

January 2014 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:-

Rightmove	<i>"2014: Prices forecast to rise by up to 8% unless more properties come to market."</i>
Home.co.uk	<i>"Inventory hits all-time low as seasonal slowdown takes hold."</i>
NAEA	<i>"First time buyer numbers increase as Help to Buy gains momentum."</i>
Hometrack	<i>"75% of housing markets register price gains in 2013."</i>
RICS	<i>"Stagnating instructions underpin stronger price trend."</i>
Nationwide	<i>"House prices continued to gain momentum as 2013 drew to a close."</i>
Halifax	<i>"House prices in the final quarter of 2013 were 1.9% higher than in the previous three months (July-September)."</i>
Acadata	<i>"House prices up by £11,920 in 2013 – the highest December yearly rise since 2007."</i>
Land Registry	<i>"The November data shows a monthly price change of 0.1 per cent."</i>

Kate Faulkner comments on Report Headlines:

"It is great to see property prices and the market turning the corner after six long years. However, as an industry, we have a duty to advise buyers, sellers and investors based on accurate reports, not hype and speculation. The reality is, since 2000, property price growth in England and Wales has grown at an annual average of 8.3% (Land Registry). So all property prices are doing - nationally on average - is recovering to normal annual growth rates."

Regional Property Price Differences

Rightmove

"We expect the price movements and drivers of activity in 2014 to be highly localised, with some towns and cities within regions generating momentum at a faster rate than others. We have already seen this in 2013 within the more prosperous southern markets with examples such as Bath, Bristol, Cambridge and Oxford all pushing up regional averages. We expect cities like Leeds, Manchester and York to be similar northern hotspots during 2014, though even within these cities, suburbs will increase at different rates. Further south, we predict that London could rise by another 6% and the South East by up to 10% due to the London ripple effect. (December 13)"

Home.co.uk

"Over the previous five years, the average price of homes has fallen by 0.6% between November and December. In general, the UK market is following this pattern; the performance of London, however, is attenuating the seasonal trends. London aside, monthly price deflation ranged from -0.1% to -1.3% with the largest falls being experienced in Scotland (-1.3%) and the East of England (-0.8%). The ongoing market conditions in the North East are particularly worrying. Prices in the region continue to fall (to an average of £151,586 in December) and now stand at 61% of the England and Wales average (£246,781). (December 13)"

Hometrack

"75% of postcodes ended the year with higher prices than at the start. This is well up on the 20% of market registering price increases in 2012 and 12% in 2011. However, fifteen percent of markets recorded a price fall over 2013, with a further ten percent of postcodes registering no change which shows the fragility of the housing market in some regions especially in the midlands and northern regions where price rises remain limited. The North region was the only region to register a price fall over 2013 (-0.5%). The strongest price increases over 2013 were concentrated in London and the South East where there is the greatest supply-demand imbalance. House prices in London were up 9.1% in 2013 and by 5% in the South East while all other regions registered below average house price growth over 2013. (December 13)"

Nationwide

"The upturn also became increasingly broad based over the course of 2013. For the second successive quarter, all thirteen UK regions saw positive annual house price growth in Q4, though London and the South East continued to record the strongest pace of growth. (December 13)"

Acadata

"Greater London continues to dominate the housing market with house price inflation more than double that of any other region in England & Wales. There continues to be the vestige of a North/South divide in terms of regional house price growth, although the West Midlands is breaking this trend being the region with the second highest price growth for the second month running. (December 13)"

Land Registry

"The region with the most significant annual price increase is London with a movement of 10.6 per cent. The only region with an annual price fall is the North East with a movement of -1.6 per cent. London saw the greatest monthly price rise with a movement of 1.8 per cent. The East saw the most significant monthly price fall with a movement of -0.7 per cent. (November 13)"

Kate Faulkner comments on Regional Price Differences:

"The regional differences in property price growth will be the real story for 2014. This is a great opportunity for agents to secure PR with the local media to compare their area with the national picture. Looking at the London average annual price increases from the Land Registry, this shows the average is 11% - so the current performance is on a par with the last 13 years' growth. This average is driven by only three London Boroughs, which are outperforming their long term average. So there isn't even a bubble in the majority of London. And looking at the biggest annual property price growth in London – it was 35% in Lambeth way back in June 2000!"

