

Insufficient supply of housing keeps house prices high

The My Property Consultant Property Index Tracker - 27 December 2016

Lending

The BoE Mortgage Approval Rate has increased by 6.4% since last month but is down 3.3% over the last 12 months. The Council of Mortgage Lenders reported a drop in the number of loans since last month of 2.2% and an overall drop of 11.9% since this time last year.

Property transactions





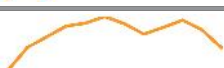
















The HMRC Property Transactions Index has shown an increase of 5.1% over the last month but is down 4.3% from this time last year.

House Prices

Nationwide, Halifax and Rightmove all indicate an increase in house prices over the last 12 months (4.4%, 6.4% and 3.4% respectively), and ONS figures also show that prices have increased by 6.9% over 12 months.

Rents

Rents have fallen by 7.8% nationally over the last month which follows the drop reported in London in last month's report. However, London has already shown signs of recovery following the drop with an upturn of 0.4% this month. Overall both London and England have shown an annual increase in rent of 1.9% and 3.9% respectively.

Indicator	12 Month Trendline	Current Value	Monthly/Quarterly % Change	Annual % Change	Comments
Nationwide House Price Growth (National)		£204,947	-0.5% ↓	4.4% ↑	Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said: "... the annual rate of house price growth slowed slightly to 4.4%, from 4.6% in October, though this is still in line with the growth rates prevailing since early 2015. There are some signs that, despite the uncertain economic outlook, demand conditions have strengthened a little in recent months, reflecting the impact of solid labour market conditions and historically low borrowing costs. The relatively low number of homes on the market and modest rates of housing construction are likely to keep the demand/supply balance fairly tight in the quarters ahead, even if economic conditions weaken, as most forecasters expect.
Nationwide House Price Growth (National - 3 Month Avg)		£206,346	1.0% ↑	5.4% ↑	
Nationwide House Price Growth (London - 3 Month Avg)		£474,736	0.5% ↑	7.1% ↑	
Halifax House Price Growth (National) *		£218,002	0.3% ↑	6.4% ↑	House prices increased by 0.2% between October and November. This was the third successive monthly rise. November's 6.0% annual rate is the highest since August 2016 (6.9%).
Rightmove Asking Price Growth (National)		£299,159	-2.1% ↓	3.4% ↑	Price of property coming to market falls by 2.1% (-£6,511), exactly in line with seasonal average of last six years. However, London's price weakness continues with a 4.3% drop since last month (-£27,678). This is the largest for this time of year for six years. There are signs of pick-up in activity however, with sales agreed compared to a year ago only 7.2% down in November compared to 17.6% in October.
Rightmove Asking Price Growth (G London)		£616,160	-4.3% ↓	-0.1% ↓	
Your Move Buy to Let index (rents - National)		£830	-7.8% ↓	3.9% ↑	Adrian Gill, Director of lettings agents Your Move comments: "The rental market is still holding strong, despite ongoing pressures elsewhere in the British economy. Landlords are continuing to see strong yield levels and rents are increasing, even if growth is slower than it was previously."
Your Move Buy to Let index (rents - London)		£1,295	0.4% ↑	1.9% ↑	"There is now a great deal of stability in the rental market and this means there is a solid platform for growth in future months."
ONS House Price Index (Average Price - National)		£216,674	0.1% ↑	6.9% ↑	The average UK house price was £217,000 in October 2016. This is £14,000 higher than in October 2015 and relatively unchanged from last month. Average house prices in the UK have increased by 6.9% in the year to October 2016 (down from 7.0% in the year to September 2016), continuing the strong growth seen since the end of 2013.
ONS House Price Index (Average Price - London)		£474,000	-1.3% ↓	7.7% ↑	
Bank of England Mortgage Approval Rate *		67,518	6.2% ↑	-3.3% ↓	The number of loan approvals for house purchase increased to 67,518 in October 2016 from an upwardly revised 63,590 in September and better than market expectations of 65,000.
Bank of England Base Rate		0.25%	0.0% →	-50.0% ↓	The Base rate set by the Monetary Policy Committee at the Bank of England stays at 0.25% since the rate change back in July.
RICS Price Expectation Survey		30%	30.4% ↑	N/A	The November RICS Survey shows a small increase in new buyer enquiries for the third consecutive month, with near term expectations pointing to a continued, albeit relatively modest, rise in activity over the
HMRC Property Transactions (Uk Residential)		104,670	5.1% ↑	-4.3% ↓	This month saw an increase of 5.1% in property transactions but a year on year drop of 4.3%. The seasonally adjusted estimate - which is a smoothed average adjustment of the number of residential property transactions - increased by 0.8% between October 2016 and November 2016. This month's seasonally adjusted figure is 7.3% lower compared with the same month last year.
HMRC Property Transactions (Uk Residential) *		97,600	0.8% ↑	-7.3% ↓	
CPI - (Consumer Price Index)		101.4	0.2% ↑	1.2% ↑	The Consumer Prices Index (CPI) rose by 1.2% in the year to November 2016, compared with a 0.9% rise in the year to October. The rate in November was the highest since October 2014, when it was 1.3%.
Rate of CPI		1.2%	N/A	N/A	CPIH (not a National Statistic) rose by 1.4% in the year to November 2016, up from 1.2% in October.
CML - Total No. of Loans **		109,000	-2.2% ↓	-11.9% ↓	Paul Smee, director general of the CML, commented: "Buy-to-let house purchase lending remains weak following the change to stamp duty on second properties in April. With lenders now tightening affordability criteria ahead of the Prudential Regulation Authority's stress tests and the forthcoming tax relief changes next year, these lower volumes are likely to be the 'new normal'. Home-owner and buy-to-let remortgage lending, however, has recovered and is running at its strongest levels since 2009. This appears to be linked to borrowers taking advantage of the re-pricing of mortgages following the base rate cut. Gross buy-to-let lending increased in October compared to September but lending remained down on 2015 levels due to the changes to stamp duty on second properties introduced in April. Nearly two thirds of buy-to-let loans were remortgages rather than house purchase."
CML - Total value of Loans (£m)**		£21,300(m)	2.9% ↑	0.0% →	
CML - Buy to Let: Number of Loans **		16,500	-2.4% ↓	-32.7% ↓	
CML - Buy to Let: Value of Loans (£m)**		£2,900(m)	3.6% ↑	-23.7% ↓	

* 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: 28 December, 2016.

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