



NAEA

National Association of
Estate Agents

NATIONAL ASSOCIATION OF ESTATE AGENTS

HOUSING MARKET REPORT

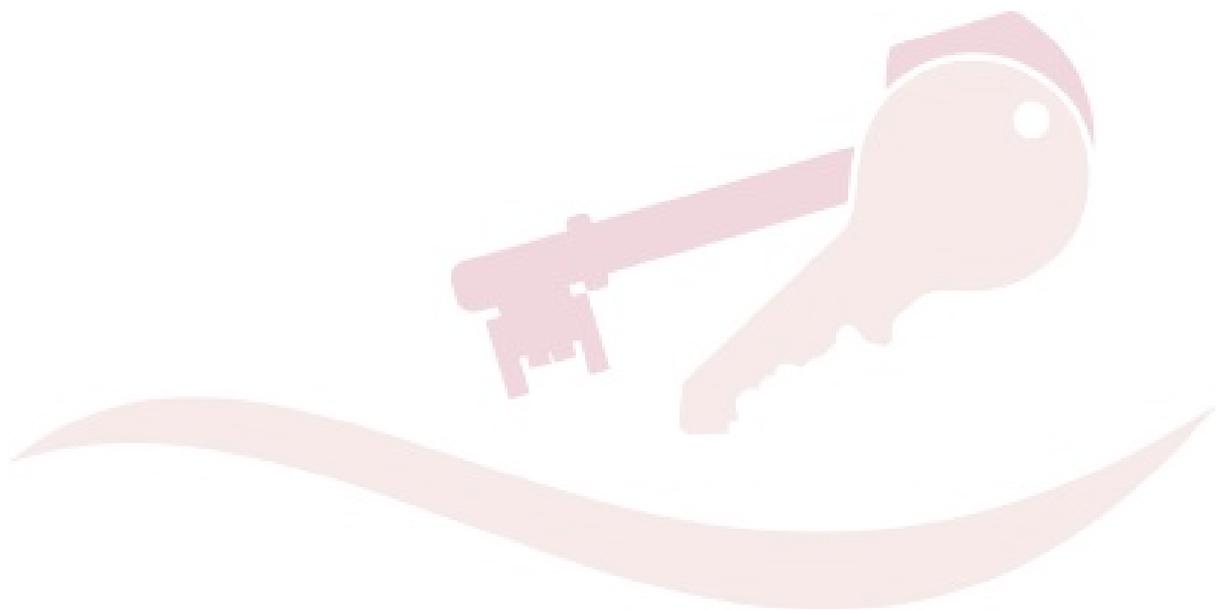
August 2014

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August 2014 Housing Market Report: Significant increase in first time buyers

KEY FINDINGS

- Average percentage of First Time Buyers (FTBs) **increased** from 20 per cent in July to **28** per cent in August
- Average number of house hunters registered per branch **increased** slightly from **368** in July to **372** in August
- Average number of sales agreed per branch **decreased** slightly from **9** sales in July to **8** in August
- Average number of properties available for sale per branch **decreased** from **51** in July to **49** in August

The supply of homes for sale in August decreased slightly from the previous month, while the number of registered buyers increased, with the number of first time buyers at the highest percentage since April 2013, according to the findings of the latest NAEA Housing Market Report.

In August, there was an average of 49 properties available per NAEA member branch, compared to 51 in July 2014. With the decline in stock levels, the supply crisis continues to affect the market as demand for property increases. As records show, the number of properties available per member branch has not reached above 60 since May 2013.

The average number of house hunters registering with NAEA agents increased by one per cent in August, from an average of 368 house hunters in July to 372 in August. However, NAEA Licensed agents also reported a decrease in the average number of sales agreed per branch, down from nine in July to eight in August.

On a more positive note, the average number of first time buyers significantly increased in August, up from 20 per cent of total sales in July to 28 per cent, an increase of 8 percentage points. This, however, was not reflected in the number of young buyers, with just three per cent of buyers aged 18 to 30 recorded, compared to 45 per cent of buyers aged 31 to 40. These figures suggest most first time buyers fall into the slightly older age bracket, as the younger generation struggles to get onto the housing ladder, faced with the high house prices of the current market.

