

## Home Prices Take a Spring Leap

### Headlines

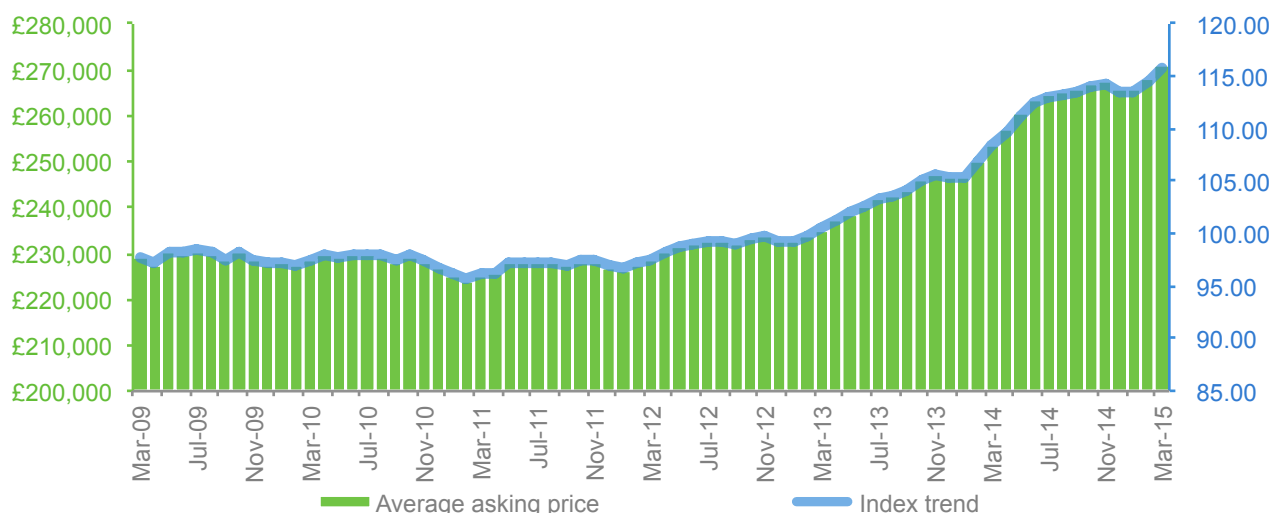
- London prices leap a further 2.1% despite rising supply (up 13% YoY).
- Asking prices post monthly rises in ALL English regions, Wales and Scotland.
- Prices rise by 1.1% overall in England and Wales during the last month.
- The average annual appreciation for England and Wales moves down to 6.8%.
- Supply of property for sale up by 9% (Feb. 2015 vs. Feb. 2014) across the UK.
- Typical time on market is now eight days less than it was in March last year.
- Prices begin to stabilise in Prime Central London.

### Summary

Home prices have risen in all English regions, Scotland and Wales over the last month, reflecting widespread positive sentiment across the UK. However, higher prices are also tempting vendors to commit. Supply of property for sale in London has overtaken demand, as indicated by a steep rise in the typical time on market (currently 71 days; 24 days longer than in March 2014), although supply rises in other regions are much more muted. Price rises are also surging in East Anglia and Scotland. Spring optimism abounds and even in the least well performing areas of the North East and Wales, prices have risen 0.4% and 0.3% respectively since February.

Overall, the current mix-adjusted average asking price for England and Wales shows that properties on the market are valued 6.8% higher than they were in March 2014. The typical time on market for England and Wales is now 119 days, which is eight days less than this time last year, and shows that the market continues to gain momentum overall.

### Home Asking Price Trend for England & Wales



Source: Home.co.uk, March 2015

## Regional Market Round-up

Seemingly ever improving mortgage deals are driving the property market across all regions. Our analysis at a regional level shows that, whilst revealing considerable inequalities in price growth over recent years, all markets are showing significant improvement.

Even the North East, for example, where the 'recovery' has been as yet remarkably absent, is now showing the best time on market figure (median) since March 2008. At 169 days, it is still the longest such figure for any English region, but this northern market is moving again and prices are nudging up. Wales is now the slowest marketplace, with a typical marketing time of 172 days.

