

*****FOR IMMEDIATE RELEASE*****

Sellers need to be realistic in setting prices in order to sustain healthy transaction levels

- UK house prices up 1% on the month and 12% annually in April to reach an average of £234,069, while UK transactions soar 14%
- House price growth now moderating due to a dramatic fall in new buyer demand which is down 46% in just one month across the UK
- House price rises over the last year are not sustainable and sellers need to be more realistic in their asking price in order to achieve a successful sale

National	April 2016	% change since March 2016	% change since April 2015
Ave UK house prices £ (SSTC)	£234,069	1.0	12.0
Ave FTB house prices £ (SSTC)	£176,153	-0.2	2.5
London house prices £ (SSTC)	£558,749	0.4	7.0
House sales (exchange)	55,957	0.8	14.1

Paul Smith, CEO of haart, the UK's largest independent estate agent comments: “We’ve seen a roaring month with the average house price up 1% on the month and 12% on the year, a record high. Sales also increased 14% over the last 12 months.

“However, there is trouble in paradise, as we are also starting to see a big slump in buyer demand with registrations down a huge 46% across the UK in just one month. This has been compounded by buy-to-let investors pulling out of the market following the new stamp duty surcharge which came into effect on the 1st April.

“We believe the nation has now neared the limit in terms of price rises. Our data is already showing a slowdown in both house price growth and transaction levels. In order to maintain healthy sales levels sellers need to be much more realistic with their asking prices – properties are in danger of being over-valued and these homes will struggle to sell. They could also be at risk of lenders refusing to grant high LTV mortgage applications based on these too high valuations.

“Despite the general fall off in new buy-to-let demand, we are continuing to see high levels of investment from Europe – there is still a huge appetite to invest despite the upcoming EU referendum. While there is a certain level of uncertainty in the property market which will further reduce demand in the short run, in the longer term, this will simply be a slight blip in an otherwise powerful property market. Regardless of the result, the UK and in particular London, will remain a global safe haven for property investment.”

National Trends

The average UK house price increased 1% on the month and 12% on the year in March to reach a record high of £234,069. This is a continuation of the stable positive trajectory seen over the last couple of months, as illustrated by Graph 1.

The number of new buyers entering the market dipped dramatically between March and April, down 46% on the month. This comes as a result of buy-to-let investors exiting the market, following the new stamp duty reforms. Meanwhile, the supply of new homes has risen 1.9% on the month and 2.7% on the year.

Sales surged by 14.1% on the year in April and increased marginally by 0.8% on the month. At the same time, buyer viewings declined 1.9% on the month and 3.9% annually.

First-time buyer house prices have dipped 0.2% on the month but have increased 10.5% on the year to reach an average of £159,455. In conjunction with this, the average first-time buyer deposit has fallen 1.2% on the month but rose 7.4% annually. In line with the rest of the market, demand from first-time buyers has fallen 45.1% in the last month alone.

GRAPH 1: House Prices (First-Time Buyers vs. All Buyers)

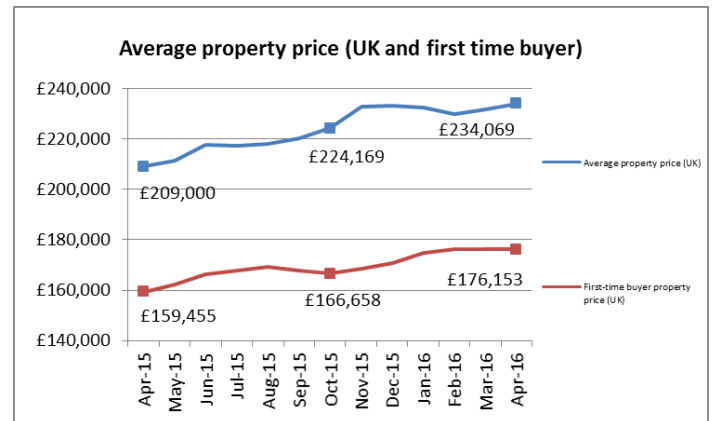


TABLE 2: National All Buyer Activity Analysis

	% change (March 2016 to April 2016)	% change (April 2015 to April 2016)
New buyers	-46.2	-3.5
New properties for sale	+1.9	+2.7
Buyer viewings	-1.9	-3.9
No. of sales (exchange)	+0.8	+14.1

	April 2016	March 2016 (% change to April 2016)	April 2015 (% change to April 2016)
No. of new first-time buyers	-	-45.1	+0.4
% of all mortgages written	44.6	40.6 (4.0)	42.9 (1.7)
Ave deposit (£)	35,157	35,568 (-1.2)	32,720 (7.4)
Ave LTV (%)	80.0	79.8 (0.3)	79.5 (0.7)
Ave mortgage (£)	140,996	140,908 (0.1)	126,735 (11.3)
Ave purchase price (£)	176,153	176,475 (-0.2)	159,455 (10.5)
Ave age (years)	31.9	32	31.5

