

## House prices on upward trajectory

Thursday, 4 July 2013 11:08 AM

---



*House prices, up up up.*

---

House prices continued their upward ascent with a five consecutive month of growth, according to the [Halifax](#) house price index.

A 0.6 per cent June rise propelled the second quarter of the year up 2.1 per cent higher than the first three months of 2013.

That leaves prices 3.7 per cent higher in the three months prior to June than they were at the same point last year.

Martin Ellis, [Halifax](#) housing economist, said that the rises are continuing at a "steady" rate.

"Activity has also improved in recent months. Both home sales and mortgage approvals for house purchase – a leading indicator of sales – increased in May."

The reasoning behind this increase in house prices, despite a fraught economic picture and a turbulent path to homeownership for first-time buyers, is a shortage of supply.

The UK's lack of homes is a major problem, with continued house price growth pushing property further and further out of the reaches of the ordinary home hunter.

However the government's flagship Funding for Lending scheme is making some progress in encouraging reduced mortgage rates.

**Giles Hannah, managing director of London agency [VanHan](#), said: "The annual growth in house prices is at its highest in nearly three years, clear evidence that the market continues its steady improvement."**

**He added that his company's prediction was further growth, although he acknowledged that London is operating at a much different pace to the rest of the UK.**

**"There is a continued influx of foreign capital into prime central London, particularly for property costing up to £6m. Prices are expected to continue to rise over the next few years, beating most other asset classes hands down.**

**"The market between £10m to £20m is slightly slower as millionaire buyers are being more cautious and assessing their tax structures."**

**However the super prime market, operating at £50m-plus is still flying, with buyers not bothered if they happen to incur stamp duty or high taxes.**

**"We have seen an influx of funds from Saudi Arabia in particular, with large budgets for the best apartments and houses virtually at any price," Giles Hannah continued.**

During May home sales overall were at their highest since March 2012's rush to beat the end of the stamp duty holiday.