



NAEA

National Association of
Estate Agents

NATIONAL ASSOCIATION OF ESTATE AGENTS

HOUSING MARKET REPORT

December 2011

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KEY FINDINGS

- Average number of house-hunters registered per branch **increased** from **262** in November to **294** in December.
- Number of sales agreed per branch **decreased**, moving from an average of **6** in November to **5** in December.
- Average number of properties available for sale per branch **also decreased** from **65** in November to **62** in December.
- Percentage of First Time Buyers (FTBs) **increased** from **19** per cent to **21** per cent between November and December

The UK housing market, unusually for the time of year, saw an increase in demand for property during December; however, as one might expect, actual sales and supply levels decreased in the approach to Christmas.

The number of house-hunters registering with an NAEA agent increased from an average of 262 in November to 294 in December, bringing it nearer to levels recorded between July and October 2011. December's figure is above average when compared with December 2010, where only 227 house-hunters registered at NAEA estate agent branches. NAEA agents reported that house-hunters remained committed to the property search right up until the Christmas break, suggesting a push by house-hunters to secure a property before the end of the year or early in 2012.

Sales declined during the month, moving from an average of 6 in November to 5 in December per NAEA branch. This is the lowest level for completed transactions for 12 months – the last time transactions went below 5 per month was in December 2010, when an average of just 4 properties were sold per branch. However, traditionally agents do not expect great numbers of sales in this particular month.

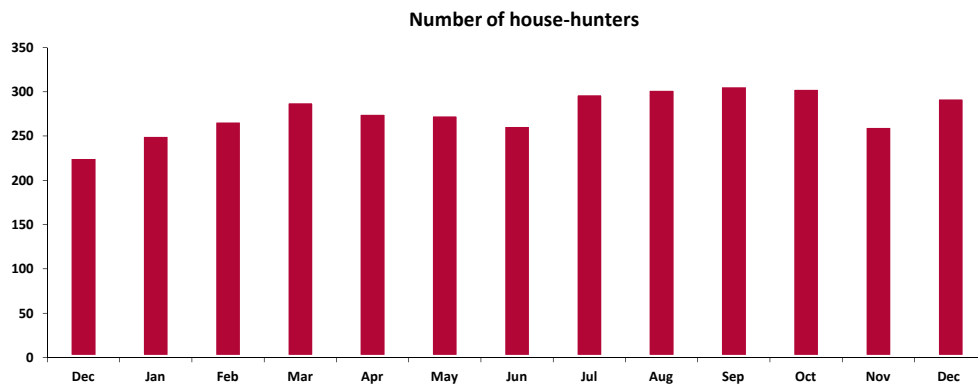
Available housing stock also contracted slightly, with 62 properties on the market in December compared with 65 in November, suggesting sellers were keen to hold-off from entering the market until the New Year, as is again to be expected during this period.

First Time Buyer (FTB) levels saw an increase, up from 19 per cent in November to 21 per cent in December, although this part of the market continues to suffer from harsh lending restrictions and high deposit requirements.

NUMBER OF HOUSE-HUNTERS

The average number of house-hunters registered per branch increased from **262** in November to **294** in December.

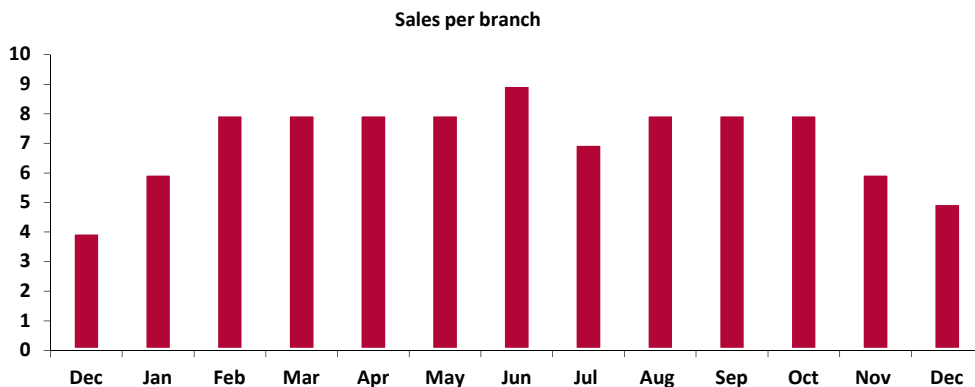
Demand for housing unusually increased during December, a time of the year when house-hunters typically wrap up their search for a property to concentrate on festivities, with a view to beginning again in the New Year; in December 2010, for example, NAEA figures showed 227 house-hunters were registered per branch (a drop from 241 in November 2010). Anecdotal evidence from NAEA agents suggests that prospective home-owners were attending viewings right up until the Christmas break.



SALES PER BRANCH

The number of sales agreed per branch continued to decrease, moving from an average of **6** in November to **5** in December.

