

Housing crisis leads to long term house price growth

The My Property Consultant Property Index Tracker - 27 February 2017

House Prices

Nationwide, Halifax and Rightmove all indicate an increase in house prices over the last 12 months (4.3%, 3.7% and 2.3% respectively), and ONS figures also show that prices have increased by 7.1% over 12 months.

Property transactions






















The HMRC Property Transactions Index has shown a decrease of 26% over the last month and is down 2% from this time last year. The large monthly decrease however is primarily attributed to the Christmas lull. The seasonally adjusted figure - which removes seasonal components - shows a monthly increase of 4.9%.

Lending

The BoE Mortgage Approval Rate has increased by 0.6% since last month but is down 3.3% over the last 12 months. The Council of Mortgage Lenders reported a decrease in the number of loans since last month of 4.4% and an overall drop of 3.3% since this time last year.

Rents

The Your Move Buy to Let index has shown a marginal drop over the last month, however the general annual trend shows an increase of 1% and 3.6%, with London outperforming the national average.

Indicator	12 Month Trendline	Current Value	Monthly/ Quarterly % Change	Annual % Change	Comments
Nationwide House Price Growth (National)		£205,240	-0.3% ↓	4.3% ↑	The annual rate of house price growth remained broadly stable at the start of 2017 at 4.3%, only modestly below the growth rate in December of 4.5%. Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said: "The outlook for the housing market remains clouded, reflecting the uncertainty surrounding economic prospects more broadly. On the one hand, there are grounds for optimism. The economy has remained far stronger than expected in the wake of the Brexit vote. Recent data indicates that the economy didn't slow in the second half of 2016 we continue to believe that a small rise in house prices of around 2% is more likely than a decline over the course of 2017, since low borrowing costs and the dearth of homes on the market will continue to support prices."
Nationwide House Price Growth (National - 3 Month Avg)		£205,937	-0.2% ↓	4.5% ↑	
Nationwide House Price Growth (London - 3 Month Avg)		£473,073	-0.4% ↓	3.7% ↑	
Halifax House Price Growth (National) *		£220,260	-1.0% ↓	3.7% ↑	House prices fell by 0.9% between December and January. This was the first monthly fall since August 2016 (-0.3%) and came after four successive monthly increases.
Rightmove Asking Price Growth (National)		£306,231	2.0% ↑	2.3% ↑	Annual rate of increase lowest since April 2013 at +2.3%, though overall demand remains strong. The price of property coming to market is up 2.0% (+£5,986) this month, the smallest price rise at this time of year since February 2009. Price of London property coming to market jumps 2.6% (+£16,163) this month as seasonal pick-up continues.
Rightmove Asking Price Growth (G London)		£641,116	2.6% ↑	-0.4% ↓	Inner London (+5.2%) out-performs Outer London (-0.1%) as the owners of more expensive properties skew the average rise.
Your Move Buy to Let index (rents - National)		£798	-1.6% ↓	1.0% ↑	Your Move reports a slight drop in rent over the last month however it sees a continual annual increase, with London outperforming the rest of the UK. Valerie Bannister, Lettings Director, Your Move, comments: "The start of a new year brought renewed confidence for the rental market in England and Wales. Rents in nearly every region surveyed have increased compared to the same point last year. Yields continue to be squeezed in most areas of England and Wales, with all regions recording lower returns than at the same point a year ago."
Your Move Buy to Let index (rents - London)		£1,286	-0.4% ↓	3.6% ↑	
ONS House Price Index (Average Price - National)		£219,544	1.4% ↑	7.1% ↑	Average house prices in the UK have increased by 7.1% in the year to December 2016 (up from 6.1% in the year to November 2016), continuing the strong growth seen since the end of 2013. The average UK house price was £220,000 in December 2016, this is £15,000 higher than in December 2015 and £3,000 higher than last month.
ONS House Price Index (Average Price - London)		£484,000	1.9% ↑	7.6% ↑	On a regional basis, London continues to be the region with the highest average house price at £484,000. This is £34,000 higher than in December 2015 and £9,000 higher than last month.
Bank of England Mortgage Approval Rate *		67,898	0.6% ↑	-3.3% ↓	The number of loan approvals for house purchase in the United Kingdom increased to 67,898, below expectations of 69,000. However, it is the highest value since March of 2016 and above the average of the previous six months of 64,327.
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 2016.
RICS Price Expectation Survey		25%	4.2% ↑	N/A	Sales market still lacking momentum yet prices and rents continue to rise with shortage of stock a key factor. New buyer enquiries were more or less unchanged during January, with a net balance of only 5% of surveyors reporting an increase in demand.
HMRC Property Transactions (Uk Residential)		82,360	-26.0% ↓	-2.0% ↓	The number of property transactions recorded was substantially reduced as is customary for this time of year, but is also 2% lower than the transactions carried out this time last year. The seasonally adjusted estimate of the number however, which removes seasonal trends, increased by 4.9% between December 2016 and January 2017. This month's seasonally adjusted figure is 0.3% higher compared with the same month last year.
HMRC Property Transactions (Uk Residential) *		104,820	4.9% ↑	0.3% ↑	
CPI - (Consumer Price Index)		101.4	-0.5% ↓	1.9% ↑	The Consumer Prices Index (CPI) rose by 1.8% in the year to January 2017, compared with a 1.6% rise in the year to December 2016. The rate in January 2017 was the highest since June 2014. The main contributors to the increase in the rate were rising prices for motor fuels and to a lesser extent food prices, which were unchanged between December 2016 and January 2017, having fallen a year ago. CPIH (not a National Statistic) rose by 2.0% in the year to January 2017, compared with a 1.7% rise in the year to December 2016.
Rate of CPI		1.8%	N/A	N/A	
CML - Total No. of Loans **		107,500	-4.4% ↓	-3.3% ↓	Paul Smeed, director general of the CML, commented: 2016 could have been a potentially destabilising year of regulatory and political change, but the mortgage market has been resilient and adaptable. Home-owner house purchase lending increased, though the buy-to-let sector's positive lending performance has been driven primarily by remortgaging. We do not expect the market volumes to show a year-on-year increase in 2017, instead it will remain similar to that achieved in 2016.
CML - Total value of Loans (£m)**		£20,300(m)	-14.7% ↓	8.0% ↑	
CML - Buy to Let: Number of Loans **		16,200	-3.6% ↓	-27.0% ↓	Gross buy-to-let lending decreased in December from November. However, of the three quarters after the stamp duty changes in April, gross quarterly lending was its highest by volume and by value in the final quarter of 2016. Nearly two thirds of buy-to-let loans were remortgages rather than house purchase.
CML - Buy to Let: Value of Loans (£m)**		£2,700(m)	-12.9% ↓	-18.2% ↓	

* 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 February, 2017.

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