

Buying opportunities rise as house price growth and lending slows

The My Property Consultant Property Index Tracker - 28 April 2017

House Prices

With the exception of inner London, house prices appear to be holding firm, although growth continues to slow. Nationwide, Halifax and Rightmove all indicate an annual increase of 2.6%, 2.7% and 2.2% respectively. ONS figures show that prices have increased by 5.8% over the same period.

Rents

Your Move failed to update their Buy to Let data as of the 28th of April. The metrics will be updated accordingly in next month's report.

Lending

The BoE Mortgage Approval Rate has decreased by 1.2% since last month and is down 5.6% over the last 12 months. The Council of Mortgage Lenders have reported a decrease in the number of loans since last month of 7.4% and an overall drop of 6.1% since this time last year.

Property transactions

The HMRC Property Transactions Index has reported an increase of 0.5% in transactions over the last month but this is down 40.9% from this time last year due to the rush to beat the tax changes that occurred last March.

Indicator	12 Month Trendline	Current Value	Monthly/Quarterly % Change	Annual % Change	Comments
Nationwide House Price Growth (National)		£207,699	0.2% ↑	2.6% ↑	Average house prices in England increased by 0.4% in the first quarter of 2017 and were up 4.1% over the last 12 months. London continues to outperform, the national average reporting a 1.2% increase in the same period and a 5% increase over the last 12 months. Over the last month, the national average rate has slowed down to 0.2% and 2.6% (annual rate). "It is too early to conclude whether the slowdown in house price growth is merely a blip, a reflection of the impact of the squeeze on household budgets, or is due to mounting affordability pressures in key areas of the country...Nevertheless, in our view, household spending is likely to slow in the quarters ahead...we continue to believe that a small increase in house prices of around 2% is likely over the course of 2017 as a whole."
Nationwide House Price Growth (National - 3 Month Avg)		£206,665	0.4% ↑	4.1% ↑	
Nationwide House Price Growth (London - 3 Month Avg)		£478,782	1.2% ↑	5.0% ↑	
Halifax House Price Growth (National) *		£219,755	-0.1% ↓	2.7% ↑	With a reported 0.1% drop over the last month (-£194) house prices were relatively unchanged between February and March for the second consecutive month. The annual rate of growth however at 2.7% is 2.3% lower than last month's annual rate.
Rightmove Asking Price Growth (National)		£313,655	1.1% ↑	2.2% ↑	The price of property coming to market in London is now an average of 1.5% (-£9,423) cheaper than a year ago, a rate of fall not seen since May 2009. It should be noted that the annual fall is driven by Inner London, down 4.2% (-£35,504), while Outer London is up 1.7% (+£9,017).
Rightmove Asking Price Growth (G London)		£636,777	-2.0% ↓	-1.5% ↓	Nationally, the price of property is up 1.1% (+£3,547) this month, although slightly lower than the average increase of 1.6% at this time of year. Overall the annual pace of increase continues to slow, now at 2.2%, the lowest for four years.
Your Move Buy to Let index (rents - National)		£798	0.0% →	0.9% ↑	Your Move, as of the 28th of April, have not released figures for March. The data shown is still last month's figures.
Your Move Buy to Let index (rents - London)		£1,280	-0.5% ↓	3.5% ↑	
ONS House Price Index (Average Price - National)		£217,502	0.6% ↑	5.8% ↑	Average house prices in the UK have increased by 5.8% in the year to February 2017 (up from 5.3% in the year to January 2017). However, this still remains below the average annual house price growth seen in 2016 of 7.3%. This is approx. £12,000 higher than in February 2016 and £2,000 higher than last month.
ONS House Price Index (Average Price - London)		£475,000	-0.8% ↓	3.7% ↑	London prices have shown a drop over the last month of 0.8% and an overall drop in annual rates (down from 7.4% in the year to January 2017) as the fall in the prime markets (Inner London) continues to impact the Greater London average.
Bank of England Mortgage Approval Rate *		68,315	-1.2% ↓	-5.6% ↓	The number of loan approvals for house purchase decreased by 1.2% from a downwardly revised 69,114 in January and below market expectations of 69,900. Yet, it was still higher than the previous six-month average of 66,089.
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		22%	-8.3% ↓	N/A	"The latest results for our survey show little change in the underlying picture surrounding both sales and markets. High-end sale properties in central London remain under pressure, while the wider residential market continues to be underpinned by a lack of stock." Simon Rubinson - RICS Chief Economist
HMRC Property Transactions (Uk Residential)		102,740	20.9% ↑	-40.0% ↓	The number of non-adjusted residential transactions was about 20.9% higher compared with February 2017. However, the seasonally adjusted increased only by 0.5% between February 2017 and March 2017. This month's seasonally adjusted figure is 40.9% lower compared with the same month last year. However, this large year-on-year drop is due to the unusually high transaction count in March 2016 prior to the tax changes last April. No direct comparison should be made between March 2016 and March 2017 due to the unusually large peak in March 2016.
HMRC Property Transactions (Uk Residential) *		102,810	0.5% ↑	-40.9% ↓	
CPI - (Consumer Price Index)		102.5	0.4% ↑	2.3% ↑	The Consumer Prices Index 12-month inflation rate was 2.3% in March 2017, relatively unchanged from February. The rate has been steadily increasing following a period of relatively low inflation in 2015. Rising prices for food, alcohol and tobacco, clothing and footwear, miscellaneous goods and services were the main upward contributors to change in the rate.
Rate of CPI		2.3%	N/A	N/A	The Consumer Prices Index (CPIH) 12-month rate was also 2.3% in March 2017.
CML - Total No. of Loans **		93,700	-7.4% ↓	-6.1% ↓	Paul Smee, director general of the CML, commented: "Seasonal factors traditionally keep the market quieter in winter months, but 2017 began relatively strong on the house purchase side. Borrowers took out more loans to purchase a home in the first two months of 2017 than any year since 2007. This is down to strong first-time buyer activity which has consistently matched home mover borrowing over the past six months, a trend not seen in the UK for 20 years. House purchase activity on the buy-to-let lending side remains weak. This trend is expected to continue because of the tax changes from April and because lenders are tightening affordability criteria in response to PRA-mandated stress tests."
CML - Total value of Loans (£m)**		£20,000(m)	-12.3% ↓	16.3% ↑	
CML - Buy to Let: Number of Loans **		14,100	-8.4% ↓	-39.7% ↓	The data herein highlights the rush to purchase property last year prior to the tax changes. The Buy-to-let market value peaked considerably this time last year and the annual changes reflect that.
CML - Buy to Let: Value of Loans (£m)**		£2,700(m)	-10.0% ↓	-27.0% ↓	

* 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 April, 2017.

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