London Focus

House Price April 2016	£517,950
% change since March 2016	7.0%
% change April 2016	23.3%
North West	
Transactions April 2016	
% change since March 2016	-2.7%
% change April 2015	20.0%

House Price April 2016	£558,749
% change since March 2016	0.4%
% change April 2016	7.0%
All of London	
Transactions April 2016	
% change since March 2016	-2.2%
% change April 2015	22.3%

House Price April 2016	£605,212
% change since March 2016	4.3%
% change April 2016	0.4%
North	
Transactions April 2016	
% change since March 2016	-7.50%
% change April 2015	-21.28%

House Price April 2016	£661,283
% change since March 2016	-7.8%
% change April 2016	-0.6%
West	
Transactions April 2016	
% change since March 2016	-4.0%
% change April 2015	26.3%



House Price April 2016	£512,526
% change since March 2016	2.1%
% change April 2016	21.5%
East	
Transactions April 2016	
% change since March 2016	-4.15%
% change April 2015	14.91%

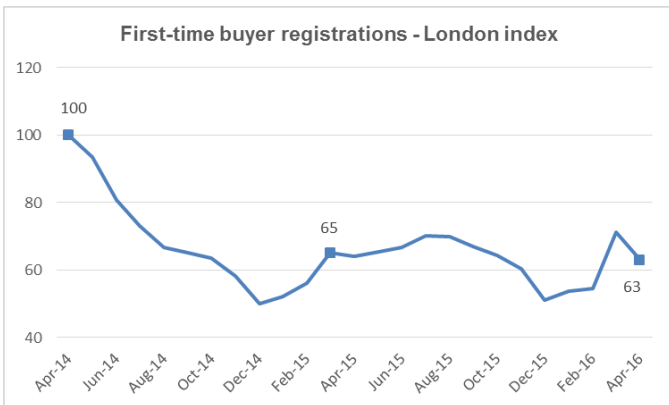
House Price April 2016	£552,810
% change since March 2016	2.2%
% change April 2016	8.8%
South West	
Transactions April 2016	
% change since March 2016	-6.10%
% change April 2015	63.83%

House Price April 2016	£502,711
% change since March 2016	-2.2%
% change April 2016	-0.3%
South East	
Transactions April 2016	
% change since March 2016	5.3%
% change April 2015	34.6%

The average property price in London has increased by 7% annually, less than the average house price growth for the UK as a whole. However, in North West London, house prices have seen a huge 23.3% increase over the last 12 months. Demand for properties in London has seen a 14.6% fall on the month and the number of new first-time buyers registering has declined 11.7% over the same time period. However, the number of new properties coming onto the market has risen 1.2% on the month and 2.5% on the year.

	% change (March 2016 to April 2016)	% change (April 2015 to April 2016)
No. of new buyers	-14.6	-3.8
No. of new first-time buyers	-11.7	-1.7
No. of new properties for sale	+1.2	+2.5
No. of buyer viewings	-5.3	-13.6
No. of sales (exchange)	-2.2	+22.3

TABLE 4: London Buyer Activity Analysis



GRAPH 2: London first-time buyer index

	April 2016	Mar 2016 (% change to April 2016)	April 2015 (% change to April 2016)
Ratio of new buyer demand to property supply	17.9:1	-15.6	-8.1

TABLE 5: Registrations per Property for Sale (All London)

FOR FURTHER INFORMATION

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Methodology

All figures and analysis contained in this report have been taken from haart's own database, compiled from management reports from over 100 branches nationwide. The number of sales and other values have been scaled up (or down) where appropriate to reflect national values. The scaling is based on haart's relevant market shares of national figures as reported in ONS and Council for Mortgage Lenders statistics. All trends and percentage changes are unaffected by this scaling up, these fully reflecting haart's market experience.

About haart

haart is part of Spicerhaart, the UK's largest independent estate agency group. Founded in 1999, haart is a family run lettings and estate agency with 25 years' experience and local knowledge. Haart covers the full spectrum of the property sales and lettings market from studio flats to large country homes. For more information visit www.haart.co.uk

About Spicerhaart

Spicerhaart was founded over 25 years ago by father and son Alick and Paul Smith with three branches of Spicer McColl in East Anglia. Today, the Spicerhaart Group encompasses six estate agency brands – Chewton Rose, Darlows, Felicity J Lord, haart, Haybrook and Spicer McColl – together with a range of professional services. For more information visit www.spicerhaart.co.uk.

About Just Mortgages

All mortgage data is provided by Just Mortgages.

Just Mortgages was created to provide simple, straightforward mortgage and protection advice to people of all ages and backgrounds. Part of Spicerhaart, the UK's largest independent estate agency group, Just Mortgages is an appointed representative of Openwork Limited, one of the leading financial services network providers in the UK. For more information about Just Mortgages visit www.justmortgages.co.uk

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