The slowdown in Greater London has meant that, for the first time since the recovery took hold (early 2012), the typical time on market in the South East is the lowest in the country, at 66 days.

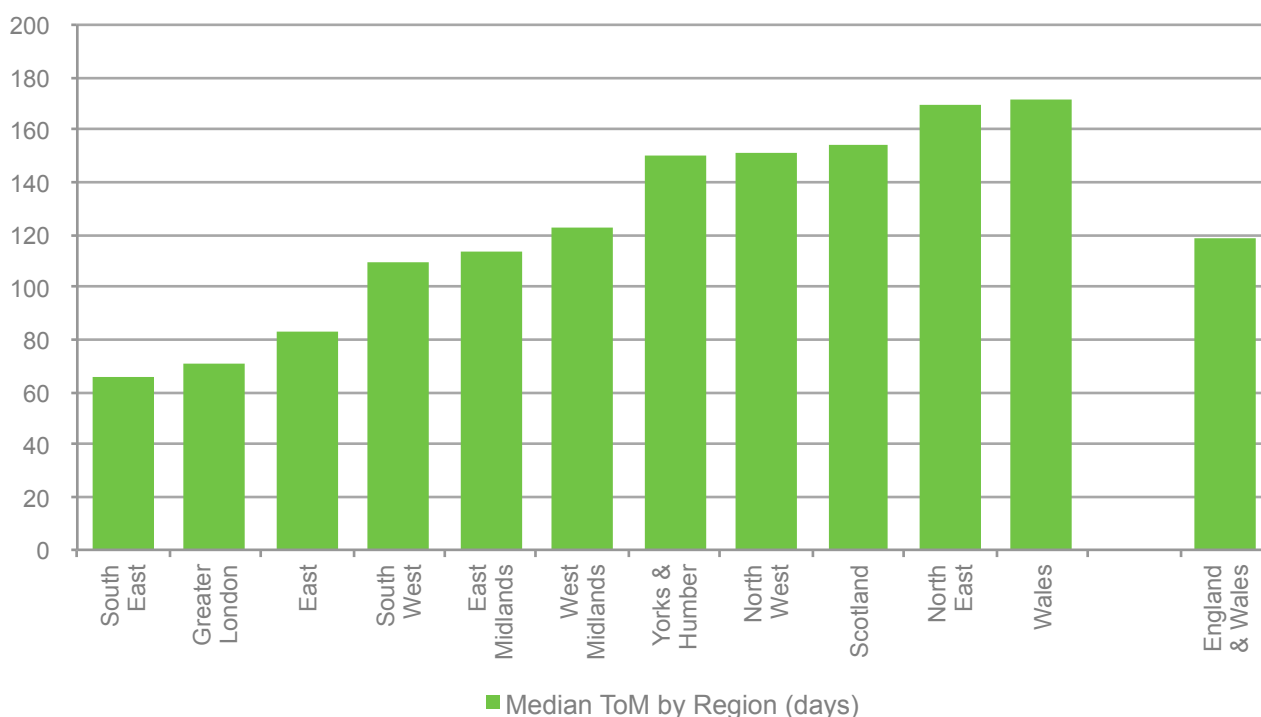
Changes in marketing times reflect key shifts in the balance of supply and demand. Rising marketing times, as seen in London (now 24

days longer than in March 2014), indicate that the current price rally will soon run out of steam, leaving the East and the South East to head up the leading regional markets later in the year. In Central London, where the slowdown originated, the typical time on market has increased around 15% and the number of properties on the market is 41% higher than 12 months ago. Consequently, the typical price of a flat in Belgravia, for example, has fallen 14% over the same period.

Marketing times are still improving across the rest of the country and this portends considerable further price growth over the course of 2015. In particular, we expect vigorous and sustainable price rises in the South East, East England, the South West, Scotland, and East and West Midlands.