When NAEA members were asked if potential interest rate rises would affect the demand for property, 43 per cent agreed it would affect the number of buyers looking to buy or move, with an additional 44 per cent agreeing demand might drop off a little but not completely. When NAEA members were asked if there were already signs of demand dropping off with an anticipated interest rate rise, members were fairly split, with 39 per cent agreeing 'yes', and 31 per cent stating that they had not seen signs.

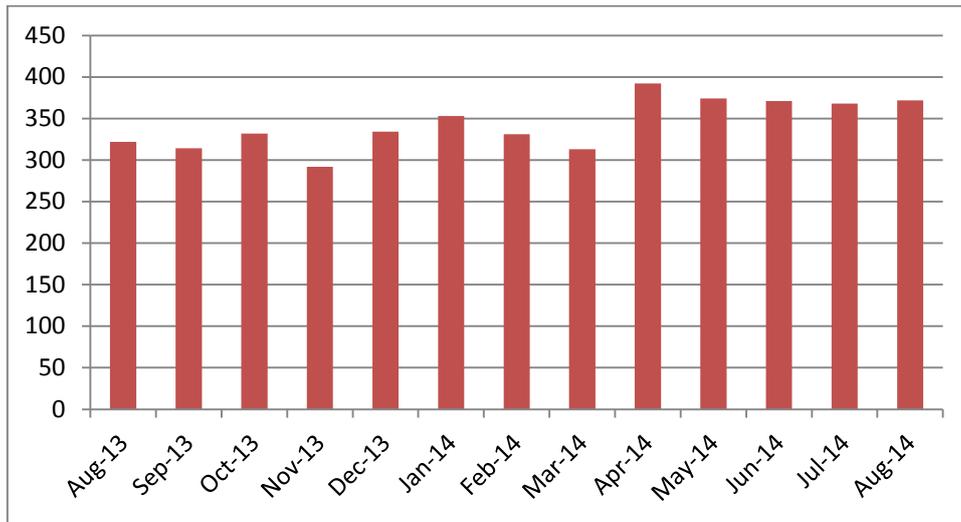
Most buyers (90 per cent) are buying as couples, with just 7 per cent buying alone. Most home buyers are choosing a property close to home, with 79 per cent moving locally within their town or city, while 21 per cent have relocated from elsewhere.

NUMBER OF HOUSE HUNTERS

Average number of house hunters registered per branch increased from **368** in July to **372** in August



House hunter levels increased slightly from 368 in July to 372 in August – an increase of one per cent month-on-month. This time last year (August 2013) the average number of house hunters recorded per branch was significantly lower, at 322.

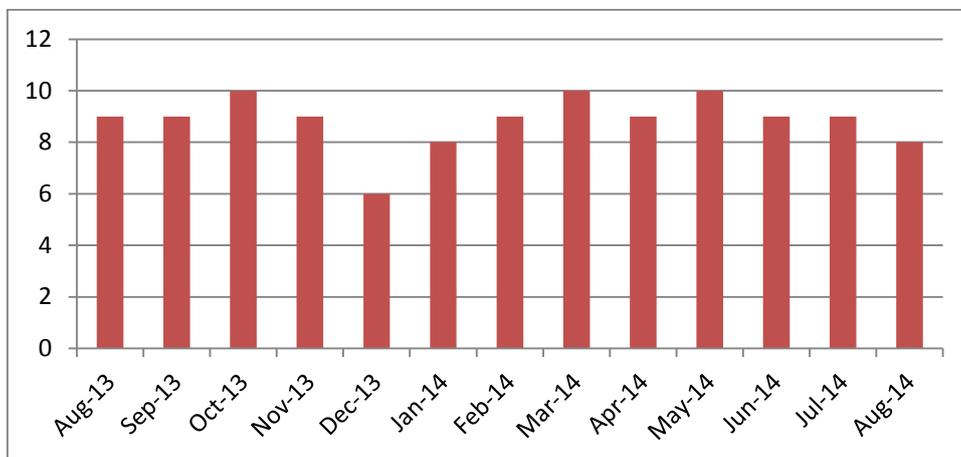


SALES PER BRANCH

Average number of sales agreed per branch **decreased** from **9** in July to **8** in August



The average number of sales agreed across NAEA branches decreased slightly, from an average of nine in July to eight in August 2014. This slight dip could reflect the market reaction to the talk of possible interest rate rises, in which 43 per cent of member agents said the possibility of interest rate rises would deter house hunters from buying property, with an additional 44 percent agreeing demand might drop off a little but not completely.

