



NAEA

National Association of
Estate Agents

NATIONAL ASSOCIATION OF ESTATE AGENTS

HOUSING MARKET REPORT

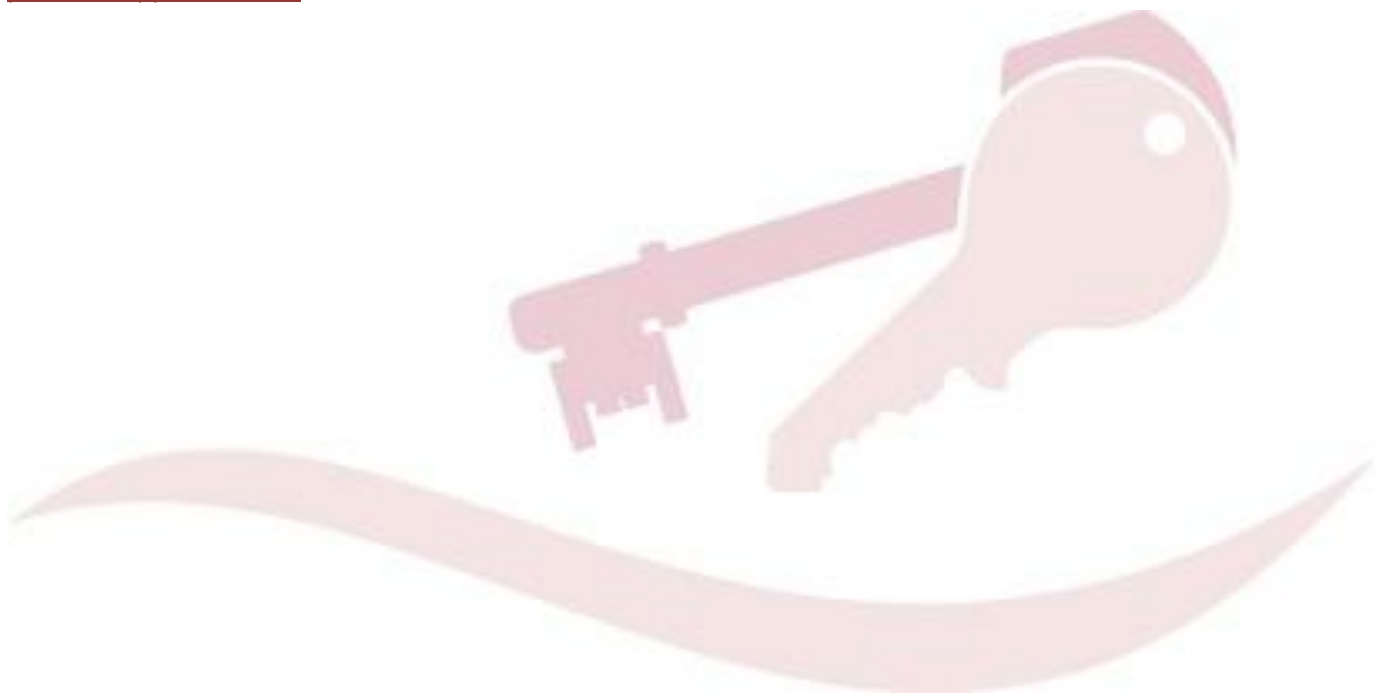
October 2013

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Surge in house hunters marks a return in confidence in the housing market

KEY FINDINGS

- Average number of house hunters registered per branch **increased** from **314** in September to **332** in October
- Average number of sales agreed per branch **increased** from **9** in September to **10** in October
- Average number of properties available for sale per branch **decreased** from **57** in September to **53** in October
- Average percentage of First Time Buyers (FTBs) **decreased** from **25** per cent in September to **24** per cent in October

The NAEA Housing Market Survey for October returned encouraging results with the average number of house hunters and the average sales agreed both increasing on last month's figures. In contrast the supply of properties and the percentage of properties sold to First Time Buyers (FTBs) decreased.