Home prices in the North West, North East and Yorkshire look set to lift themselves out of a long period of price stagnation. Moreover, with inflation setting new lows, 'real' price growth is distinctly probable going forward. With the least improvement in marketing times, Wales looks set to be the 'backmarker' in 2015.

## Regional Typical Time on Market: Mar 2015



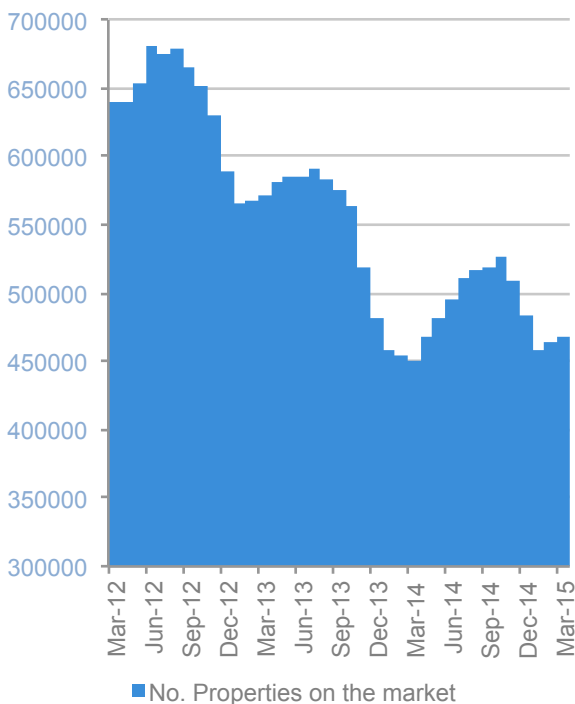
Source: Home.co.uk, March 2015

## Supply and Stock Levels

Supply of property for sale nationwide is rising but only moderately overall and from a low base: 9% more properties were placed on the market this February than in February 2014.

We expect this trend to continue, led by Greater London (up +31% YoY). The total stock of property for sale is currently just 3.7% higher than it was in March 2014.

## Stock of Property for Sale: England & Wales



■ No. Properties on the market

Source: Home.co.uk, March 2015



**House prices are surging again, over and above seasonal expectations. The key market drivers of low mortgage interest rates and low supply remain very much in place.**



So far, the market correction in Prime Central London has not affected sentiment elsewhere in the country, and the flow of mortgage credit to homebuyers and property investors alike continues unabated.

We maintain that the best prospects for stable growth this year and next probably lie in 'Middle England' (regions such as East Anglia, East Midlands, the South West, West Midlands and perhaps Yorkshire). It may be argued that these regions are still in the throes of the recovery phase, as supply remains low and prices have not yet risen out of reach.

There are also further indicators that the recovery will, at last, lift the northern regions out of the misery of price stagnation. Those markets are gaining momentum and above inflation price rises look highly likely over the coming months.

As mentioned previously, prospects for price growth are poor for Prime Central London this year; an abundance of unsold stock has been whittling away at property values but, for the time being, prices do appear to be stabilising. The investment outlook for Greater London remains mixed but will slowly turn negative as supply increases.

**Doug Shephard**  
Director at Home.co.uk



# UK Asking Prices

Scotland	Mar-15
<b>Average Asking Price</b>	<b>£167,144</b>
Monthly % change	1.4%
Annual % change	6.2%

North East	Mar-15
<b>Average Asking Price</b>	<b>£152,800</b>
Monthly % change	0.4%
Annual % change	-0.4%

Yorks & The Humber	Mar-15
<b>Average Asking Price</b>	<b>£172,479</b>
Monthly % change	0.5%
Annual % change	1.6%

North West	Mar-15
<b>Average Asking Price</b>	<b>£177,051</b>
Monthly % change	0.6%
Annual % change	1.2%

West Midlands	Mar-15
<b>Average Asking Price</b>	<b>£205,201</b>
Monthly % change	0.5%
Annual % change	4.1%

East Midlands	Mar-15
<b>Average Asking Price</b>	<b>£194,248</b>
Monthly % change	0.6%
Annual % change	4.9%

