DEFINING A PROPERTY MARKET CRASH

BOOM AND CRASH

PROSPERTY NETWORK

THE INDEPENDENT

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Is the roof falling in on the housing market?

Steepest decline in prices since 1995. Value of average home down £2,000 last month

Number of new mortgages down 31% in a year

Monthly home lending down £5bn since July

Tracey Emin

Happy

Damien Hirst

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Monday, Aug

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Britain's mini housing boom: Stamp duty cut adds £30,000 to average property asking price with sales up 20% as house-hunters battle to buy before six-month tax break ends

- Thousands more sales were made every week than before Covid-19 lockdown
- Bank of England data shows rise particularly affected north England and Wales
- But experts warned property market could crash towards the end of this year
- It follows Chancellor Rishi Sunak raising the threshold on stamp duty last month

By KATIE WESTON FOR MAILONLINE

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DAILY EXPRESS

HOUSE PRICES SET TO SOAR

DAILY EXPRESS

HOUSE PRICES TO RISE £10,000

Biggest increase for 3 years

DAILY EXPRESS

HOUSE PRICES TO SOAR BY 30%

DAILY EXPRESS

HOUSE PRICES SURGE AGAIN

DAILY EXPRESS

RECORD HIGH FOR HOUSE PRICES

Average value up £510 every month

DAILY EXPRESS

HOUSE PRICES RISE BY £9,000

DAILY EXPRESS

HOUSE PRICES KEEP RISING

Fastest growth for three years

DAILY EXPRESS

HOUSE PRICES RISE BY £2,000

Another monthly surge as property boom continues

DAILY EXPRESS

MORTGAGE RATES SLASHED AGAIN

DAILY EXPRESS

HOUSE PRICES TO RISE £33,000

Index	Data source	Number of transactions	Coverage	Stage of recording transaction
UK HPI	Registration data from HM Land Registry, Registers of Scotland and Land and Property Services Northern Ireland	Around 100,000 a month	UK – all transactions	Registration of sale
Nationwide	Nationwide mortgage lending	Around 12,000 a month	UK – mortgage transactions	Mortgage approval
Halifax	Halifax mortgage lending	Around 15,000 a month	UK- mortgage transactions	Mortgage approval
LSL Acadata	HM Land Registry price paid data	Around 80,000 a month	England and Wales – all transactions	Registration of sale
Rightmove	Advertised properties on Rightmove portal	Around 100,000 a month	England and Wales – all transactions	Advertised date

PROPERTY NETWORK

Timeliness	House Price Index	Time published after reference period	Stage of recording transaction
Most Timely	Rightmove	Published during reference period	Advertised price
	Nationwide	1 week	Mortgage Approval
	Halifax	1 week	Mortgage Approval
	LSL Acadata	2-3 weeks (forecast)	Registration of sale
Least Timely	UK HPI	6 weeks	Registration of sale

DEFINING A “CRASH”

WHAT DOES A CRASH MEAN?

BASED ON “AVERAGE HOUSE PRICES” ON A NATIONAL LEVEL

WHEN DOES IT MATTER?

IS IT REALLY AS DRAMATIC AS IT SOUNDS?

