

September 2013 Latest Property Price Summary

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>"No summer slowdown for the housing market" (August)</i>
<u>Nationwide</u>	<i>"House prices continue to rise in August"</i>
<u>Halifax</u>	<i>"House prices in the three months to August were 2.1% higher than in the previous three months; unchanged from both June and July"</i>
<u>Acadameetrics</u>	<i>"House prices hit a record high in August"</i>
<u>Land Registry</u>	<i>"The July data shows an annual price increase of 0.8% per cent"</i>

Kate Faulkner comments on Report Headlines:

"It is great to have consistent good news about the housing market, especially after six years of one pretty bad report after another. Although it's great to have positive news across all the surveys, it's important to keep this in perspective. The reality is we are still nowhere near a 'normal market'. Lending is at an all-time low due to interest rates and the funding for lending scheme. First time buyers are being allowed back into the market through the Help to Buy Scheme and of course as we all know, volumes of new builds and properties for sale are still substantially below normal levels. This does however give a great opportunity for agents, developers, conveyancers and finance companies to raise their profile at a local level to help advise on the implications of these changes at a local level."

Regional Property Price Differences

Hometrack

"The gap between supply and demand is widest in London and the South East. The last three months has seen a slight drop in the supply of homes for sale in these regions while demand has grown by 5% to 9% and prices have appreciated by 1% in London and 0.5% in the South East over August. Across all other regions price changes throughout August were below average. While market conditions are slowly improving an expansion in the supply of homes for sale in keeping price rises in check" (August)

Acadametrics

"As expected, London is fuelling the significant rise in house prices on a national level. But signs suggest that price growth is happening across the board. All ten regions in the country showed an increase in the annual rate of house price inflation compared to a month ago, indicating that prices will climb across the whole of England and Wales" (August)"

Land Registry

"The region with the most significant annual price increase is London with a rise of 7% and the greatest monthly price rise of 3 per cent. The region with the greatest annual price fall of 4% is the North East and a monthly price fall of -2.2 per cent" (July)

Kate Faulkner comments on Regional Price Differences:

"Although to date we have mostly seen positive price movements thanks to London and parts of the South East, it does appear the 'good news' is now spreading to other regions. Hometrack state 'Improvements in underlying pricing levels are now feeding through in the northern and midlands regions.' While activity is increasing though, it is only really having a positive effect on prices in areas such as London which are cash/equity rich. Most areas, although they are benefiting from more buyers/sellers and increased confidence in the market, are seeing more sellers coming onto helping to match supply and demand."

Demand for Property

Hometrack

"Demand for housing grew by 1% in August following a similar increase in July. This unseasonal increase in demand is at odds with the trends over the last 3 years when July and August typically register a seasonal decline in demand. A steady return of pent up demand after 6 years of suppressed housing market activity also explains some of the continued expansion in demand." (August)

Bank of England

"The number of loan approvals for house purchase was 60,624 in July, compared to the average of 55,484 over the previous six months. The number of approvals for re-mortgaging was 34,262 compared to the average of 30,137 over the previous six months." (July)

Severn Trent

"The average number of transactions per day in August was up 17.6% on the same period last year. The average number of transactions per day was down 2.8% on July. This represents the biggest year on year increase in transactions of any month in the last 3 years (August)"

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 relatively consistent"

Kate Faulkner comments on Demand for Property:

"Demand for property is definitely increasing with buyer levels remaining high despite it being the usually quiet summer months. Much of this is believed to be driven by first time buyers deciding to step onto the ladder for fear of a housing bubble, affordability being at its lowest since 1999 (27% of disposable earnings) versus the long term average of 36% (Halifax) and the Help to Buy Scheme taking away 25% deposit barriers. At the moment it looks like this demand will remain high, albeit we are still only achieving seen in the last 'upturn' in 2010. However good news about the economy, better employment figures and generally improved confidence mean the recovery could now remain for the rest of the year.

Supply of Property

Nationwide

"While there have been encouraging signs that house building is starting to recover, construction is still running well below likely demand. New housing starts in England were up 33% in Q2 compared to the same period of 2012, but this is still 36% below the levels prevailing in 2007, which were already below that required to keep pace with household formation" (August)

Hometrack

"The supply of housing for sale remains constrained. The survey shows that the supply of homes for sale increased by just under 1% in August. Over the last 3 months much of the growth in supply has been located in the regions outside London and the South East. Improving market conditions and firmer pricing levels in the Midlands and Northern regions are bringing more sellers into the market. (August)"

Acadameetrics

"Sales in May to August 2013 have been higher than the equivalent period for the previous three years, with sales in July and August 2013 both estimated to exceed 70,000 transactions. This will be the first time that sales over two consecutive months have been higher than 70,000 since November/December 2007, when transaction levels were 104,486 and 84,524 respectively. (August)"

Kate Faulkner comments on Supply of Property:

"Increased supply is the best good news story for the economy, the industry and general public. Developers are committing to increases in building levels, more stock is coming through from various government initiatives and more people are putting their homes up for sale. Although we still have some way to go and may never achieve the levels pre credit crunch, hopefully this good news will continue and increased activity won't be choked off by the inevitable rises in mortgage and interest rates in the near future.

What to do next?

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 **Property Checklists**, make it easy to access the information and support you need via the FREE of charge checklists, daily articles and advice:-

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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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