

Property market springs to life after election certainty

The My Property Consultant Property Index Tracker - February 2020

House Prices

Nationwide, Halifax and Rightmove have all reported gains in house price growth over the last 12 months (1.4%, 2.1% & 0.9% respectively), in line with the general trend over the last year, but showing signs of a recovery. The ONS are reporting an increase of 0.7% in the average UK house price.

Rents

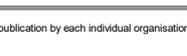
The HomeLet Buy-to-Let Rental Index reports a drop of 0.6% in the national average over the last month however this figure is 3.2% higher than last year. London's figures are somewhat similar with a 3.2% increase reported over the last year.

Lending

The BoE Mortgage Approval Rate has increased by 0.5% this month and is up 1.4% overall compared to this time last year. 'UK Finance' are reporting an increase of 12.6% in the number of loans reported for this month but, overall, this amount is 7.9% lower than the same time last year.

Property transactions

After taking into account seasonal fluctuations the HMRC have reported an annual increase in transactions of 1.9% compared to this time last year. Without applying seasonal decomposition, this figure is 0.2% lower than last year.

Indicator	12 Month Trendline	Current Value	Monthly/Quarterly % Change	Annual % Change	Comments
Nationwide House Price Growth (National)		£215,282	-0.2% ↓	1.4% ↑	Commenting on the figures, Robert Gardner, Nationwide's Chief Economist, said: "Annual UK house price growth edged up as 2019 drew to a close, with prices 1.4% higher than December 2018, the first time it has been above 1% for 12 months. The underlying pace of housing market activity remained broadly stable, with the number of mortgages approved continuing within the fairly narrow range prevailing over the past two years. Looking ahead, economic developments will remain the key driver of housing market trends and house prices. Much will continue to depend on how quickly uncertainty about the UK's future trading relationships lifts as well as the outlook for global growth. Overall, we expect the economy to continue to expand at a modest pace in 2020, with house prices remaining broadly flat over the next twelve months.
Nationwide House Price Growth (National - 3 Month Avg)		£215,925	-0.4% ↓	0.8% ↑	
Nationwide House Price Growth (London - 3 Month Avg)		£458,363	-0.5% ↓	-1.8% ↓	
Halifax House Price Growth (National) *		£234,625	1.0% ↑	2.1% ↑	Russell Galley, Managing Director, Halifax, said: "Average house prices rebounded, with annual growth of 2.1% being driven by the biggest monthly rise since February, following two months of modest falls. "Prices are now up by £3,904 since the start of the [last] year. Over the medium term we expect the emerging trend of modest gains to continue into next year.
Rightmove Asking Price Growth (National)		£300,125	-0.9% ↓	0.9% ↑	Rightmove predicts a 2% rise in price of property coming to market in 2020 as majority government gives home-movers a window of certainty for an active spring moving season. The demand for property remains resilient as we move into 2020, though lack of supply is a concern. The monthly decrease (-0.9%) is the smallest at this time of year since December 2006, showing that sellers and their agents think that demand is strong. The London market appears to have bottomed out in the second half of the year, and Rightmove now forecasts the price of property coming to market in Greater London will see an annual rise in 2020 for the first time since 2016, albeit only a modest 1%. The 2019 annual rate finishes up with a 0.5% fall, the second best figure in the last 15 months, indicating year-on-year price recovery momentum in spite of usual monthly volatility.
Rightmove Asking Price Growth (G London)		£600,145	-1.5% ↓	-0.5% ↓	
Homelet Buy to Let index (rents - National)		£947	-0.6% ↓	3.2% ↑	Average rents across the UK rose by 3.2% in November 2019 and by the same amount in Greater London. When London is excluded however, the average UK rental value was £784 in November 2019, this is up 3.2% on last year. Rents rose from last year in all 12 of the regions covered in the research. The average rental values in London were 74% higher than the UK average, with London excluded from the UK average they were actually 110.2% higher than the rest of the UK.
Homelet Buy to Let index (rents - London)		£1,648	-1.0% ↓	3.2% ↑	
ONS House Price Index (Average Price - National)		£232,944	-0.7% ↓	0.7% ↑	UK average house prices increased by 0.7% over the year to October 2019 to £233,000; this is £2,000 higher than in October 2018. This is the lowest growth since September 2012 and is 0.6 percentage points lower than the same period a year ago. On a seasonally adjusted basis, the average house prices in the UK fell by 0.4%.
ONS House Price Index (Average Price - London)		£472,232	-1.7% ↓	-1.6% ↓	The annual increase in England was driven by Yorkshire and The Humber (3.2%) whilst the lowest annual growth rate was in London (-1.6%), followed by the North East (-1.1%).
Bank of England Mortgage Approval Rate *		64,994	0.5% ↑	1.4% ↑	The number of mortgages approved for house purchase in the United Kingdom increased to 64,994 in November 2019 from an upwardly revised 64,662 in the previous month and slightly above market expectations of 64,450
Bank of England Base Rate		0.75%	0.0% →	0.0% →	Following the interest rate hike of 0.25% on the 2nd August 2018, the interest rate remains at 0.75%.
RICS Price Expectation Survey		-12%	-7% ↓	N/A	The RICS Survey continued to show a cautious approach from buyers and sellers with anecdotal commentary citing the General Election and Brexit as stifling activity, however change is expected, post the election result, with sales expectations over the next three months looking more positive.
HMRC Property Transactions (Uk Residential)		115,590	8.7% ↑	-0.2% ↓	The provisional seasonally adjusted estimate of UK property transactions for November 2019 was 102,050 residential and 10,270 non-residential transactions which is 1.9% higher than November 2018, and 3.2% higher than the previous month.
HMRC Property Transactions (Uk Residential) *		102,050	3.2% ↑	1.9% ↑	Year-on-year, the non-seasonally adjusted estimate of UK residential transactions is approximately 0.2% lower than November 2018.
CPI - (Consumer Price Index)		108.5	0.2% ↑	1.4% ↑	The Consumer Prices Index (CPI) 12-month rate was 1.5%, unchanged from the previous month. The largest contribution to the 12-month inflation rate came from water, electricity, gas and other fuels (+0.36 percentage points), whilst the largest downward contributions from accommodation services and tobacco.
Rate of CPI (12 Month Rate)		1.5%	N/A	N/A	The Consumer Prices Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was also 1.5%, and also unchanged from the previous month.
UKF - Total No. of Loans **		127,710	12.6% ↑	-7.9% ↓	The total number of loans as reported by UK Finance for the latest Mortgage trends report was 127,710. This was up 12.6% on the number of transactions last month but down by 7.9% from the same time last year. Of these:
UKF - Total value of Loans (€m)**		£24,000 (m)	12.1% ↑	-5.5% ↓	• 32,260 were new first-time buyer mortgage (2.8% more than in the same month in 2018). • 33,370 were homemover mortgages (4.2% per cent more year-on-year), as well as 39,280 remortgages.
UKF - Buy to Let: Number of Loans **		22,800	23.9% ↑	4.1% ↑	• 6,600 were new buy-to-let home purchase mortgages (1.5 per cent less than in the same month a year earlier). • and finally there were 16,200 remortgages in the buy-to-let sector (2.4 per cent fewer than the same month last year).
UKF - Buy to Let: Value of Loans (€m)**		£3,700 (m)	23.3% ↑	12.1% ↑	

* Data is Seasonally Adjusted (SA).

Data is subject to adjustments post publication by each individual organisation, past figures are therefore subject to revision and change.

Data illustrated is a snapshot of the latest official data as of: 01 February, 2020.

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