East	Mar-15
<b>Average Asking Price</b>	<b>£286,394</b>
Monthly % change	1.4%
Annual % change	8.0%

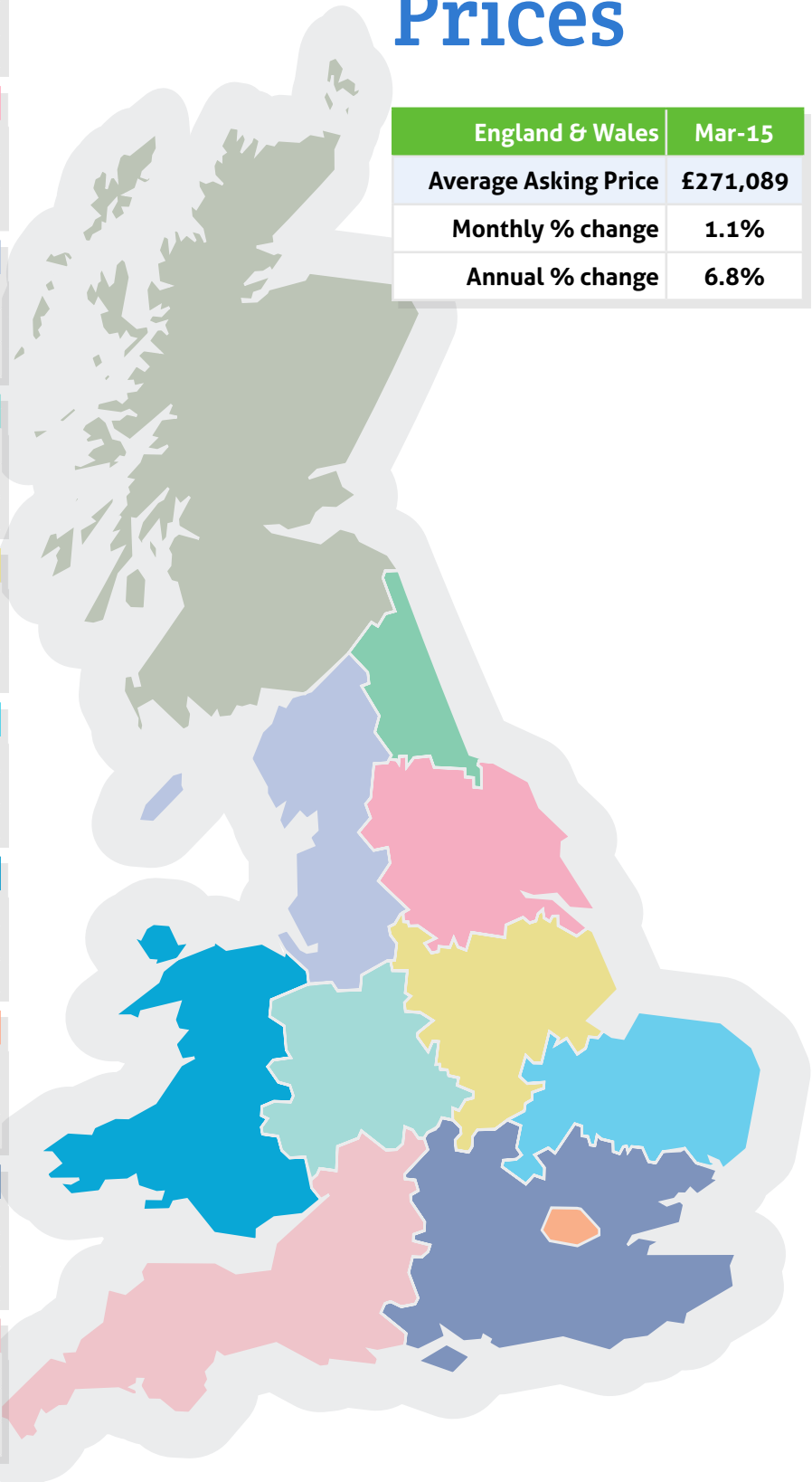
Wales	Mar-15
<b>Average Asking Price</b>	<b>£179,851</b>
Monthly % change	0.3%
Annual % change	0.8%

