

House Price Rises Push Up from the South

Headlines

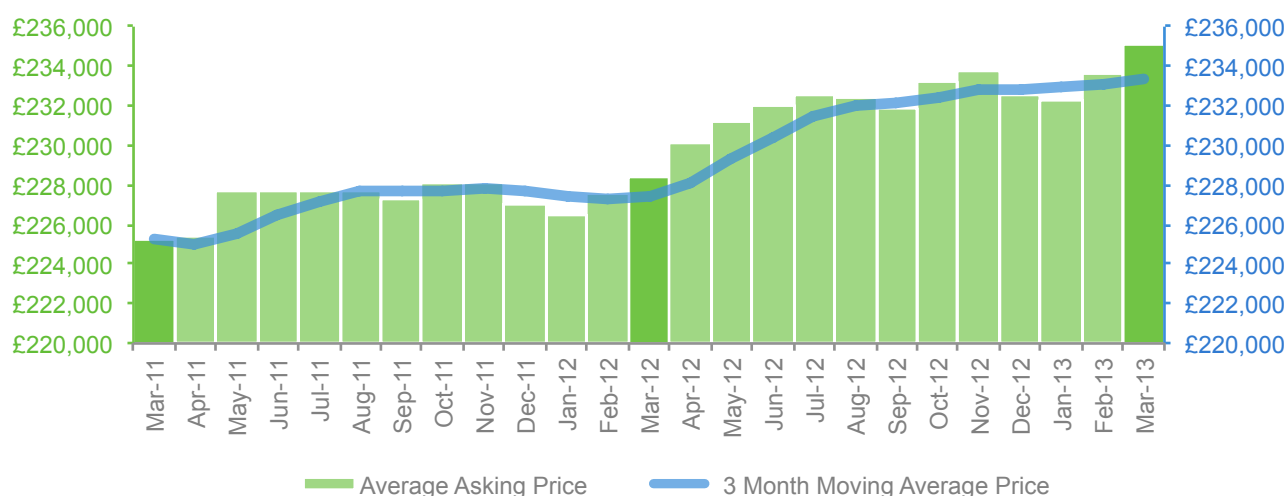
- Asking prices jump 0.6% in the last month
- Demand is rising; the typical time on market is 11 days lower than this time last year
- Prices in Greater London continue to outperform the rest of the UK; up another 1.1% on last month, equating to a 2.8% rise in 2013 alone
- After five months of price falls, prices in the North West finally stabilised this month.
- Across England and Wales the average asking price has risen by almost 3% during the past 12 months

Summary

So far, the expected Spring market boost is only translating into price gains in the Southern regions. Whilst the Northern regions are indeed showing evidence of price stabilisation, it is London and its adjacent regions that are pushing the national average asking price up (0.6% since February and up 2.9% since a year ago). This positive price trend looks set to continue into 2013 supported by falling marketing times: welcome news to vendors across the country, but especially so in the South.

Greater London continues to outperform the rest of the UK, with a month-on-month price rise of 1.1%. The capital's adjacent regions also continue to record price growth with the South East up 0.5% and East Anglia up 0.8% on last month. At the other end of the performance scale, average asking prices in the North West, North East, Wales and Scotland remained frozen but not falling.

Price trend



The South leads the charge

The combination of interest from home movers with equity, foreign buyers and landlords looking for investment opportunities has created strong demand for property in and around the vibrant economy of Greater London. Consequently, the region continues to surge ahead of the UK market with prices up 1.1% on last month and 6.7% over the last 12 months. Surrounding regions also continue to attract considerable price growth, with the South East up 0.5% and East Anglia up 0.8% on last month.

Regional price pressure

By way of contrast to the South, the most Northerly regions (NW & NE), Scotland and Wales are still struggling and prices remain under pressure. Whilst prices did not fall, the average prices in the North West were identical to last month and the other regions struggled to record a rise in prices above 0.2%. The Midlands and Yorkshire markets are beginning to look healthier with monthly rises of between 0.5% and 0.6% respectively.

Changing supply dynamics

Supply of sales properties to market is seriously down across the UK (-10.6% year-on-year). All English regions, Scotland and Wales are affected with the North East and Greater London suffering most (drops of 28% and 19% respectively comparing Feb 2013 to Feb 2012). On the upside, restricted supply serves to support prices. A total of 51,336 properties across the country were reduced in price in February 2013 which is 19% fewer than in February 2012.

