and a return to a volume market is elusive."*

Commenting on **Home.co.uk's** most recent asking price survey, **Doug Shephard, Director** agrees and says: *"Demand, fed by the growth in cheaper borrowing (including the Help to Buy scheme), is already outpacing the overall supply of properties for sale and pushing prices even higher. There are 14% fewer properties for sale than there were at this time last year, yet we are witnessing a whole load more active buyers. Perversely, it's still fairly 'grim up North'. Just when home prices might have started to recover some of their lost ground, we are seeing an influx of supply into these relatively sluggish regional markets. Good news for buyers who will have much more choice, but northern vendors will continue to struggle and prices will most likely continue to stagnate."*

Increased supply, stagnant demand and the effect on house prices

Robert Gardner, Nationwide's Chief Economist, comments: *"UK house price growth accelerated in September, rising by nearly 1% over the month. As a result, the annual rate of house price growth rose to 5%, the strongest pace since July 2010. There are also signs that the pickup is becoming increasingly broad-based. For the first time since 2007, all thirteen UK regions experienced annual house price growth in the third quarter of 2013. However, the southern regions of England continued to see the strongest rates of growth – especially London, where the annual rate of growth reached double digits in the three months to September. Consumer confidence has increased significantly in recent months, thanks to modest gains in employment and signs the UK recovery is finally gathering momentum."*

Richard Sexton, director of e.surv, part of LSL Property Services, comments: *"The property market has turned over a new leaf after years of restrained activity following the financial crisis. Prices are up £883 in the last month and are £7,275 higher than a year ago due to a substantial boost in mortgage lending to first-time buyers. The UK's economy is showing signs of sustained recovery which is pushing the housing market forward. Sales are rising rapidly; in May to August 2013 they have been higher than the equivalent period for the previous three years. Higher loan-to-value (LTV) mortgages are much more readily available and at lower rates, which has been the catalyst behind the vast improvement in the housing market, coupled with increasing consumer confidence."*

Martin Ellis, Halifax (Lloyds Banking Group) housing economist, said: *"House prices in the three months to September were 2.0% higher than in the previous quarter; slightly below the increases recorded in June, July and August. The annual rate of increase, however, continued to rise. Housing demand has risen more quickly than supply in recent months, putting upward pressure on prices."*

Kate Faulkner's Market Commentary

"Overall we have for the first time in six years some pretty good news in the housing market. The Help to Buy scheme has helped more than the 12,500 homes which have sold under the scheme to date. The scheme has got people to believe they can afford a home (after years of being told 'it's impossible') and when people cost out a mortgage, thanks to the Funding for Lending Scheme, buyers will have seen mortgage rates almost halve versus the previous year. However, the recent announcement to bring the Help to Buy Scheme forward for existing homes could be great for buyers and sellers, but could dampen the enthusiasm for new build properties – which tend to be more expensive. Economically, Help to Buy has worked to date, but pulling it forward could be a major mistake politically."

What's happening to property prices regionally in August 2013?

Regional Averages – England & Wales Summary (see chart below)

- Areas outperforming the 'average' are London, South East, South West and the East of England.
- Areas still falling against the lows of 2009 include the North East, North West and Yorkshire and The Humber, with Wales almost back to 2009 lows.
- The East and West Midlands are now above the lows of 2009 but house prices still have to increase by 15% or more to reach the highs of 2007.
- London continues to buck the trend, but in real terms taking account of inflation, they too have fallen.

Property Prices Regionally <i>Land Registry Data</i>	2000	2005	2007/8 Height	2009 Low	+/- versus Market Height	Latest Month's Data - Aug 13	+/- Market Height
England & Wales	£ 79,355	£ 155,031	£ 183,695	£ 152,657	-16.90%	£ 164,654	-10%
Wales	£ 55,135	£ 121,461	£ 141,344	£ 115,891	-18.01%	£ 115,149	-19%
North East	£ 50,413	£ 111,572	£ 129,519	£ 106,075	-18.10%	£ 98,469	-24%
North West	£ 54,230	£ 114,242	£ 137,582	£ 114,267	-16.95%	£ 109,210	-21%
Yorkshire & The Humber	£ 56,226	£ 122,379	£ 145,571	£ 120,582	-17.17%	£ 117,154	-20%
East Midlands	£ 61,137	£ 131,622	£ 147,541	£ 119,971	-18.69%	£ 124,638	-16%
West Midlands	£ 67,370	£ 136,209	£ 153,944	£ 128,148	-16.76%	£ 131,096	-15%
South West	£ 82,754	£ 167,531	£ 195,465	£ 159,552	-18.37%	£ 174,751	-11%
East	£ 84,475	£ 167,531	£ 194,114	£ 158,697	-18.25%	£ 175,601	-10%
South East	£ 107,729	£ 194,308	£ 228,328	£ 186,022	-18.53%	£ 214,518	-6%
London	£ 161,169	£ 273,823	£ 351,512	£ 295,531	-15.93%	£ 389,066	11%

Acadameetrics/LSL Scottish index suggests prices remain slightly down year on year but house sales are at the highest level for five years. **Alan Penman of Walker Fraser Steele, part of LSL Property Services**, comments: "House prices haven't been increasing in Scotland anything like as quickly as they have in England. But they did rise for the first time in four months in July, which could be the start of a prolonged period of house price increases. Sales have been increasing, and confidence is gradually seeping back into the market. First-time buyer lending in Scotland was at its highest since 2008 in the second quarter of the year, which has driven sales up to their highest level in five years. Sales are up 27% compared to June, and first-time buyers account for a much higher proportion of sales. The improvement is down to a significant increase in the availability of high loan-to-value mortgages. Banks are much more willing to extend an olive branch to borrowers with small deposits, which has opened the door to thousands of buyers who were previously locked out of the housing market."

