



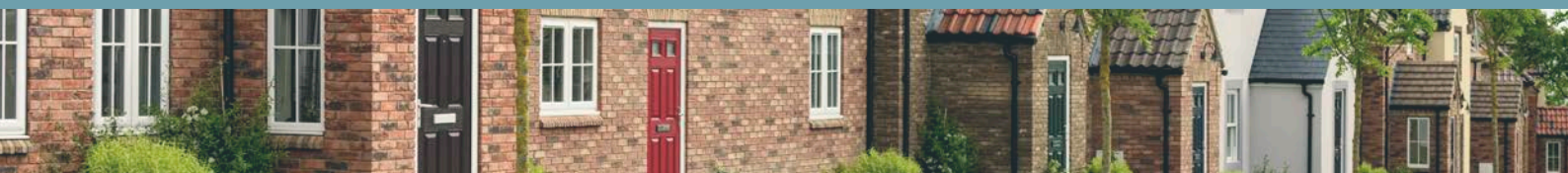
BPI House
Bourne End Business Park
Cores End Road
Bourne End
Bucks
SL8 5AS

T 01494 442700
T 01628 566234
E info@bpinvestment.com
www.bpinvestment.com

Registered in England at the above address, no: 3852280
Business & Personal Investment Ltd is authorised and
regulated by the Financial Conduct Authority.

RESIDENTIAL PROPERTY REVIEW

DECEMBER 2016



Our monthly property market review is intended to provide background to recent developments in property markets as well as to give an indication of how some key issues could impact in the future.

Retired property owners £26,000 better off

People aged over 65, who have paid off their mortgage, are on average £26,000 tax-free better off this year, as a result of their property investment.

This group of mainly 'baby-boomers' have seen their total property wealth reach a new high of over £1 trillion (as calculated in the last three months). They have each seen an increase of £2,300 a month since the turn of the year. This represents an increase of £114 billion since January 2016. The only relative losers, according to Key's Pensioner Property Index, were the Scottish over 65s, who managed to see falls in their property values over the last three months. At the other end of the scale, Londoners saw a gain of £15,445 each, whilst those resident in South West saw a gain of £6,275.

Financial watchdog may come to the rescue of borrowers

The Financial Conduct Authority (FCA) has announced that, as part of a wider market study into competition in the mortgage market, it intends to investigate whether the tough new rules introduced by the Government in 2014, following the Mortgage Market Review (MMR) have been unsuccessful.

The MMR rules obliged mortgage lenders to obtain written evidence of a borrower's income, together with details of their monthly financial obligations, thereby ensuring that no one was offered a mortgage that they could not ultimately afford.

The FCA now believes that the rules are making it harder and more expensive for those borrowers to get the mortgage

they require, prompting the belief that the measure may have backfired and is locking potential new home owners out of the mortgage market.

UK has the highest property taxes of developed world

According to the internationally recognised Organisation for Economic Co-operation and Development (OECD), the UK has the highest property taxes amongst the organisations 35 member states.

Its latest analysis shows that property taxes here account for 12.7% of the country's tax burden. This represents an increase of 0.3 percentage points compared with the previous year and more than 1% higher than that seen in 2011.

By comparison, property taxes in the UK are more than double the OECD members' average of 5.6% of the tax burden.

The UK is also bucking the global trend, as since 1965 the international average has fallen from about 8% whilst here it has increased significantly. Property taxes are equivalent to 13% of UK GDP, compared with 3.9% of GDP in France and 2.8% in the US.

According to the internationally recognised Organisation for Economic Co-operation and Development (OECD), the UK has the highest property taxes amongst the organisations 35 member states.

HOUSE PRICES HEADLINE STATISTICS

HOUSE PRICE INDEX (OCT 2016)*	113.6*
AVERAGE HOUSE PRICE	£216,674
MONTHLY CHANGE	0.1%
ANNUAL CHANGE	6.9%

*(Jan 2015 = 100)

- Average house price stands at **£216,674**
- Annual house price rise **6.9%**
- Average London property price now **£474,475**, down 1.2% on the month

Source: The Land Registry / Release date: 13/12/2016
Next data release: 17/01/2017

HOUSE PRICES PRICE CHANGE BY REGION

REGION	MONTHLY CHANGE (%)	ANNUAL CHANGE (%)	AVERAGE PRICE (£)
ENGLAND	-0.1	7.4	£232,655
NORTHERN IRELAND (QUARTER 3 - 2016)	0.8	5.4	£124,093
SCOTLAND	0.8	4.0	£143,131
WALES	1.0	4.4	£147,065
EAST MIDLANDS	1.0	7.5	£176,084
EAST OF ENGLAND	1.3	12.3	£279,148
LONDON	-1.2	7.7	£474,475
NORTH EAST	-1.3	2.7	£124,749
NORTH WEST	-1.2	4.6	£148,586
SOUTH EAST	0.5	9.1	£312,509
SOUTH WEST	0.2	7.2	£240,322
WEST MIDLANDS REGION	-0.7	6.2	£177,937
YORKSHIRE AND THE HUMBER	-0.2	4.2	£150,401

UK UNEMPLOYMENT FIGURES

- There were **31.76** million people in work
- Unemployment falls by **103,000** people compared with one year previously
- There are **8.91** million people who are economically inactive

Jobless total

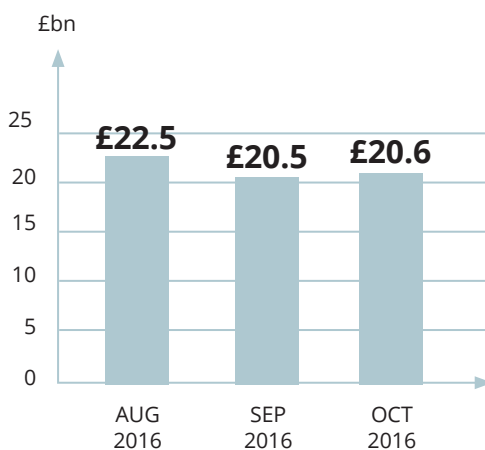
1.62m

Unemployment rate

4.8%

Source: Office for National Statistics
Release Date: 14/12/2016

MORTGAGE ACTIVITY



- Home-owner and buy-to-let remortgage lending running at strongest level since 2009
- Change in stamp duty on second properties weakens buy-to-let house purchase lending
- First-time buyers borrowed £4.5bn, down 8% on September and 2% on October last year

Source: Council of Mortgage Lenders
Release date: 14/12/2016

It is important to take professional advice before making any decision relating to your personal finances. Information within this document is based on our current understanding and can be subject to change without notice and the accuracy and completeness of the information cannot be guaranteed. It does not provide individual tailored investment advice and is for guidance only. Some rules may vary in different parts of the UK. We cannot assume legal liability for any errors or omissions it might contain. Levels and bases of, and reliefs from, taxation are those currently applying or proposed and are subject to change; their value depends on the individual circumstances of the investor. No part of this document may be reproduced in any manner without prior permission.