Demand for Property

NAEA

"The number of FTBs increased sharply from 24 percent in October to 28 percent in November, ending two months of falling figures. This is the first strong indication that Help to Buy could be helping this section of the market climb onto the housing ladder. If this trend continues it will indicate that the effects of this stimulus package have taken hold in this vital area of the market. The average number of house hunters has decreased from 332 in October to 292 in November – a decrease of 12 percent. Despite this reduction, it is interesting to note that this time last year (November 2012) the number of average house hunters reported by NAEA members also fell, to just 263. (November 13)"

Hometrack

"The December survey shows signs of a seasonal slowdown in housing market activity. Demand for housing fell for the first time in 11 months (-0.3%) as did new sales agreed (-0.2%). (December 13)"

RICS

"Not only are stock levels falling to historically quite low levels (a theme also evident in this month's surveyors' anecdotal comments) but sales levels are also rising. This is also mirrored by the survey's new instructions and new buyer enquiries series; the former indicates the flow of property coming onto surveyors' books has almost ground to a halt, while the latter shows that buyer interest is growing at close to the strongest pace in the survey's record. (December 13)"

Bank of England

"The number of loan approvals for house purchase was 70,758 in November, compared to the average of 62,999 over the previous six months. (November 13)"

Severn Trent

"The average number of daily transactions in December was up around 24% on the same time last year. Typical seasonal trending saw them drop 29% from November. The overall number of transactions for December was actually up over 30% year on year with the extra working day this year making a significant difference. (December 13)"

Acadata

"Record low mortgage rates - combined with the boost in activity from first-time buyers at the bottom end of the market - have unlocked chains further up. The rise in activity among second steppers in recent months, along with 16% of home movers taking out mortgages compared to a year ago, suggests sales growth will continue at a healthy pace. East Anglia and the North West saw the greatest rise in sales over the past year, over 26%, but London ranked as the third lowest, despite being the area with the largest rise in prices. This shows the underlying issue that many first-time buyers are unable to afford to live in the capital, as properties are moving into a league of their own. This is not helped by growing demand from both domestic and overseas buyers left unmatched due to the gross dearth of housing supply in London. (December 13)"

Land Registry

"In the months June 2013 to September 2013, sales volumes averaged 70,021 transactions per month. This is an increase from the same period a year earlier, when sales volumes averaged 59,228 per month. Transaction volumes have been relatively consistent. (November 13)"

Kate Faulkner comments on Demand for Property:

"Transactions being up by anything from 20 to 30%, depending on whether you are in the sale of existing homes, new builds, legals, surveying or removals is fantastic news for the market – and for our economy. Finding the very best talent with different career backgrounds or via apprenticeships is going to be the challenge moving forward. In addition, maintaining good customer service and not taking the increase in transactions for granted will be required to retain and grow the industry's reputation in the future."

Supply of Property

Rightmove

"While sales transactions are up 13% so far in 2013, the number of newly listed properties is only up by 2%. To help mitigate the upwards pressure on prices it is important that home-owners who have a move on their minds make it a new year's resolution to spring into action. After six years afflicted by the credit-crunch, there's a definite window to move up or move on in 2014 before the market's usual pre-election pause in early 2015. A good and plentiful choice of property for sale would limit sellers from getting over-ambitious with their asking prices and result in a national average increase closer to 6%. It would also give those who are buying a better chance of finding their dream home at a more affordable price. (December 13)"

Home.co.uk

"The total volume of property for sale in the UK has hit a new low and is now 38% below the property count in December 2007. Whilst average prices have dropped marginally this month, the shortage of stock plus improved market sentiment have helped minimise the seasonal dip, in stark contrast to the seasonal falls of around 0.6% observed in previous years. The supply crisis is frustrating an increasing number of potential buyers in the hottest regional markets, and these markets are not showing any signs of rebalancing in the near future. (December 13)"

RICS

"The headline sales-to-stock ratio rose to 34.5% in November, the second consecutive month above its long run average of 32% and the highest reading since October 2007. Not only are stock levels falling to historically quite low levels but sales levels are also rising. This is also mirrored by the survey's new instructions and new buyer enquiries series; the former indicates the flow of property coming onto surveyors' books has almost ground to a halt, while the latter shows that buyer interest is growing at close to the strongest pace in the survey's record. (December 13)"

Nationwide

"Part of the reason for the acceleration in house price growth is that the supply side of the market has not kept pace with the upturn in demand, even though buyer numbers remain subdued by historic standards. For example, in Q3 2013 the number of housing transactions in England was around 25% below pre-crisis levels, while the number of new homes built was around 45% lower. Moreover, even in the pre-crisis period, the pace of construction was below that required to keep pace with the increase in the number of households, adding further weight to the notion that the supply side of the market remains constrained. (December 13)"

NAEA

"NAEA members reported a decrease in the supply of housing in November, down from 53 per branch in October to 51 in November. This is the second month in a row to experience a decline. (November 13)"

Kate Faulkner comments on Supply of Property:

"What the market needs in 2014 is more people to put their homes up for sale and move. Firstly, we need to 'spread the word' that the Help to Buy Scheme isn't just for first time buyers, but people trading up too. Anyone thinking of trading up in a rising market should move sooner rather than later. This more confident market is a great opportunity to contact people who tried to sell in the last six months but gave up."

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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Kate Faulkner, Property Market Analyst and Commentator

Websites: [Kate Faulkner](#) [Property Checklists](#)

Email: kate@designsonproperty.co.uk

Telephone: 0845 838 1763

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.

For more information contact Kate Faulkner directly on 07974 750562 or kate@designsonproperty.co.uk