

Property slump yet to materialise

The My Property Consultant Property Index Tracker - 27 July 2016

Most of the major data sources continue to show a property market on the rise. Although some of the measures still date back to before the Brexit vote, this is largely promising given the level of uncertainty that has been hanging over the UK in recent months, and the fact we were expecting to see a continued slump after the stamp duty changes in early April. The next few months will be far more telling, and we'll start to see the real impact of Brexit filtering through.

Lending

The Council for Mortgage Lenders have reported a 1.8% increase on loans since since last month, and a 11% increase on the same time last year.

Property transactions

Property transactions continue to steadily grow towards normal levels following the rush prior to the stamp duty changes.

House Prices

Nationwide, Halifax and Rightmove continue to indicate an increase in house prices over the last 12 months (5.1%, 8.4% and 4.5% respectively), whilst the ONS figures show that prices have increased by 8.1% over the last 12 months.

Rents

Rental data for this month has still not been published (See below).

Indicator	12 Month Trendline	Current Value	Monthly/ Quarterly % Change	Annual % Change	Comments
Nationwide House Price Growth (National)		£204,968	0.3% ↑	5.1% ↑	Regional house price trends have maintained the pattern prevailing in recent quarters, with southern areas of England recording the fastest rates of house price growth in Q2.
Nationwide House Price Growth (National - 3 Month Avg)		£204,238	2.9% ↑	5.1% ↑	The Outer Metropolitan region again had the strongest rate of annual price growth of 12.4% up from 12.2% in Q1. Despite a slowing in Q2, London was still the second strongest region with prices up 9.9% to a new all-time high, some 54% above pre-crisis levels (compared with 10% for overall UK house prices).
Nationwide House Price Growth (London - 3 Month Avg)		£472,384	3.6% ↑	9.9% ↑	
Halifax House Price Growth (National) *		£216,823	1.3% ↑	8.4% ↑	House prices continue to increase, albeit at a slower rate, but this precedes the EU referendum result, therefore it is far too early to determine any impact.
Rightmove Asking Price Growth (National)		£307,824	-0.9% ↓	4.5% ↑	Housing market steady post referendum. The market fall of 0.9% this month is within usual expectations for the run-up to the summer holiday season. Buyer demand in the two weeks since the surprise referendum result is consistent with 2014 although down on 2015 (2014 was not distorted by the election so is a better basis for comparison).
Rightmove Asking Price Growth (G London)		£635,710	-1.2% ↓	3.3% ↑	
Your Move Buy to Let index (rents - National)		£792	-0.1% ↓	1.8% ↑	Your Move & Reed Rains have yet to release the figures for the latest month and as a result the figures posted here are still the same as in last months' MPC Property index tracker. Once the data is finally released this section will be updated accordingly.
Your Move Buy to Let index (rents - London)		£1,220	-0.7% ↓	1.1% ↑	
ONS House Price Index (Average Price - National)		£211,230	1.1% ↑	8.1% ↑	London continues to be the region with the highest average house price, followed by the South East and the East of England, which stand at £306,000 and £265,000 respectively. London was also the region which showed the highest annual growth, with prices increasing by 13.6% in the year to May 2016. The South East (12.9%) and the East of England (12.8%) also had high annual growth.
ONS House Price Index (Average Price - London)		£472,163	1.5% ↑	13.6% ↑	
Bank of England Mortgage Approval Rate *		67,042	1.2% ↑	3.7% ↑	This months figure came above market expectations of 65,250 thousand but remained below the average of 70,598 thousand over the previous six 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		16%	-15.8% ↓	N/A	Uncertainty fuelled by the EU referendum has resulted in a marked drop in activity in the housing market. 12 month price expectations turns negative – but longer term forecasts remain positive.
HMRC Property Transactions (Uk Residential)		102,010	21.2% ↑	-11.1% ↓	The property market is still recovering from the rush to buy before the introduction of the higher rates on additional properties. The latest data published by the HMRC still shows figures lower than the corresponding months in 2015, however the total for the last 4 months of data is still substantially higher than the corresponding period last year and slowly returning to normal levels.
HMRC Property Transactions (Uk Residential) *		94,550	5.0% ↑	-10.2% ↓	
CPI - (Consumer Price Index)		100.6	0.2% ↑	0.5% ↑	The Consumer Prices Index (CPI) rose by 0.5% in the year to June 2016, compared with a 0.3% rise in the year to May. The June rate is a little above the position seen for most of 2016, though it is still relatively low historically. Rises in air fares, prices for motor fuels and a variety of recreational and cultural goods and services were the main contributors to the increase in the rate.
Rate of CPI		0.5%	N/A	N/A	
CML - Total No. of Loans **		101,000	2.5% ↑	7.7% ↑	There was a sense of the market regaining some equilibrium in the latest set of figures, following the stamp duty driven spike in March, and the subsequent dip in April. For the second month running, first-time buyers borrowed more than home movers, the first time in 20 years that this has been the case. Buy-to-let continues at lower levels as expected, after the change to stamp duty and may take longer to return to normal levels.
CML - Total value of Loans (£m)**		£17,100(m)	1.8% ↑	11.0% ↑	
CML - Buy to Let: Number of Loans **		16,300	2.5% ↑	-8.4% ↓	Brexit, and its likely effect on the market, is a question to which the answer will not immediately be forthcoming. Lenders will continue to be open for business as usual, but lending volumes may be affected by uncertain consumer sentiment.
CML - Buy to Let: Value of Loans (£m)**		£2,500(m)	0.0% →	-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 July, 2016.

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