

## Landlords seize the opportunity as buy-to-let lending and rents increase

### The My Property Consultant Property Index Tracker - 29 September 2016

**The Property market is settling back to a normal routine after the uncertainty surrounding Brexit and the stamp duty changes. Most key market indicators show a return to expected levels apart from lending, which is still reporting a decline for residential mortgages. Buy-to-let lending, however, is back on the increase.**

#### Lending

The BoE Mortgage Approval Rate continues to drop, this time by a further 5.1%, hitting its lowest rate since January 2015. The Council of Mortgage Lenders are also reporting a drop since last month of 7.1% and a decrease of 10.1% on last year. The buy-to-let loans have shown an upturn of 0.5%.

#### Property transactions





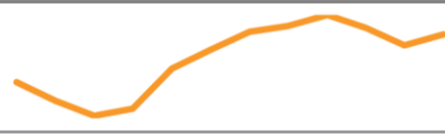









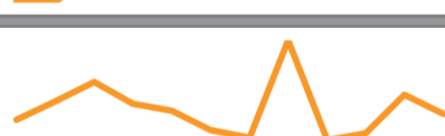

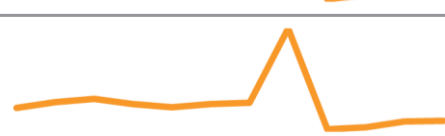
The HMRC Property Transactions Index has increased by 1.9% since last month and by 0.1% from this time last year.

#### House Prices

Nationwide, Halifax and Rightmove all indicate an increase in house prices over the last 12 months (5.6%, 4.5% and 4.0% respectively), and ONS figures also show that prices have increased by 8.3% over 12 months. Overall London house prices have increased at a greater rate than the national average in the same corresponding time.

#### Rents

The Buy-to-Let index has now returned and with a bang to boot, showing the highest figures since records began. London rental prices have started to increase again however it is marginally lower than it was 12 months ago (-0.4%).

Indicator	12 Month Trendline	Current Value	Monthly/Quarterly % Change	Annual % Change	Comments
Nationwide House Price Growth (National)		£206,145	0.2% ↑	5.6% ↑	UK house prices increased by 0.2% in August, resulting in a slight pick up in the annual rate of house price growth to 5.6%, from 5.2% in July, although this remains within the 3-6% range prevailing since early 2015. The pick up in price growth is somewhat at odds with signs that housing market activity has slowed in recent months. The number of mortgages approved for house purchase fell to an eighteen-month low in July. However, the decline in demand appears to have been matched by weakness on the supply side of the market. This helps to explain why the pace of house price growth has remained broadly stable.
Nationwide House Price Growth (National - 3 Month Avg)		£204,238	2.9% ↑	5.1% ↑	
Nationwide House Price Growth (London - 3 Month Avg)		£472,384	3.6% ↑	9.9% ↑	
Halifax House Price Growth (National) *		£213,930	-0.3% ↓	4.5% ↑	House prices declined by 0.3% between July and August. This modest decrease was the smallest of the four monthly falls so far this year.
Rightmove Asking Price Growth (National)		£306,499	0.7% ↑	4.0% ↑	Price of property coming to market rebounds by 0.7% (+£2,277) after falling 2.0% over previous two months whilst the price of property coming to market in London rebounds by 1.9% (+£11,565) this month, recovering some ground after four consecutive monthly falls. Broadly positive picture overall as the market continues to shake off post-Brexit vote uncertainty:
Rightmove Asking Price Growth (G London)		£630,974	1.9% ↑	1.8% ↑	
Your Move Buy to Let index (rents - National)		£846	2.2% ↑	5.4% ↑	Average rent in England and Wales reached an all-time high of £846 in July 2016 with a year-on-year rent increase of 5.4%, reversing recent trend. There is no sign of post-Brexit slowdown in rental market. "For landlords, market sentiment remains positive with the vast majority still looking to add to their portfolio of properties, despite the Brexit vote."
Your Move Buy to Let index (rents - London)		£1,273	1.4% ↑	-0.4% ↓	
ONS House Price Index (Average Price - National)		£216,750	0.4% ↑	8.3% ↑	Average house prices in the UK have increased by 8.3% in the year to July 2016 (down from 9.7% in the year to June 2016), continuing the strong growth seen since the end of 2013.
ONS House Price Index (Average Price - London)		£485,000	1.0% ↑	12.3% ↑	The East of England is the region which showed the highest annual growth, with prices increasing by 13.2% in the year to July 2016.
Bank of England Mortgage Approval Rate *		60,912	-5.1% ↓	-12.4% ↓	This month's figure is the lowest since January of 2015 and below the average of 68,775 reported over the previous six months period.
Bank of England Base Rate		0.25%	0.0% →	-50.0% ↓	The BoE Base Rate, as expected, remains the same at 0.25 % after last month's drop.
RICS Price Expectation Survey		12%	140.0% ↑	N/A	Confidence is starting to recover following the immediate reaction to the EU Referendum, as the UK residential market experiences a slight upturn in August, according to the latest UK Residential Market Survey.
HMRC Property Transactions (Uk Residential)		109,630	1.9% ↑	0.1% ↑	There has been negligible change in the seasonally adjusted estimate of the number of residential property transactions between July 2016 and August 2016.
HMRC Property Transactions (Uk Residential) *		97,660	-0.1% ↓	-6.1% ↓	This month's seasonally adjusted figure is 6.1% lower compared with the same month last year.
CPI - (Consumer Price Index)		100.9	0.3% ↑	0.6% ↑	The Consumer Prices Index (CPI) rose by 0.6% in the year to August 2016, unchanged from July. The rate is still relatively low in the historic context although it is above the rates experienced in 2015 and early 2016. The main upward contributors to change in the rate were rising food prices and air fares, and a smaller fall in the price of motor fuels than a year ago.
Rate of CPI		0.6%	N/A	N/A	
CML - Total No. of Loans **		109,800	-7.1% ↓	-10.1% ↓	Paul Smees, director general of the CML, commented: " These figures cover the first full month of lending following the EU referendum. They show a month-on-month decline in first-time buyer and home mover activity and muted activity on the BTL market. It is hard to determine whether these figures reflect a first uncertain reaction to the referendum vote, or are a sign of a market which was already cooling. It will be quite some time before a full assessment can be made.
CML - Total value of Loans (£m)**		£19,600(m)	-5.3% ↓	-5.8% ↓	Gross buy-to-let lending, while lower than levels we saw last year, saw the highest monthly levels of activity by volume and by value since the stamp duty changes on second properties came in on April 1. Buy-to-let remortgage lending continues to be the driver, making up two-thirds of gross lending.
CML - Buy to Let: Number of Loans **		18,300	0.5% ↑	-26.8% ↓	
CML - Buy to Let: Value of Loans (£m)**		£3,000(m)	3.4% ↑	-21.1% ↓	

\* 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 September, 2016.

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