The market begins to move

The average Time on Market (for unsold property) in England and Wales has fallen since last month in line with seasonal expectations and is now 11 days less than in March 2012. There is a direct relationship between a region's price performance and the time on market. For example, average time on market in London is 151 days compared to 332 in the North East.



London continues to race ahead of the market with price rises of more than twice the rate of the national average.



Government stimulus money appears to be only affecting the capital and, albeit to a lesser extent, the surrounding regions.

Meanwhile austerity measures are making the housing market in the far North stagnate. Whilst it is welcome news that prices in these regions did not fall further last month, the issues of affordability and low consumer confidence remain, undoubtedly keeping prices in check over the coming months.

Clearly a lot needs to change to rectify the North-South economic imbalance. It would appear far from fair that the North must suffer the brunt of austerity measures whilst Greater London and its commuter belt enjoys the benefits of government support for the financial sector.

Doug Shephard
Director at Home.co.uk



UK asking prices

Scotland	Mar-13
Average Asking Price	£159,589
Monthly % change	0.1%
Annual % change	1.0%

North East	Mar-13
Average Asking Price	£152,350
Monthly % change	0.2%
Annual % change	1.1%

Yorks & The Humber	Mar-13
Average Asking Price	£168,145
Monthly % change	0.6%
Annual % change	0.7%

North West	Mar-13
Average Asking Price	£171,066
Monthly % change	0.0%
Annual % change	-0.9%

West Midlands	Mar-13
Average Asking Price	£189,762
Monthly % change	0.6%
Annual % change	1.4%

East Midlands	Mar-13
Average Asking Price	£175,286
Monthly % change	0.5%
Annual % change	1.8%

East	Mar-13
Average Asking Price	£251,519
Monthly % change	0.8%
Annual % change	3.6%

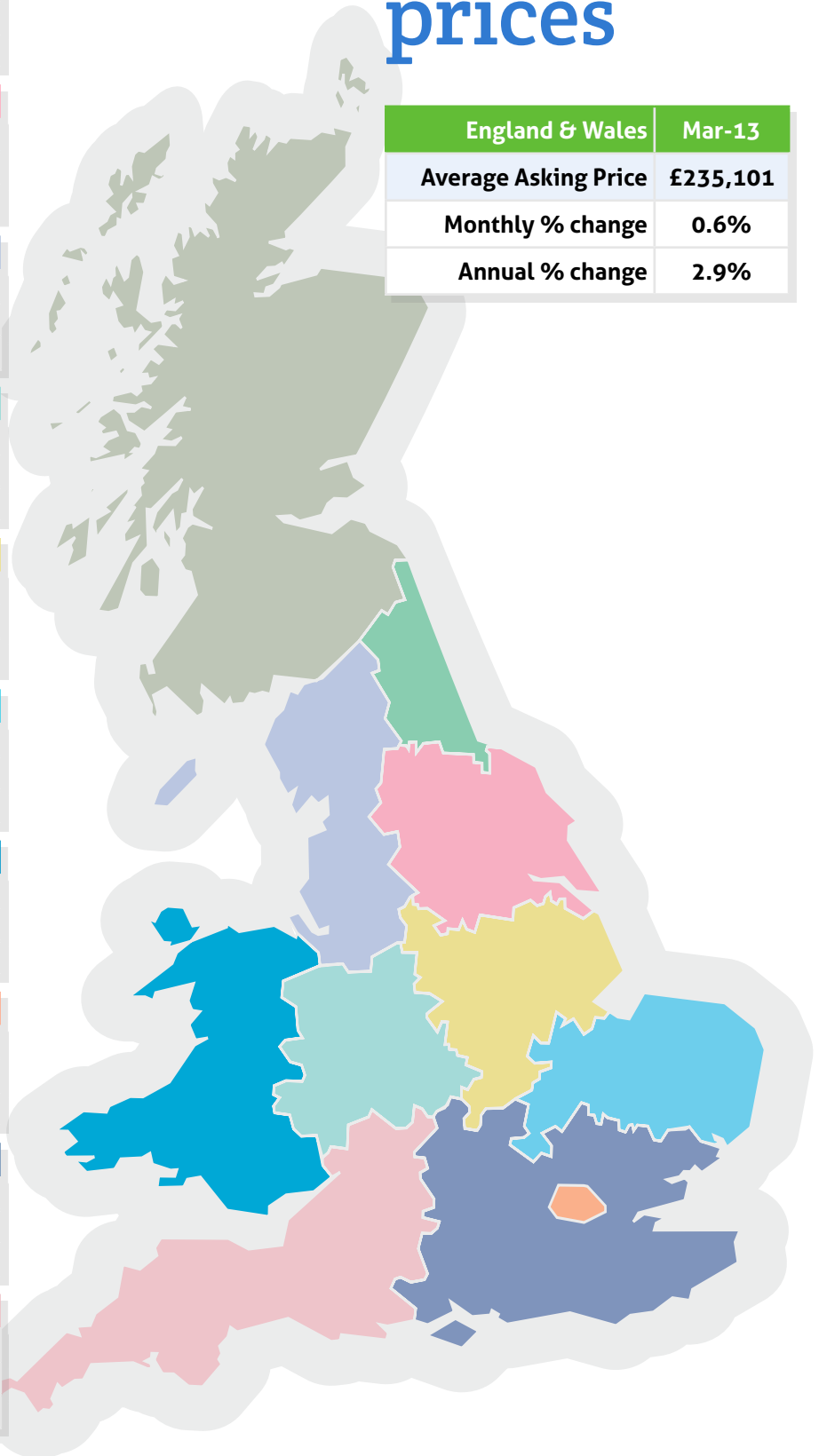
Wales	Mar-13
Average Asking Price	£174,453
Monthly % change	0.2%
Annual % change	1.2%