NATIONWIDE HPI

Sep-07	£184,723	368.5	367.0	0.5%	9.0%	1.4%		
Oct-07	£186,044	371.1	371.6	1.3%	9.7%	1.7%		
Nov-07	£184,099	367.3	368.0	-1.0%	6.9%	1.4%	"CRASH BEGUN"	
Dec-07	£182,080	363.2	366.9	-0.3%	4.8%	1.0%		
Jan-08	£180,473	360.0	365.0	-0.5%	4.2%	-0.4%		
Feb-08	£179,358	357.8	363.1	-0.5%	2.7%	-1.1%		
Mar-08	£179,110	357.3	358.7	-1.2%	1.1%	-1.8%		
Apr-08	£178,555	356.2	354.6	-1.1%	-1.0%	-2.1%		
May-08	£173,583	346.3	343.6	-3.1%	-4.4%	-3.5%		
Jun-08	£172,415	343.9	339.9	-1.1%	-6.3%	-4.5%		
Jul-08	£169,316	337.8	333.6	-1.9%	-8.1%	-5.5%		
Aug-08	£164,654	328.5	327.1	-2.0%	-10.5%	-5.3%		
Sep-08	£161,797	322.8	321.1	-1.8%	-12.4%	-5.4%		
Oct-08	£158,872	316.9	317.1	-1.2%	-14.6%	-5.1%		
Nov-08	£158,442	316.1	316.7	-0.1%	-13.9%	-4.6%		
Dec-08	£153,048	305.3	308.5	-2.6%	-15.9%	-4.0%		
Jan-09	£150,501	300.2	304.6	-1.3%	-16.6%	-3.7%		
Feb-09	£147,746	294.7	299.5	-1.7%	-17.6%	-4.4%		
Mar-09	£150,946	301.1	302.4	1.0%	-15.7%	-3.8%		
Apr-09	£151,861	302.9	301.9	-0.2%	-15.0%	-2.8%	"CRASH BOTTOMED OUT"	-20.6%
May-09	£154,016	307.2	304.7	0.9%	-11.3%	-0.4%		
Jun-09	£156,442	312.1	308.1	1.1%	-9.3%	0.9%		
Jul-09	£158,871	316.9	312.9	1.6%	-6.2%	2.4%		
Aug-09	£160,224	319.6	318.2	1.7%	-2.7%	3.3%		
Sep-09	£161,816	322.8	321.0	0.9%	0.0%	4.1%		
Oct-09	£162,038	323.2	323.3	0.7%	2.0%	4.0%		
Nov-09	£162,764	324.7	325.3	0.6%	2.7%	3.2%		
Dec-09	£162,103	323.4	326.9	0.5%	5.9%	2.5%		
Jan-10	£163,481	326.1	331.1	1.3%	8.6%	2.2%		-11.3%
Feb-10	£161,320	321.8	327.2	-1.2%	9.2%	1.6%		

PROSPERTY NETWORK

16 MONTHS TO REACH IT'S BOTTOM

HAD RECOVERED BY MORE THAN 50% IN 9 MONTHS

FULLY RECOVERED BY MAY 2014

WORST MONTHLY CHANGE SINCE RECORDS BEGUN = -3.1%

CONCLUSION

A "CRASH" IS A MORE DRAMATIC TERM THAN IS APPROPRIATE - IT IS MORE A "GRADUAL DECLINE AND REALIGNMENT IN HOUSE PRICES."

THE UK PROPERTY MARKET HAS BECOME MORE GEOGRAPHICAL, NOT EVERY AREA (AND EVERY PROPERTY TYPE) REACTS THE SAME WAY.

THE MARKET IS GROWING SLOWER NOW THAN IT USED TO. THE DOUBLING EVERY 7-10 YEARS (10% PA GROWTH) IS NO MORE

Apr-02	£100,473	200.4	199.8	3.3%	16.5%	4.2%		
May-02	£102,886	205.2	204.0	2.1%	17.9%	4.9%		
Jun-02	£106,693	212.8	209.9	2.9%	19.8%	6.8%		
Jul-02	£108,818	217.1	214.4	2.1%	21.0%	7.3%		
Aug-02	£110,890	221.2	219.6	2.4%	22.7%	7.8%		
Sep-02	£112,919	225.3	224.5	2.2%	22.2%	7.3%		
Oct-02	£113,665	226.7	227.4	1.3%	24.0%	6.9%		
Nov-02	£115,761	230.9	231.9	2.0%	25.5%	6.2%		
Dec-02	£117,206	233.8	235.5	1.5%	25.3%	5.5%		
Jan-03	£117,905	235.2	239.1	1.5%	26.5%	5.2%		23.6%
Feb-03	£118,521	236.4	239.8	0.3%	24.8%	4.5%		
Mar-03	£122,180	243.7	244.4	1.9%	26.2%	4.1%		