The introduction of the Help to Buy mortgage guarantee scheme, combined with improving lending conditions, is showing the first signs of boosting confidence in the housing sector, however the impact on FTBs may take longer to emerge. The average number of house hunters has increased significantly from 314 in September to 332 in October – an increase of nearly six percent (5.7 percent). This figure beats the previous high of 326 reached earlier this year (June 2013) and is the highest figure seen since before the financial crisis in May 2007 (344). It is interesting to note that this time last year (October 2012) the number of average house hunters reported by NAEA members stood at just 265.

The increased interest in the housing market also appears to have translated into a boost in sales. NAEA members have reported an increase in average sales per branch from nine in September to ten in October, equalling the four year high reached in May 2013 (ten).

There was a sharp drop in properties available for sale this month, falling from an average of 57 per branch in September to an average of 53 per branch in October – a drop of seven percent. The recent increased demand for properties could mean that properties are getting snapped up earlier as a result of strong competition.

FTBs dropped slightly in October making this the second month in a row to experience a decline in FTB numbers. This could be a concern considering the importance of FTBs to the housing market and the recent Government schemes designed to help FTBs to get onto the property ladder. If this trend continues it may indicate that the current schemes are still not doing enough to help this particular segment of the market.

The most popular group purchasing property in October was the 31 to 40 year olds. They led the way making up 43 percent of home buyers followed closely by the 41 to 55 year olds at 42 percent.

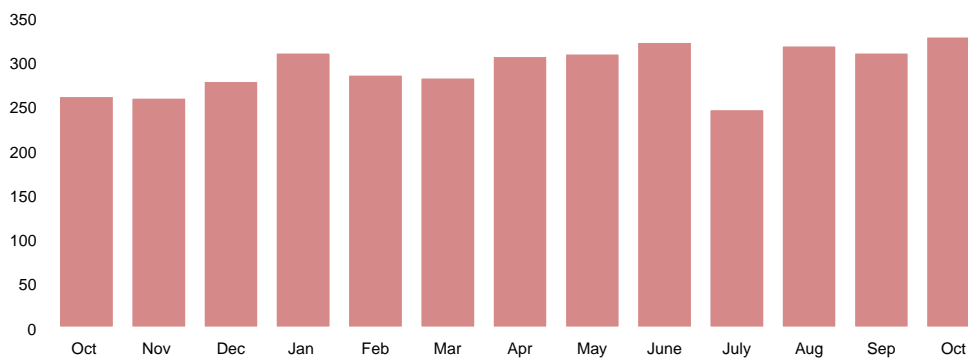
Buying a house as a couple was the most popular method seen by member agents last month, with nine out of ten (90 percent) properties being sold to couples. Only six percent were sold to individuals.

NUMBER OF HOUSE HUNTERS

Average number of house hunters registered per branch increased from 314 in September to 332 in October



House hunter levels increased from 314 in September to 332 in October. This figure stood at 265 last year (October 2012) representing an increase of 25 percent year-on-year. The combination of low interest rates and Government-backed schemes has been a major contributor to resurgent confidence in the housing market.