Greater London	Mar-15
<b>Average Asking Price</b>	<b>£497,070</b>
Monthly % change	2.1%
Annual % change	13.5%

South East	Mar-15
<b>Average Asking Price</b>	<b>£350,695</b>
Monthly % change	0.9%
Annual % change	7.5%

South West	Mar-15
<b>Average Asking Price</b>	<b>£281,922</b>
Monthly % change	0.6%
Annual % change	4.8%

England & Wales	Mar-15
<b>Average Asking Price</b>	<b>£271,089</b>
<b>Monthly % change</b>	<b>1.1%</b>
<b>Annual % change</b>	<b>6.8%</b>



Source: Home.co.uk, March 2015

# UK Time on Market

Scotland	Mar-15
<b>Average Time on Market</b>	<b>264</b>
Typical Time on Market	154
Annual % supply change	13%

North East	Mar-15
<b>Average Time on Market</b>	<b>312</b>
Typical Time on Market	169
Annual % supply change	4%

Yorks & The Humber	Mar-15
<b>Average Time on Market</b>	<b>244</b>
Typical Time on Market	150
Annual % supply change	-5%

North West	Mar-15
<b>Average Time on Market</b>	<b>241</b>
Typical Time on Market	151
Annual % supply change	1%

West Midlands	Mar-15
<b>Average Time on Market</b>	<b>193</b>
Typical Time on Market	123
Annual % supply change	2%

East Midlands	Mar-15
<b>Average Time on Market</b>	<b>182</b>
Typical Time on Market	114
Annual % supply change	2%

East	Mar-15
<b>Average Time on Market</b>	<b>137</b>
Typical Time on Market	83
Annual % supply change	7%

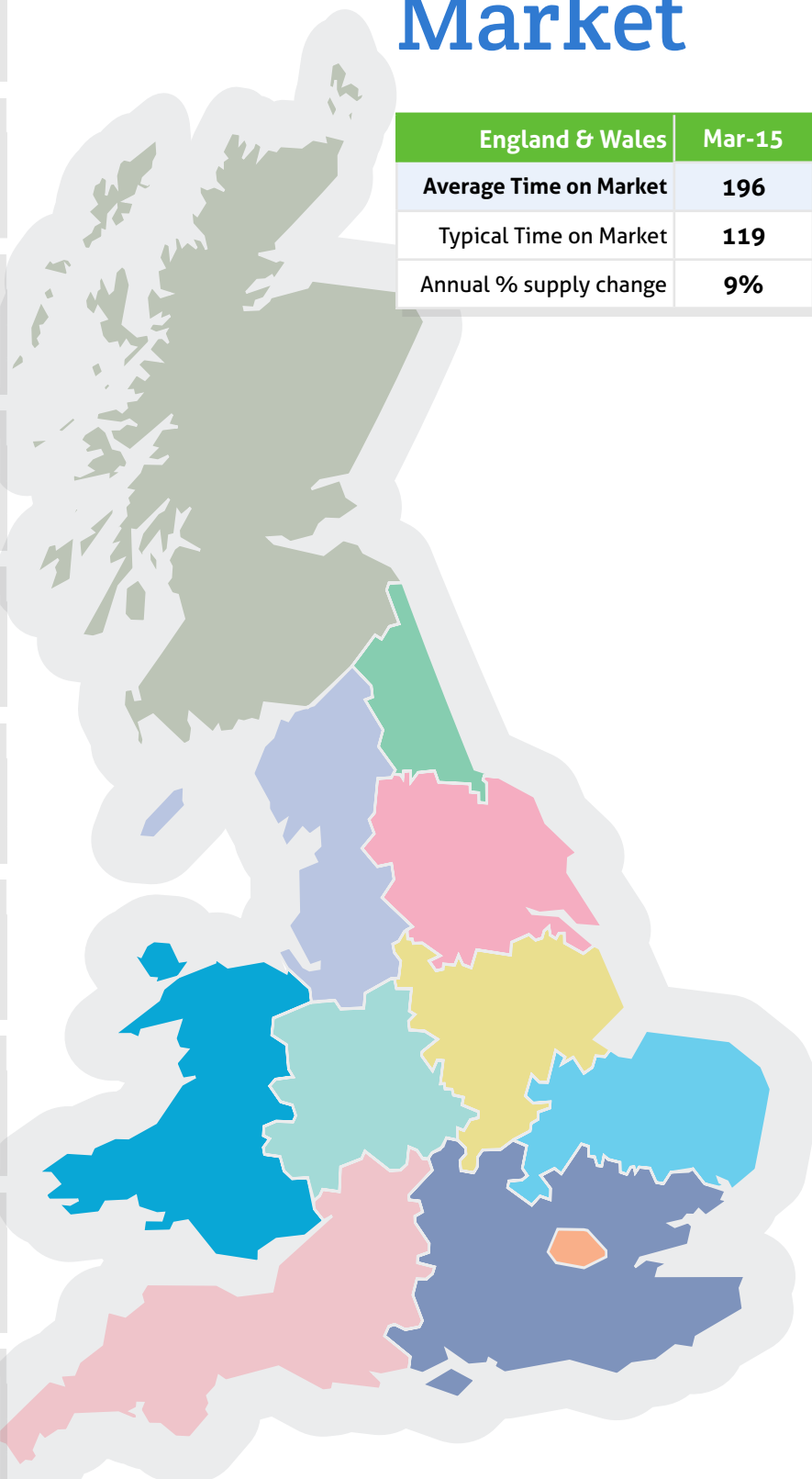
Wales	Mar-15
<b>Average Time on Market</b>	<b>278</b>
Typical Time on Market	172
Annual % supply change	9%