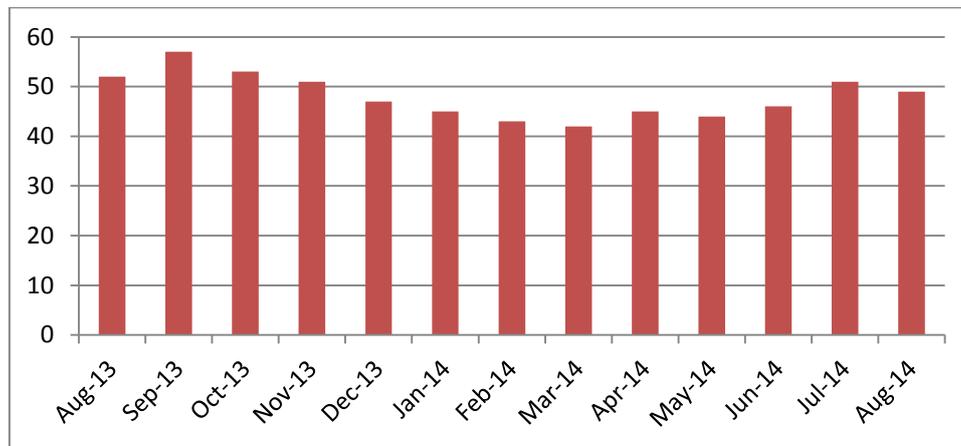


HOUSING STOCK

Average number of properties available for sale per branch **decreased from 51 in July to 49 in August**

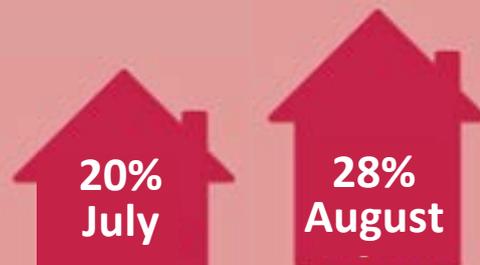


The supply of housing in August decreased slightly from 51 in July to 49 in August, following a small increase in housing stock in July from the month before. This number still falls below figures previously recorded by NAEA member branches; at the same time last year an average of 52 properties per branch were available.

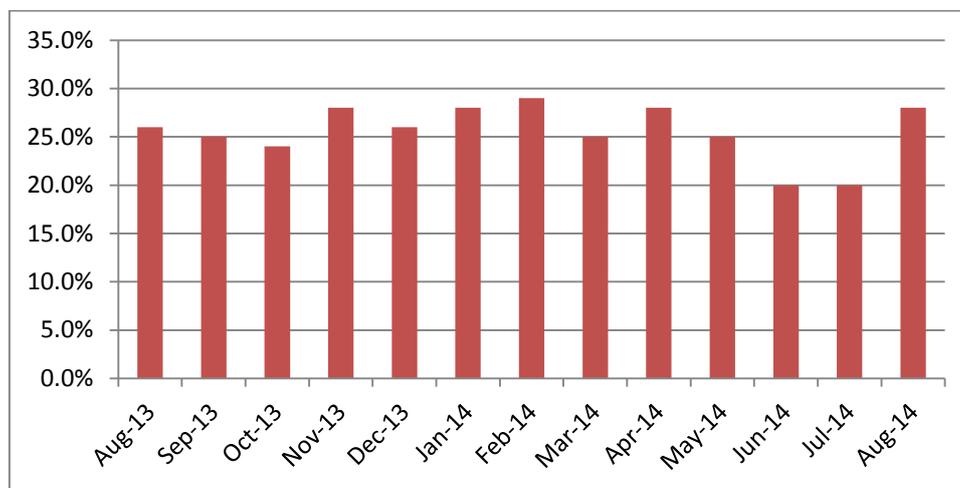


FIRST TIME BUYERS

Average percentage of First Time Buyers (FTBs) **increased from 20 percent in July to 28 per cent in August**



The percentage of overall sales made to FTBs increased significantly, from an average of 20 per cent in July up to an average of 28 per cent in August, the highest percentage of FTBs since April 2014. Although the number of young buyers remains low, with just three per cent of buyers aged 18 to 30 recorded, members recorded that the highest percentage of buyers for the month of August are those aged 31 to 40 (45 per cent). These figures coincide with reports that first time buyers are getting older, due to the high house prices in the current market which are pricing younger buyers out.



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

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