

**NAEA**

National Association of  
Estate Agents

# NATIONAL ASSOCIATION OF ESTATE AGENTS

## HOUSING MARKET REPORT

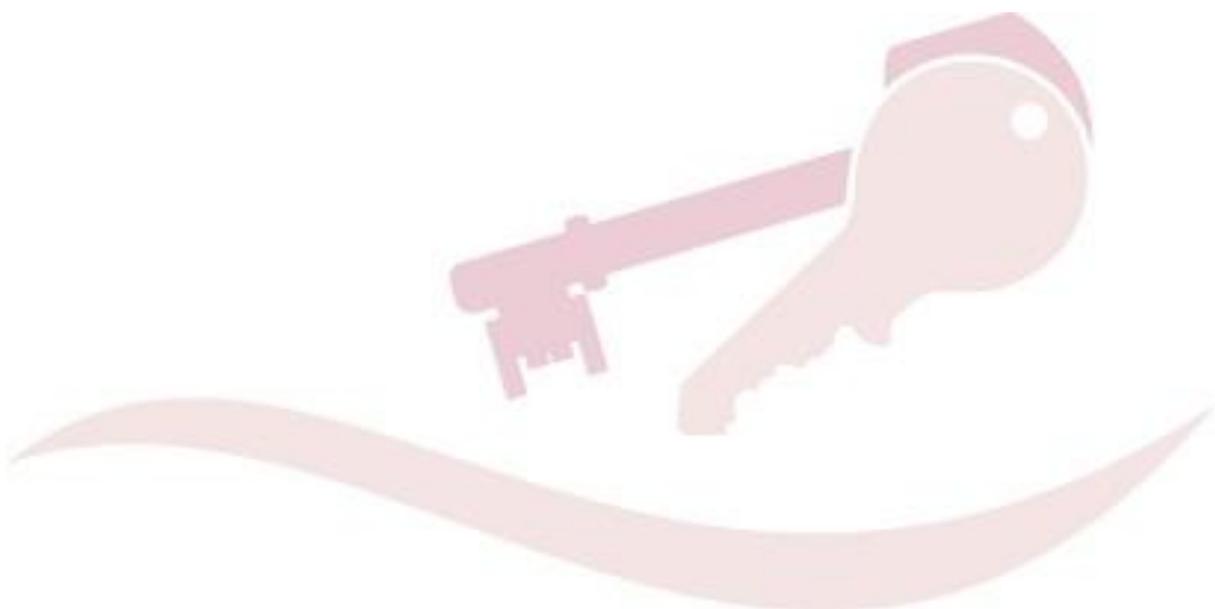
June 2014

For further information:

National Association of Estate Agents Press Office

**0207 566 9777**

[propertyprofessionals@lansons.com](mailto:propertyprofessionals@lansons.com)





## Buyer numbers decrease with significant drop in first time buyers

### KEY FINDINGS

- Average percentage of First Time Buyers (FTBs) **decreased** from **25** percent in May to **20** percent in June
- Average number of house hunters registered per branch **decreased** from **374** in May to **371** in June
- Average number of sales agreed per branch **decreased** from **10** in May to **9** in June
- Average number of properties available for sale per branch **increased** from **44** in May to **46** in June

The supply of homes for sale in June continues to increase from the previous month, while the number of buyers has decreased, with the number of first time buyers at the lowest since May 2013, according to the findings of the latest NAEA Housing Market Report.

In June, there was an average of 46 properties available per NAEA member branch, compared with 44 in May 2014. While the growth in stock levels offers a promising sign, the supply crisis continues to affect the market. As records show, the number of properties available per member branch has not reached above 50 per month since November 2013, and above 60 since May 2013.

The average number of house hunters registering with NAEA agents decreased by 1% percent in June, from an average of 374 house hunters in May to 371 in June. However, NAEA member agents also reported a decrease in the average number of sales agreed per branch, down from ten in May to nine in June.