Greater London	Mar-15
<b>Average Time on Market</b>	<b>115</b>
Typical Time on Market	71
Annual % supply change	31%

South East	Mar-15
<b>Average Time on Market</b>	<b>119</b>
Typical Time on Market	66
Annual % supply change	15%

South West	Mar-15
<b>Average Time on Market</b>	<b>165</b>
Typical Time on Market	110
Annual % supply change	11%

England & Wales	Mar-15
<b>Average Time on Market</b>	<b>196</b>
Typical Time on Market	<b>119</b>
Annual % supply change	<b>9%</b>



Source: Home.co.uk, March 2015. Note: Average = Mean (days), Typical = Median (days)

# About the Home.co.uk Asking Price Index

- The Home.co.uk Asking Price Index was originally devised in association with Calnea Analytics: the statistical consultancy responsible for the production of the official Land Registry House Price Index.
- The Home.co.uk Asking Price Index (HAPI) is calculated using a weighting system based on the DCLG (formerly ODPM) Survey of English Housing Stock (published March 2006). This allows for enhanced regional delineation and conforms to the current geographical orthodoxy as set out by the Office of National Statistics.
- The HAPI is the UK's only independent forward market indicator. The published figures reflect current and historic confidence of buyers and sellers of UK property on the open market. The HAPI is calculated every month using around 500,000 UK property house prices found in the Home.co.uk Property Search Index. This figure represents the majority of the property for sale on the open market in the UK at any given time.
- The HAPI is based on asking price data which means the index can provide insights into price movements around 5 months ahead of mortgage completion and actual sales data - thus making it the most forward looking of all house price indices. Properties above £1m and below £20k are excluded from the calculations.

# Contact details and further information

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- To learn more about Home.co.uk please visit:  
<http://www.home.co.uk/company/about.htm>
- For further details on the methodology used in the calculation of the HAPI please visit:  
[http://www.home.co.uk/asking\\_price\\_index/Mix-Adj\\_Methodology.pdf](http://www.home.co.uk/asking_price_index/Mix-Adj_Methodology.pdf)
- To learn more about Home.co.uk data services please visit:  
<http://www.home.co.uk/company/data/>

## Future release dates:

- Wednesday 15<sup>th</sup> April
- Wednesday 13<sup>th</sup> May
- Friday 12<sup>th</sup> June