Property Prices Regionally <i>Ros.gov Data</i>	2005	2007/8 Height	2009 Low	+/- versus Market Height	Latest Month's Data - Aug 13	+/- Market Height
Scotland	£ 118,198	£ 160,592	£ 136,192	-15.19%	£ 161,512	1%

Northern Ireland's property prices continue to struggle being down 48% versus the 2007/08 high. Whilst this may not be good news for vendors that bought their properties some five years ago, this could be the time for people wanting to get on the ladder to consider their options versus renting.

Property Prices Regionally <i>Bank of Ireland Data (Q2 13)</i>	2007/8 Height	2009 Low	+/- versus Market Height	Latest Month's Data - Q2 13	+/- Market Height
Northern Ireland	£ 250,586	£ 156,857	-37.40%	£ 130,864	-48%

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- [Is buying cheaper than renting for you?](#)
- [Help to Buy Checklist](#)
- [Trading Up Checklist](#)

What's happening in your town in August 2013?

Even at city and town levels, your property price or the value of the property you want to buy or sell can be going up when the regional data says, on average, prices are going down. So as well as tracking the regional data, we also track the latest property prices movements for major towns and cities in the UK during August 2013.

Summary of table below:-

Areas still to reach the 'bottom of the market' include **Liverpool, Manchester, Bradford, Leeds** and **Sheffield**.

Property prices in **Peterborough** appear to be close to 'the bottom', **Nottingham** is now slightly above the 2009 low with **Birmingham** now above the 2009 low.

Areas appearing to recover to 2007 heights include **Bournemouth, Cardiff** and **Bristol**, each area only down between 8% and 11%.

London continues to show signs of good growth while **Brighton and Hove** has almost reached the 2007 height.

England & Wales

Towns & Cities <i>Land Registry Data</i>	2000	2005	2007/8 Height	2009 Low	+/- versus Market Height	Latest Month's Data - Aug 13	+/- Market Height
Liverpool	£ 45,722	£103,785	£ 124,934	£ 97,366	-22.07%	£ 90,377	-28%
Manchester	£ 45,121	£ 91,692	£ 121,340	£ 92,638	-23.65%	£ 90,569	-25%
Bradford	£ 48,435	£ 96,395	£ 125,925	£102,358	-18.72%	£ 95,680	-24%
Leeds	£ 60,445	£133,251	£ 155,110	£128,158	-17.38%	£ 121,469	-22%
Peterborough	£ 53,764	£118,125	£ 134,523	£107,023	-20.44%	£ 106,609	-21%
Nottingham	£ 46,990	£101,806	£ 105,214	£ 83,781	-20.37%	£ 84,175	-20%
Sheffield	£ 52,227	£115,044	£ 139,484	£115,119	-17.47%	£ 112,894	-19%
Birmingham	£ 59,631	£124,242	£ 136,345	£110,850	-18.70%	£ 114,177	-16%
Bournemouth	£ 85,728	£171,486	£ 192,914	£153,237	-20.57%	£ 172,230	-11%
Cardiff	£ 69,769	£148,608	£ 159,475	£132,694	-16.79%	£ 143,013	-10%
Bristol	£ 76,229	£153,322	£ 188,869	£148,945	-21.14%	£ 173,260	-8%
Brighton and Hove	£ 90,828	£185,816	£ 232,584	£187,192	-19.52%	£ 230,487	-1%
London	£ 161,169	£273,823	£ 351,512	£295,531	-15.93%	£ 389,066	11%

Top Cities - Scotland <i>Ros.gov Data</i>	2005	2007/8 Height	2009 Low	+/- versus Market Height	Latest Month's Data - Aug 13	+/- Market Height
Glasgow	£ 111,162	£ 130,629	£105,000	-19.62%	£ 132,098	1%
Edinburgh	£ 168,986	£ 185,000	£168,000	-9.19%	£ 214,528	16%

Edinburgh continues to show good signs of growth at 16% up versus the 2007 highs. **Glasgow** is also just above and hovering around the 2007 level.

Top City - NI <i>Bank of Ireland Data</i>	2007/8 Height	2009 Low	+/- versus Market Height	Latest Month's Data - Q2 13	+/- Market Height
Belfast	£ 258,332	£155,483	-39.81%	£ 138,043	-47%

Belfast prices continue to struggle having not yet reached the bottom of the market.

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Property Supply & Demand

To work out what might happen to property prices in the future and whether now is a good time to buy, sell or invest, understanding what's happening to demand and supply for property in your local area is essential.