The average number of first time buyers also significantly decreased in June, down from 25% of total sales in May to 20%, a decrease of 5 percentage points. This was reflected in the number of young buyers, with just 3% of buyers aged 18-30 recorded, compared with 48% of buyers aged 31 to 40, highlighting that younger buyers are still struggling to get on to the housing ladder.

Following the recent announcement by Bank of England Governor, Mark Carney, on the cap on high-risk mortgages, which will see only 15 percent of new mortgages at 4.5 times a borrower's income by October, 78% of NAEA members felt this would affect the number of first time buyers and home owners looking to move.

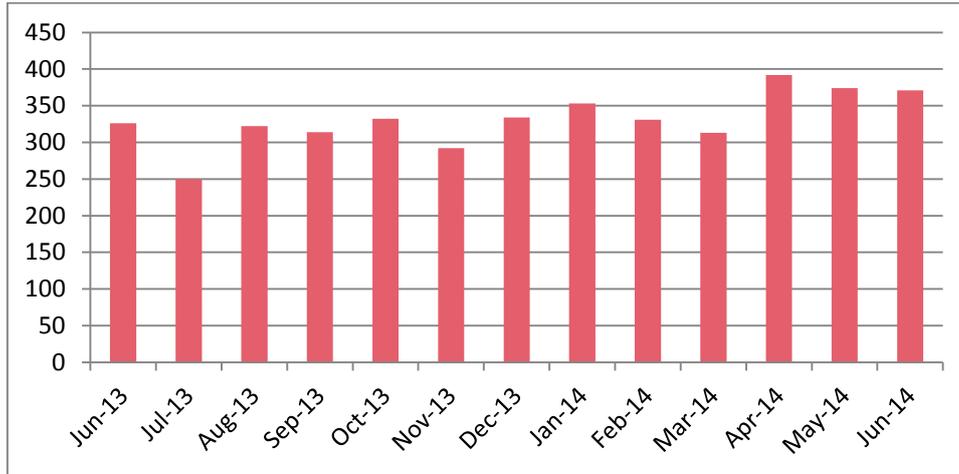
Most buyers (87%) are buying as couples, with just 7% buying alone. Most home buyers are choosing a property close to home, with 70% moving locally within their town or city, while 30% have relocated from elsewhere.

## NUMBER OF HOUSE HUNTERS

Average number of house hunters registered per branch decreased from **374** in May to **371** in June



House hunter levels decreased slightly from 374 in May to 371 in June – a decrease of 1 percent month-on-month. This time last year (June 2013) the average number of house hunters recorded per branch was far lower, at 326.

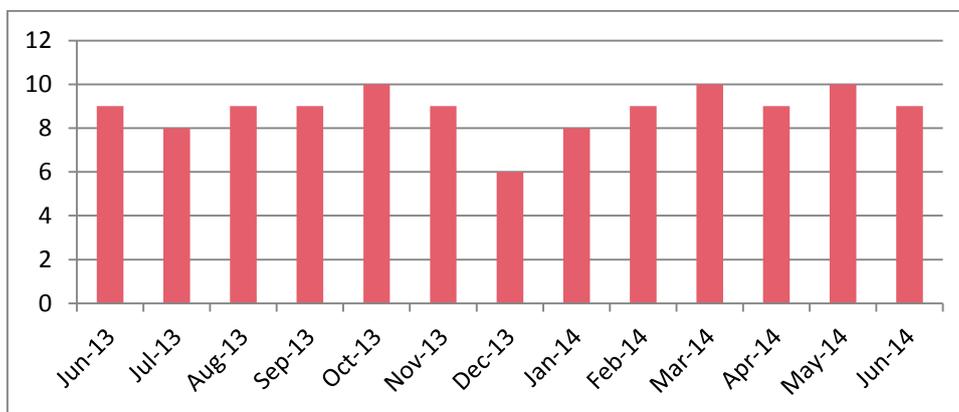


**SALES PER BRANCH**

Average number of sales agreed per branch **decreased from 10 in May to 9 in June**



The average number of sales agreed across NAEA branches decreased slightly, from an average of ten in May to nine in June 2014. This slight dip reflects the drop in first time buyers, and sentiment around the recent announcement on the cap on high-risk mortgages, which 78% of NAEA member branches said would affect the number of first time buyers and home owners considering moving.