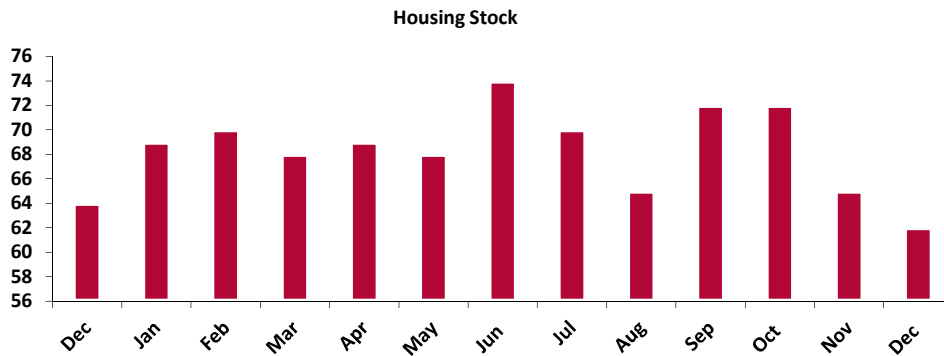
Sales figures for December showed a slight reduction in activity across the UK, to their lowest level in a year. In December 2010, 4 properties were sold on average per NAEA branch.



HOUSING STOCK

The average number of properties available for sale per branch decreased from **65** in November to **62** in December.

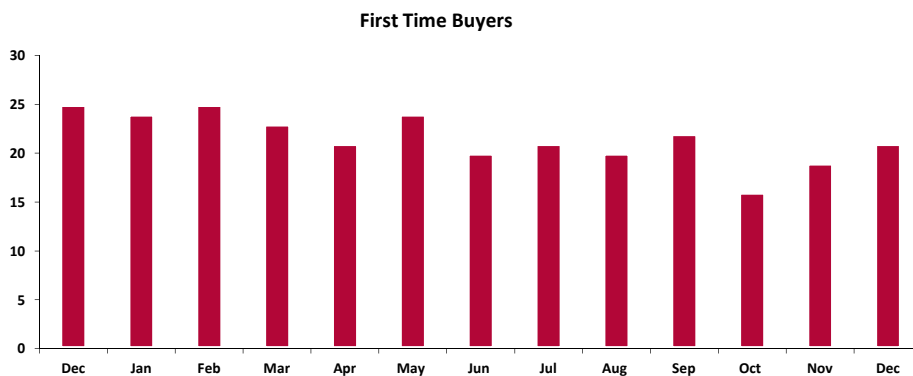
Supply levels also decreased last month, with the number of properties available to house-hunters down to 62 from a November figure of 65. Last months figures are also lower than figures recorded for December 2010 (64).



FIRST TIME BUYERS

The percentage of FTBs increased from **19** in November to **21** in December.

The number of FTBs entering the housing market increased slightly during December, however this still represents a very low percentage of overall property sales.



REGIONAL INSIGHT

Richard Copus, NAEA Regional Executive for the West Country

The market in the South West showed surprising signs of rejuvenation in the weeks leading up to Christmas. This augurs well for 2012 and it would appear that people have now accepted the new economic era and have decided that life carries on as always.

Mike Poole, Regional Executive for the North-North Sector

Many members were kept busy right up to the Christmas break which bodes well for 2012. Sales were being agreed and a limited number of viewings were still being booked in right up until the festivities began. Expectations are for a similar market to 2011 next year. There was little movement on prices with a general perception that they have now bottomed out.

Patrick Bullick, NAEA Regional Executive for London

Sales turnover was very thin in the run up to the Christmas and New Year holiday with concerns over the future economic outlook in the UK and wider Euro-zone prompting many homeowners to sit tight on their property and making buyers cautious. Obtaining a mortgage remains tricky and large cash deposits are needed to get lending.

Stamp Duty adds extra cost to the buying process and can be prohibitive. This is a huge issue in the London Region where the transactions take place at higher prices and are therefore badly affected by the higher percentage. In areas of the London region that rely on the mortgage market, buyers are very price sensitive and sellers have not yet fully recognised this.

International cash buyers still consider prime central London property as a safe asset class in world terms. The continued weakness of the pound makes London look relatively good value despite the record sales prices.

Martyn Baum, NAEA Regional Executive for the Midlands

NAEA members in the Midlands region have reported a slower period of activity throughout December as is expected at that time of year, with enquires coming through being of quality rather than quantity. Due to the lack of available properties on the market there have been sales on stock which has lingered on the market for a number of months rather than the normal fresh instructions receiving the bulk of the activity.

Looking ahead to 2012, FTBs continue to struggle to obtain the funds required to meet lending criteria. The help given to this sector within the Government's Housing Strategy is guiding them to new homes rather than the second hand residential market. There seems to be a general consensus that prices will hold due to the shortage of available properties. With low interest rates the risk of

distressed sales coming to the market is low. The biggest help to the housing market would be the restructuring of 'Stamp Duty' which should be renamed 'House Purchase Tax' and either reduced or the brackets altered to incentivise Britain to get moving again.

Editor Notes:

About the NAEA

The National Association of Estate Agents (NAEA) is the UK's leading professional body for estate agency personnel, being part of a group representing 13,000 members who practice across all aspects of property services both in the UK and overseas. These include residential and commercial sales and lettings, property management, business transfer, auctioneering and land. The NAEA is a sister organisation to the Association of Residential Letting Agents (ARLA), as is PropertyLive.co.uk, the UK's only regulated property portal.

The NAEA is dedicated to the goal of professionalism within all aspects of property, estate agency and land. Its aim is to reassure the general public that by appointing an NAEA member to represent them they will receive in return the highest level of integrity and service, for all property matters. Both NAEA and ARLA members are bound by a vigorously enforced Code of Practice and adhere to professional Rules of Conduct. Failure to do so can result in heavy financial penalties and possible expulsion from the Associations.

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