FSSA Board Count *	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13
	29.5%	32.9%	32.9%	28.4%	33.0%	38.6%	39.7%	39.1%

The **FSSA** data (see chart above) shows that since the start of the year, the ratio of properties for sale versus sold has been steadily increasing from 29.5% to 39.7% in July, with the exception of a drop in April and a slight drop back to just over 39% in August. In a 'normal market', the average figure of properties for sale versus sold would typically be 40% so these figures are good and would suggest the market is heading to recovery stage. However, there are still huge regional contrasts with Welwyn Garden City showing one of the highest ratios of sold vs sale boards at just below 68%, and Clydebanks showing the lowest ratio at 6.5%, reinforcing the need to understand your local property market – not rely on average figures and headlines.

**For Sale Sign Analysis (FSSA) provides figures which helps us track the number of properties for sale versus sold. This is another good, early indicator of what's happening locally to supply and demand in the property market.*

If you want to understand how to board count in your local area, then click on the following link:-
[Working out what's happening in your local market through board counts](#)

September 2013 versus 2012:

How many viewings do you need to sell a home? How many weeks will it take to sell?

Hometrack	Previous Year/Month % offer to asking price	Time to sell	Number of viewings	Current Month % offer to asking price	Time to sell	Number of viewings
England & Wales	93.0%	9.9	11.3	94.7%	7.9	9.8
Wales	91.7%	11.3	n/a	93.3%	8.9	n/a

The English Market

Hometrack's data (see chart above) for September 2013 versus a year ago, shows key demand and supply indicators slowly rising. The percentage offer to asking price for England and Wales is now just shy of the magic 95%, which is classed as a 'normal market'. There is also a very slight drop in the average number of weeks it takes to sell a property in England and Wales which now stands at just under 8 weeks.

Looking at how many viewers it takes to secure an offer is also a good indicator of market trends and during September, this reduced to 9.8 when compared to a year ago. It is also the lowest figure registered since the start of 2010. Taking into account all the Hometrack data, this suggests we are, on average, heading towards a more 'normalised market'. However, we also need to consider that property 'volumes' remain seriously low and are still way down on pre-peak levels.

What's Happening in Wales?

In Wales, the time it takes to sell a property has dropped year on year, and the offer to asking price percentage has increased compared to last year which would indicate that the property market is going in the right direction.

Property Supply & Demand – Cont'd

There are of course regional differences, and according to [Hometrack's](#) regional data, (see chart below), all areas have seen a rise in the average offer to asking prices and a fall in the time it takes to sell a property year on year.

Normalised market averages are now being seen in London and the South East, but in other regions, properties are still taking longer than average to sell, particularly in the East Midlands and North East, where it takes nearly three times as long as London to sell a home. In London, it appears to be 'business as usual' as far as property market averages are concerned.

Check out the differences in your area using the Hometrack data below

If you are a buyer, seller or investor, it's essential you speak to the local agents to find out what's actually happening in your area, as although regional averages are a good guide, there can be huge localised variations in the market.

Hometrack Regions	Previous Year/Month - % Offer to Asking Price - Sept 12	Time to Sell Weeks	Current Month - % Offer to Asking Price - Sept 13	Time to Sell Weeks
North East	91.0%	12.6	93.5%	12.2
North West	92.2%	12.4	93.4%	10.6
Yorkshire and The Humber	92.5%	10.8	95.0%	10.3
East Midlands	93.2%	13.3	92.9%	11.2
West Midlands	93.0%	10.2	93.9%	8.1
South West	92.9%	10.4	94.6%	7.8
East	93.0%	11.3	93.7%	9
South East	94.0%	7.8	95.9%	5.4
London	94.0%	5.8	96.5%	3.8

What's supply and demand like within estate agencies?

Another source of checking current market conditions for supply and demand is looking at the average number of properties per branch of estate agents, together with the number of sales per estate agent branch.

The average stock per branch data (see chart below) from [Rightmove](#) from January 2013 through to September shows a slight increase since the start of the year, but has remained pretty static with very little movement between May and September. The [RICS](#) figures pretty much followed [Rightmove](#) for the first few months of the year, but registered less properties for sale in July. The [NAEA](#) average property stock figures per branch range show a drop in July and August at 53 and 52 compared to the first five months of the year.

Average Stock Per Branch	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13
Rightmove	64	65	68	69	71	71	71	72	70
RICS	63	66	69	68	n/a	n/a	66	n/a	n/a
NAEA	56	58	60	61	60	n/a	53	52	n/a
Average Sales Per Branch									
RICS	16	17	17	21	30	n/a	n/a	18	n/a

According to the [RICS](#), average sales rose dramatically from 21 to 30 properties per branch in May, which is nearly 50% higher than the number of sales registered when we started monitoring the [RICS](#) data in 2011, but this looks like an exceptional month as sales dropped back to a more normal 18 sales per branch in August.

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- [How to Work Out my Property Market](#)
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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:-

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- [Trading up](#)
- [Buy to Let](#)
- [Renting a Property](#)
- [Selling a Property](#)

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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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