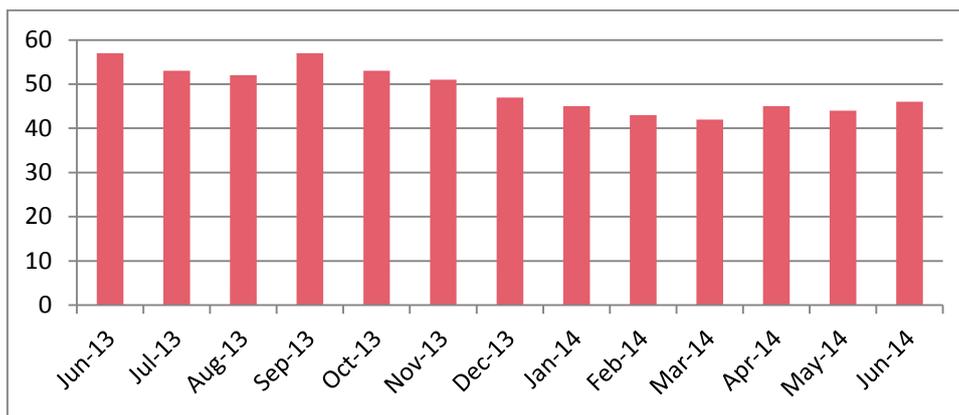


## HOUSING STOCK

Average number of properties available for sale per branch **increased** from **44** in May to **46** in June



The supply of housing in June increased slightly from 44 in May to 46 in June, following a small decrease in housing stock in May from the month before. This number is still far below figures previously recorded by NAEA member branches; at the same time last year an average of 57 properties per branch were available.



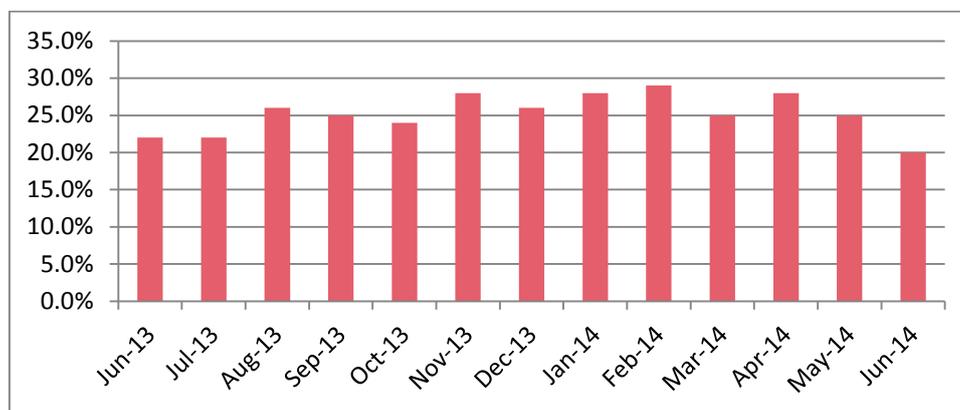
## FIRST TIME BUYERS

Average percentage of First Time Buyers (FTBs) **decreased** from **25** percent in May to **20** percent in June



The percentage of overall sales made to FTBs decreased significantly from an average of 25 percent in May down to an average of just 20 percent in April. This decrease follows market trends as house prices continue to rise, making it ever harder for first time buyers to get on the housing ladder,

coupled with the announcement from Bank of England Governor, Mark Carney, on the cap on high-risk mortgages, by which the majority of NAEA member branches said would affect the number of first time buyers considering buying their first home.



**ENDS**

#### **Editor Notes:**

##### About NAEA

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).

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](http://www.naea.co.uk)

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