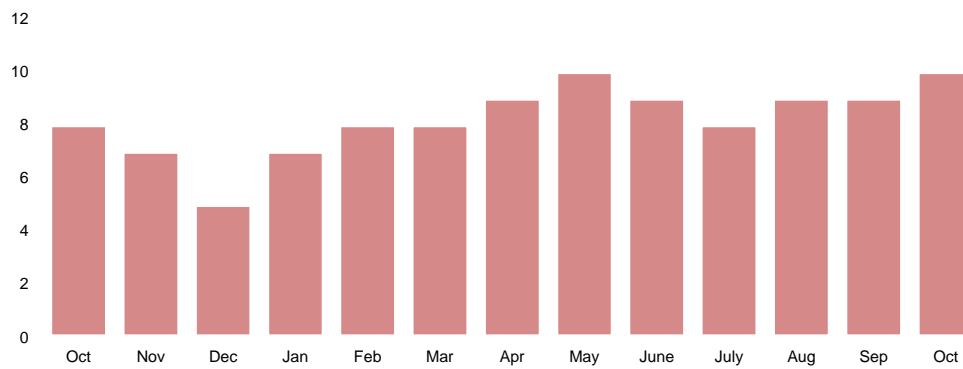


SALES PER BRANCH

Average number of sales agreed per branch increased from 9 in September to 10 in October



House sales across NAEA branches increased from nine in September to ten in October, equaling the four-year high of ten sales per branch, reached in May 2013.

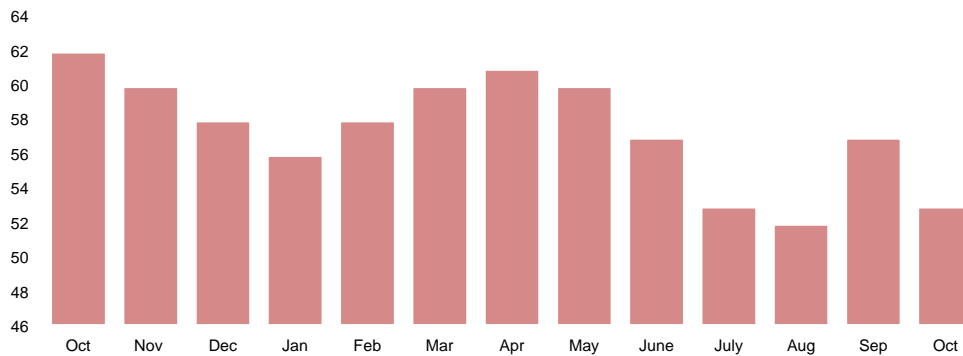


HOUSING STOCK

Average number of properties available for sale per branch decreased from 57 in September to 53 in October



NAEA members reported a decrease of seven percent in the supply of housing in October, down from 57 per branch in September to 53 in October. The reduction in supply could be down to buyers snapping up property due to improved access to finance.

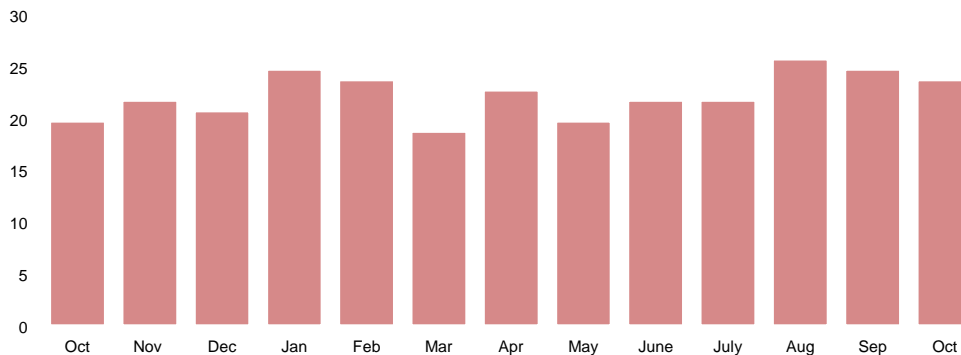


FIRST TIME BUYERS

Average percentage of FTBs decreased from 25 per cent in September to 24 per cent in October



The percentage of overall sales made to FTBs decreased for the second consecutive month, down from 25 percent in September to 24 percent in October – meaning fewer than one in four buyers last month was a first-timer. This figure, although still quite strong, needs to be monitored closely. If this trend continues the impact of the schemes put in place to help those that want to get onto the housing ladder may have to be reconsidered.



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).

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.

To find a local NAEA member, please visit www.naea.co.uk

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