



## EU Referendum result causing uncertainty? Stay calm and carry on.

### The My Property Consultant Property Index Tracker - 27th June 2016

All the data below was released prior to the result of the referendum and therefore it is imposible to draw any conclusions on last week's historic result and its subsequent impact on the property market. However the build up to it will have affected house sales across the UK, especially in London, in one form or another, and the next few months will surely provide an interesting insight into how things will shape up. Stay tuned.

#### Lending

As expected, lending has gone down relative to last month's dramatic upsurge by 34.3%. However the average over the last 2 months is still 10.5% higher than the 6 months that preceeded it.

#### Property transactions

The seasonally adjusted estimate of residential property transactions increased by 1.5% between April 2016 and May 2016. This month's seasonally adjusted figure is however 11.9% lower compared with the same month last year.

#### House Prices

Nationwide, Halifax and Rightmove all indicate an increase in house prices over the last 12 months (4.7%, 8.4% and 5.5% respectively), and the new ONS HPI shows an increase of 8.2% over the last 12 months.

#### Rents

Both the National and London average rental prices have reported a drop since last month but are still up relative to last year (1.8% and 1.1% respectively).

Indicator	12 Month Trendline	Current Value	Monthly/ Quarterly % Change	Annual % Change	Comments
Nationwide House Price Growth (National)		£204,368	1.0% ↑	4.7% ↑	The annual rate of house price growth remains in the fairly narrow range between 3- 5% that has been prevailing for much of the last year. In the near term, it's going to be difficult to gauge the underlying strength of activity in the housing market due to the volatility generated by the recent stamp duty changes. House purchase activity is likely to fall in the months ahead given the number of purchasers that brought forward transactions.
Nationwide House Price Growth (National - 3 Month Avg)		£198,564	0.8% ↑	5.3% ↑	The recovery thereafter may also be gradual, especially in the BTL sector, where policy changes, such as the reduction in tax relief for landlords from 2017, are likely to exert an ongoing drag.
Nationwide House Price Growth (London - 3 Month Avg)		£455,984	-0.1% ↓	11.5% ↑	
Halifax House Price Growth (National) *		£213,472	0.5% ↑	8.4% ↑	Property prices per square metre have risen by 432% in Greater London against a national average increase of 251% over the past two decades, according to separate research from Halifax.
Rightmove Asking Price Growth (National)		£310,471	0.8% ↑	5.5% ↑	The price of property in London fell by 0.2% this month, the only region to record a fall. Why is London bucking the national upward price trend? The capital's +55% rise since 2010 means other regions, at average of +24% still have momentum. The effects of a more punitive property tax regime for higher-priced or second homes still a drag on activity, and the uncertainty around EU referendum is greater in London than elsewhere.
Rightmove Asking Price Growth (G London)		£643,117	-0.2% ↓	4.8% ↑	
Your Move Buy to Let index (rents - National)		£792	-0.1% ↓	1.8% ↑	Short-term tide of homes to let pushes rents into an unseasonable May chill – down 0.1% since April. Rents have reversed their spring trajectory as a tide of homes to let bought before the Stamp Duty Surcharge have reached the private rented sector, according to the latest Buy-to-Let Index from letting agents Your Move and Reeds Rains.
Your Move Buy to Let index (rents - London)		£1,220	-0.7% ↓	1.1% ↑	
ONS House Price Index (Average Price - National)		£209,054	0.6% ↑	8.2% ↑	This month sees the introduction of the revised ONS House Price Index (HPI) which replaces the previous house price indices and now includes average house price data. As of April 2016 the average house price in the UK is £209,054, and the index stands at 109.64. Property prices have risen by 0.6% compared to the previous month, and risen by 8.2% compared to the previous year.
ONS House Price Index (Average Price - London)		£470,025	0.6% ↑	14.5% ↑	
Bank of England Mortgage Approval Rate *		66,250	-7.2% ↓	-2.2% ↓	The number of loan approvals decreased to 66,250 in April and below market expectations of 67,900. It is the third consecutive decline and the lowest figure since May last year.
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		19%	-53.7% ↓	N/A	RICS reports a short term drop in house price confidence caused by the uncertainty resulting from the EU Referendum, coupled by a slowdown following the rush to get into the market ahead of the latest tax change.
HMRC Property Transactions (Uk Residential)		84,300	13.0% ↑	-13.8% ↓	The large increase in transactions for March 2016 followed by the substantial reduction in April is likely to be associated with the introduction of the higher tax rates on additional properties in April 2016. However, whilst April and May 2016 are lower than the corresponding months in 2015, it should be noted that the total for March to May 2016 is still substantially higher than the corresponding period last year.
HMRC Property Transactions (Uk Residential) *		89,700	1.5% ↑	-11.9% ↓	
CPI - (Consumer Price Index)		100.4	0.2% ↑	0.3% ↑	The Consumer Prices Index (CPI) rose by 0.3% in the year to May 2016, unchanged from April. This continues the position seen since the beginning of the year of a rate which is a little above zero. With the exception of March, when the rate was influenced by the timing of Easter, headline inflation has been 0.3% for all months of 2016.
Rate of CPI		0.3%	N/A	N/A	
CML - Total No. of Loans **		98,000	-30.8% ↓	4.1% ↑	The stamp duty change on second properties that came into effect on April 1 resulted in activity across the market being brought forward into March causing an expected slowdown in April's lending figures in the aftermath. As a result, house purchase activity experienced a sharp fall month on month, which was especially evident for buy-to-let.
CML - Total value of Loans (£m)**		£16,700(m)	-34.3% ↓	8.4% ↑	
CML - Buy to Let: Number of Loans **		15,900	-64.3% ↓	-10.2% ↓	Paul Smee, director general of the CML, commented: "There is a sense of calm after the storm this month, as lending eased back, following the significant rises in activity in March as borrowers looked to beat the second property stamp duty deadline. We expect the market to take several months to return to its previous levels after the lending surge".
CML - Buy to Let: Value of Loans (£m)**		£2,500(m)	-64.3% ↓	-7.4% ↓	

\* 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: 27 June, 2016.

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