Shock Monthly Rise Of £10,000 For The Average London Home

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Home prices push up further, free of political uncertainty. Confidence is so high among sellers in the capital region that the average home price in Greater London increased by more than £10,000 during the last month. In fact, average prices rose in all English regions and Wales for a fourth consecutive month. Momentum is on the rise even in the formerly stagnant North East property market as indicated by a 13% improvement in the average marketing time.

The UK property market is certainly in rude health. The supply of property for sale remains behind buyer demand in all regions except Greater London, where marketing times have increased considerably over the last year. Meanwhile, prices leaped by a stunning 2% over the last month in the capital region. This tends to suggest pricing may be moving out of step with the market dynamic due to over confidence; a common sign that a vigorous market is approaching a 'frothy top'.

The Prime Central London market may have been freed from the political uncertainty regarding the mansion tax and non-dom legislation but has yet to regain the momentum lost over the last 18 months. Pricing remains stagnant and flats in the likes of Belgravia are typically spending around 50% more time on the market than they were in June 2014.

Time on market data for the rest of the UK shows that the northern regional markets, Scotland and Wales have all increased their momentum over the last 12 months. However, the southern regions such as the South East, East of England and South West are indicating slight increases in marketing times as higher prices have lessened demand.

Overall, the current mix-adjusted average asking price for England and Wales is 5.9% higher than it was in June 2014 and we expect further price rises this year.

Headlines

- Greater London leads the charge this month, with prices surging 2.0% since May.
- Asking prices post rise in ALL English regions and Wales for a fourth successive month.
- Prices rise by 1.1% overall in England and Wales during the last month.
- The average annual home price appreciation for England and Wales nudges up to 5.9%.
- Typical time on market for Greater London leaps 54% in just 12 months as higher prices slow down the market.
- Supply of property for sale remains steady across the UK; down by just 2% (May 2015 vs. May 2014).
- The North East becomes the most improved regional market over the last 12 months, with the average time on market falling by 13% to 274 days, but remains the slowest.

For more information please visit:

http://www.home.co.uk/asking_price_index/HAPIndex_JUN15.pdf

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.

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