

Ask the expert – 26<sup>th</sup> August 2011

*Mark Lewis, partner of Lewis Property Consultants, **team** estate agent in St Austell (01726 66442) answers a common question...*



**Q. Every week seems to bring conflicting news on house prices. What's going on?**

**A.** You may well ask. In their most recent report, the Halifax said that July saw prices rise by 0.3%. In contrast, the latest Hometrack survey reported that prices actually fell by 0.1%, while the Nationwide said they were up by 0.2%.

And if that wasn't confusing enough, even the Government's two "official" indices can't agree. So, while the Land Registry claims that the average property price in June was £161,479, the Department for Communities and Local Government quotes a figure of £204,891 – a difference of over £43,000 for the selfsame month!

Basically, there are two major problems with all such national surveys (three, if you count the fact that both the CLG and Land Registry figures are three months out of date). Firstly, they all use different methods to calculate their figures. Take the example of the RICS (the Royal Institution of Chartered Surveyors). You may be surprised to learn that their authoritative-sounding reports are actually based on the opinions of a relative handful of members. As for Rightmove and the other national property websites, they of course deal in asking prices, which by definition are almost always over-optimistic.

Then there are the building societies and other lenders. Leaving aside any in-built regional bias (the Nationwide, for instance, tends to do more of its business in London and the South East than the traditionally more northerly-inclined Halifax), the fact is that all their figures are based on mortgage applications. Consequently, they exclude altogether the growing number of properties that are sold without the buyers requiring a mortgage.

The second major problem is that all these surveys talk about national averages – and the fact is that the property market is so localised that such figures have little or no bearing on what is actually happening in your particular street.

These days, of course, websites such as [mouseprice.com](http://mouseprice.com) and [nethouseprices.com](http://nethouseprices.com) enable you to do your own research into prices. But since they all get their data from the Land Registry, their figures are equally out of date.

That's why, when all's said and done, the best way to get an accurate idea of the current market value of your home is still to ask your trusty local estate agent, who has ongoing experience in their own geographical marketplace.