Greater London	Mar-13
Average Asking Price	£368,357
Monthly % change	1.1%
Annual % change	6.6%

South East	Mar-13
Average Asking Price	£299,934
Monthly % change	0.5%
Annual % change	3.4%

South West	Mar-13
Average Asking Price	£255,976
Monthly % change	0.8%
Annual % change	2.2%

England & Wales	Mar-13
Average Asking Price	£235,101
Monthly % change	0.6%
Annual % change	2.9%



The market is on the move but volume is light

The trend in property prices is just one measure of the market's wellbeing but a healthy market will also show a rising stock flow. One metric that illuminates this is the UK Home Market Turnover Indicator which measures the flow-rate of property through the sales market. Home.co.uk has tracked the Home Market Turnover Indicator (HMTI) since 2005 and consequently this measure provides a robust viewpoint on stock flow rate.

The HMTI, currently at 2552 properties per day, is 8.7% down on March last year showing that, overall, the UK property sales market is still shrinking year-on-year. 2007 registered a HMTI high of over 10,000.

In England and Wales the current typical time on market (for unsold property) in March 2013 has fallen by one day to 136 days (median) and is 11 days less than in March 2012. Marketing times have been trending down in recent years but remain considerably longer than during the boom time of when the typical time on market was just 50 days (March 2007).

Taking a closer look at the relative performance of the regional markets, there are wide variations in how long property is spending on the market. It will come as no surprise that Greater London enjoys the shortest time on market (typically under 100 days). By contrast, property stock in the North East moves at a glacial pace with a median time on market of 205 days, over twice as long as the London market.

Doug Shephard, director at Home.co.uk commented:

"With the exception of the Yorkshire region, the bottom half of the table clearly highlights the direct relationship between time of market and price performance. Compared to the national average, property in the struggling regions is on the market for an extra 46 days or around 1.5 months."

Given the current state of the property market, this is a key metric to track throughout the year and can provide estate agents, buyers and vendors alike an insight into the fluidity of the local markets and their ability to drive transactions."

Table: Regional Time on Market and Price Performance over Q1

	Rank	Region	Typical Time on Market	% price change since Dec 12
		UK	136	1.1%
The fastest moving	1	Greater London	96	2.8%
	2	South East	96	1.2%
	3	East	115	1.0%
	4	South West	122	0.5%
	5	West Midlands	140	0.6%
	6	East Midlands	142	0.8%
	7	North West	166	-0.3%
	8	Yorks & The Humber	168	0.8%
	9	Scotland	177	-0.6%
	10	Wales	178	-0.2%
The slowest moving	11	North East	205	-0.2%

About the Home.co.uk Asking Price Index

- The Home.co.uk Asking Price Index is produced 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 800,000 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

- For media enquiries please contact: Andrew Smith
andrew.smith@home.co.uk
0845 373 3580
- 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
- To learn more about Home.co.uk data services please visit:
<http://www.home.co.uk/company/data/>

Future release dates:

- Friday 12th April
- Tuesday 14th May
- Wednesday 12th June