

The Stamp Duty avoidance leads to buy-to-let stampede

The My Property Consultant Property Index Tracker - 27th April 2016

Lending

The Bank of England Mortgage Approval Rate Index has seen an increase of 19% compared with 12 months ago. And although the latest Council for Mortgage Lenders data will not be released until 19th May, they have already estimated that £25.7bn worth of mortgages were completed during March, a 43% increase on February, and a 59% increase on the same time last year.

Property transactions






















The HMRC Property Transactions Index is showing a massive increase of 77% compared to this time last year, and 71% higher than in February.

House Prices

Nationwide, Halifax and Rightmove all indicate an increase in house prices over the last 12 months (5.7%, 11.1% and 7.3% respectively), and ONS figures also show that prices have increased by 7.6% over 12 months. However, there are signs that things could be slowing down, with ONS citing a national average growth rate of -0.8% for the month, and -2.8% for London, while the RICS Price Expectation Survey indicates that the strength of the UK housing market could be weakening.

Rents

Rents have increased 7.3% over the last 12 months, and even higher figures in London of 8.7%.

Indicator	12 Month Trendline	Current Value	Monthly/Quarterly % Change	Annual % Change	Comments
Nationwide House Price Growth (National)		£200,251	1.7% ↑	5.7% ↑	Regional house prices maintained the same broad trends prevailing in recent years, however for only the fourth time in five years, London did not record the strongest rate of price growth, with the Outer Metropolitan region occupying the top spot in Q1. Nevertheless, London still recorded the second fastest rate of growth, with prices reaching a new all-time high some 52% above pre-crisis levels (compared with 9% for overall UK house prices).
Nationwide House Price Growth (National - 3 Month Avg)		£198,564	0.8% ↑	5.3% ↑	
Nationwide House Price Growth (London - 3 Month Avg)		£455,984	-0.1% ↓	11.5% ↑	
Halifax House Price Growth (National) *		£214,811	2.5% ↑	11.1% ↑	House prices in the first three months of 2016 were 2.5% higher than in the last three months of 2015.
Rightmove Asking Price Growth (National)		£307,033	1.3% ↑	7.3% ↑	Average price of property coming to market up by 1.3% to set a record high of £307,033. The rush from investors to buy before April helped to ignite an onward chain reaction. The stamp duty deadline gave early impetus to bottom of the market and had knock-on effect of energising the higher end.
Rightmove Asking Price Growth (G London)		£646,200	0.3% ↑	8.7% ↑	
Your Move Buy to Let index (rents - National)		£791	0.0% →	3.0% ↑	Flurry of buy-to-let property interest in March pushes total annual returns to 12.2% for existing landlords
Your Move Buy to Let index (rents - London)		£1,231	-0.5% ↓	4.6% ↑	Across England & Wales rent rises average 3.0% over the last year, to now stand at £791 per month.
ONS House Pricing Index		222.2	-0.8% ↓	7.6% ↑	UK house prices increased by 7.6% in the year to February 2016, down from 7.9% in the year to January 2016. Annual house price increases in England were driven by an annual increase in the South East (11.4%), the East (10.3%) and London (9.7%).
ONS House Pricing Index - London		260.0	-2.8% ↓	9.7% ↑	
Bank of England Mortgage Approval Rate *		73,870	-1.0% ↓	19.0% ↑	The no. of approvals decreased to a lower than a downwardly revised 74,080 but higher than an average of 70,990 over the last 6 months.
Bank of England Base Rate		0.50	0.0% →	0.0% →	The Base rate set by the monetary Policy Committee at the Bank of England stays at 0.5% for seven years in a row.
RICS Price Expectation Survey		42%	-16.0% ↓	N/A	The RICS survey reports a drop for the latest month as expected due to the revised tax changes and the forthcoming elections.
HMRC Property Transactions (Uk Residential)		161,990	71.3% ↑	77.1% ↑	The recent large increase in transactions is likely to be associated with the introduction of the higher rates on additional properties in April 2016. Additional factors may have played a role as well, for example the Bank of England's plans to curb Buy-2-Let mortgages resulting in a rush to buy.
HMRC Property Transactions (Uk Residential) *		165,480	44.4% ↑	67.1% ↑	
CPI - (Consumer Price Index)		100.2	0.4% ↑	0.5% ↑	The Consumer Prices Index (CPI) rose by 0.5% in the year to March 2016, compared with a 0.3% rise in the year to February.
Rate of CPI		0.5%	N/A	N/A	The rate has increased gradually since October 2015 although is still relatively low in the historical context.
CML - Total No. of Loans **		99,800	-3.0% ↓	22.3% ↑	In 2016, there have been substantial increases in house purchase and remortgage activity year-on-year. This reflects the sluggish market in early 2015, perhaps driven by election uncertainties. Buy-to-let has also seen substantial year-on-year increases, with particularly strong growth in remortgaging, with 59% of gross buy-to-let lending being remortgage compared to just 27% in the home-owner space.
CML - Total value of Loans (£m)**		£17,200(m)	-3.9% ↓	32.3% ↑	
CML - Buy to Let: Number of Loans **		23,400	0.9% ↑	46.3% ↑	Activity has been boosted by landlords seeking to complete purchases before tax changes in April.
CML - Buy to Let: Value of Loans (£m)**		£3,700(m)	0.0% →	60.9% ↑	

* Data is Seasonally Adjusted (SA).

** The data compiled is the combined value of both new house purchase loans as well as remortgaged loans. It relates to mortgage advances only.

Data illustrated is a snapshot of the latest official data as of: 26 April, 2016.

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