

LSL New Build Index



- East Anglia, the West Midlands and the South East see average price increases across all property types
- North West and Yorkshire report widespread price decreases
- NewBuy a contributing factor to developer success but further 'buy in' crucial

As confirmed by recent trading statements from some of the 'big name' developers, it seems that the new homes market finally has cause for celebration with sales figures rising and the Governments' NewBuy Scheme hailed a success. In this latest LSL Land & New Homes Index, James McAuley, Director of LSL Land & New Homes – www.lsl.landandnewhomes.co.uk reports on what this could mean for housebuilders in the future and what, if anything, can be done to improve the market further.

"After a period of uncertainty it's clear that many developers are starting to feel more positive about the market and that many are more accepting of the support now on offer to them. Indeed, with 50 builders now registered with the NewBuy Scheme, and more than 2,000 new homes reserved because of it, there's obviously a growing appreciation of it's support. Ongoing success, however, will rely heavily on more developers joining and, of course, on them being 'ready' to build when demand comes.

"Working closely with their local authorities (LA's), as always, will be key to future success, building strong relationships to ensure land is not only released more quickly for development but that agreement is more easily reached on what a site will support and the costs involved. Even if demand is there, it's still going to be site viability that is the determining factor as to whether to build – or not.

"Of course there are regional variations and, as this months LSL New Build Index illustrates, some areas continue to see greater average price increases than others – a reflection, possibly, of the varying levels of demand across the UK rather than the success, or otherwise, of LA relationships.

"Comparing average prices in the period November 2010 to October 2011 with November 2011 to October 2012, as last month, it is East Anglia, the West Midlands and the South East that have seen widespread increases across all property types with prices for flats again seeing significant rises.

"The North West, in comparison, has seen widespread reductions

with Yorkshire too also reporting almost 'across the board' decreases.

"How the picture will change in the months to come is unclear but on the back of NewBuy's success, and with the Governments Funding for Lending Scheme showing signs that is having a positive impact on mortgage lending, let's hope that 2013 will see all regions benefit."

Keith Osborne, editor of whathouse.co.uk says:

"The underlying theme of these latest figures is stability – nine of the eleven regions are showing more or less the same figures as last month across every house type. Even in the other two regions, just one house type showed any significant difference from the previous month's figures., specifically, semi-detached homes in the North East (down 0.5% in the year to 30th September 2012, but up 1.0% in the year to 31st October) and detached homes in Yorkshire and the Humber (switching from being up 0.4% to down 0.1%).

"So little change – and in some regions, this has been the case for several months – suggests that the market over the past twelve months has settled down, with no sudden dramatic changes in prices from month to month. In a traditionally busy period, one might perhaps expect to see more unpredictable figures month-on-month, so it suggests that the supply/demand relationship has met some sort of equilibrium.

"A number of major housebuilders have recognised the importance of supplying the right kind of homes to consumers to their recent financial success, for example, the switch from flats to houses. As this change in portfolio works through the system, it would not be unreasonable to start seeing some of the negative figures start to turn positive at some point. Providing the right mix of homes to the local market should stop the decline in average prices of certain property types.

"It will be interesting to see whether the anecdotal optimism expressed by many at the What House? Awards last month bears any statistical fruit."

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Notes

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For further information or enquiries regarding the underlying data of the LSL New Build Index, please contact Richard Sexton via email richard.sexton@esurv.co.uk or by phoning 07968 932118.

For further information about the LSL Property Services Group including LSL Land & New Homes and e.surv, visit www.lslps.co.uk

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Average new homes prices in the period November 2010 to October 2011



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Scotland*	2011
Detached	£243,442
Flats	£128,357
Semis	£180,991
Terrace	£172,865

*Size adjusted average price

North West*	2011
Detached	£274,458
Flats	£117,681
Semis	£164,794
Terrace	£156,444

*Size adjusted average price

West Midlands*	2011
Detached	£276,686
Flats	£118,544
Semis	£173,460
Terrace	£162,739

*Size adjusted average price

Wales*	2011
Detached	£233,630
Flats	£125,678
Semis	£170,562
Terrace	£156,611

*Size adjusted average price

South West*	2011
Detached	£303,635
Flats	£141,406
Semis	£203,980
Terrace	£190,534

*Size adjusted average price

Greater London*	2011
Detached	£555,728
Flats	£281,877
Semis	£368,321
Terrace	£407,360

*Size adjusted average price

North East*	2011
Detached	£238,519
Flats	£107,142
Semis	£148,908
Terrace	£142,276

*Size adjusted average price

Yorkshire & the Humber*	2011
Detached	£247,378
Flats	£118,162
Semis	£152,015
Terrace	£146,588

*Size adjusted average price

East Midlands*	2011
Detached	£241,984
Flats	£98,380
Semis	£155,891
Terrace	£148,626

*Size adjusted average price

East Anglia*	2011
Detached	£328,101
Flats	£162,554
Semis	£226,354
Terrace	£211,191

*Size adjusted average price

South East*	2011
Detached	£388,149
Flats	£170,183
Semis	£262,300
Terrace	£234,140

*Size adjusted average price

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Average new homes prices in the period November 2011 to October 2012 - and % variation over same period 2010/2011



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Scotland*	2012	%+/-
Detached	£251,481	3.3%
Flats	£132,778	3.4%
Semis	£179,413	-0.9%
Terrace	£189,715	9.7%

*Size adjusted average price

North West*	2012	%+/-
Detached	£271,919	-0.9%
Flats	£113,162	-3.8%
Semis	£161,907	-1.8%
Terrace	£149,691	-4.3%

*Size adjusted average price

West Midlands*	2012	%+/-
Detached	£287,821	4.0%
Flats	£129,277	9.1%
Semis	£181,600	4.7%
Terrace	£175,487	7.8%

*Size adjusted average price

Wales*	2012	%+/-
Detached	£239,525	2.5%
Flats	£125,684	0.0%
Semis	£161,797	-5.1%
Terrace	£158,696	1.3%

*Size adjusted average price

South West*	2012	%+/-
Detached	£305,434	0.6%
Flats	£153,595	8.6%
Semis	£199,781	-2.1%
Terrace	£196,687	3.2%

*Size adjusted average price

Greater London*	2012	%+/-
Detached	£551,210	-0.8%
Flats	£285,143	1.2%
Semis	£389,830	5.8%
Terrace	£384,459	-5.6%

*Size adjusted average price

North East*	2012	%+/-
Detached	£236,952	-0.7%
Flats	£104,341	-2.6%
Semis	£150,457	1.0%
Terrace	£148,497	4.4%

*Size adjusted average price

Yorkshire & the Humber*	2012	%+/-
Detached	£247,161	-0.1%
Flats	£113,062	-4.3%
Semis	£156,185	2.7%
Terrace	£145,284	-0.9%

*Size adjusted average price

East Midlands*	2012	%+/-
Detached	£245,722	1.5%
Flats	£95,635	-2.8%
Semis	£156,791	0.6%
Terrace	£147,519	-0.7%

*Size adjusted average price

East Anglia*	2012	%+/-
Detached	£331,963	1.2%
Flats	£171,838	5.7%
Semis	£232,588	2.8%
Terrace	£219,338	3.9%

*Size adjusted average price

South East*	2012	%+/-
Detached	£397,059	2.3%
Flats	£171,716	0.9%
Semis	£264,532	0.9%
Terrace	£247,039	5.5%

*Size adjusted average price