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RESIDENTIAL PROPERTY REVIEW

SEPTEMBER 2017



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.

London property loses its leading price growth rate

The latest data released by The Land Registry, showed that contrary to historical precedent, London residential property over the past few months registered one of the slowest price growth rates in the country at 2.8% in the year to July 2017. This represents the eighth consecutive month that London property price growth has been below the national average.

They go on to report that, according to the Bank of England Agents' summary of business conditions for August 2017, the residential property market remains muted. However, the new homes market, aided by the Government's 'Help to Buy' programme, has strengthened.

Scotland residential sees strongest market since 2008

Although property taxation rates have been increased in the region, Scottish residential property is enjoying its strongest market conditions for over ten years.

Savills' latest Spotlight on Scottish Residential Property summarises that should the devolved Scottish parliament reconsider Land and Buildings Transaction Tax (LBTT) rates, there is no reason not to see Scottish property prices rivalling the performance of other markets south of the border and across other regions of the United Kingdom.

Although the lack of supply, particularly in prime areas such as Edinburgh, as a result of the LBTT levy, has frustrated the market somewhat, other areas, such as Greater Glasgow, have enjoyed a buoyant market. Regional locations are increasing in popularity, with a greater number of buyers coming from

outside Scotland, looking for properties in established towns, with access to the major cities.

July sees an increase in remortgaging across the UK

UK Finance data, the former Council of Mortgage Lenders (CML), report that first-time buyers in the UK borrowed £5bn in July 2017. Although this figure is 15% below the previous month, it represents a 14% increase on June 2016.

Importantly though, remortgaging by current home owners, totalled £6.7bn in July. This figure represents an increase of 12% on the same month last year. In numerical terms 36,800 people remortgaged in July, an impressive increase of 7% on the previous month.

The Head of Mortgages Policy at UK Finance, June Deasy, commented on these findings: "Remortgaging strengthened in July and reached its highest level since January, with customers attracted by borrowing rates that are at or close to their historic low point. The increase in activity in July means that, over the last year, the number of people remortgaging has been at its highest since 2009. Lending for house purchase was lower in July than in the preceding month, and we expect the market to continue to soften a little in the coming months."

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HOUSE PRICES HEADLINE STATISTICS

HOUSE PRICE INDEX (JULY 2017)*	118.6*
AVERAGE HOUSE PRICE	£226,185
MONTHLY CHANGE	1.1%
ANNUAL CHANGE	5.1%

*(Jan 2015 = 100)

- UK house prices grew by **5.1%** in the year to July 2017
- The highest annual growth was in the East Midlands (**7.5%**)
- The slowest annual growth was in London (**2.8%**) in the 12 months to July 2017

Source: The Land Registry / Release date: 12/09/2017
Next data release: 17/10/2017

HOUSE PRICES PRICE CHANGE BY REGION

REGION	MONTHLY CHANGE (%)	ANNUAL CHANGE (%)	AVERAGE PRICE (£)
ENGLAND	1.0	5.4	£243,220
NORTHERN IRELAND (QUARTER 2 - 2017)	3.1	4.4	£128,650
SCOTLAND	2.8	4.8	£149,185
WALES	-0.3	3.1	£150,846
EAST MIDLANDS	1.1	7.5	£184,676
EAST OF ENGLAND	0.8	7.1	£289,948
LONDON	0.3	2.8	£488,729
NORTH EAST	3.3	4.1	£132,999
NORTH WEST	1.4	4.7	£157,427
SOUTH EAST	-0.4	3.8	£320,905
SOUTH WEST	1.6	7.0	£252,213
WEST MIDLANDS REGION	1.8	6.9	£189,077
YORKSHIRE AND THE HUMBER	1.1	4.5	£158,220

UK UNEMPLOYMENT FIGURES

- (those without a job who have been actively seeking work in the past 4 weeks and are available to start work in the next 2 weeks. It also includes those who are out of work but have found a job and are waiting to start it in the next 2 weeks) was **4.3%**, down from **4.9%** a year earlier

Jobless total

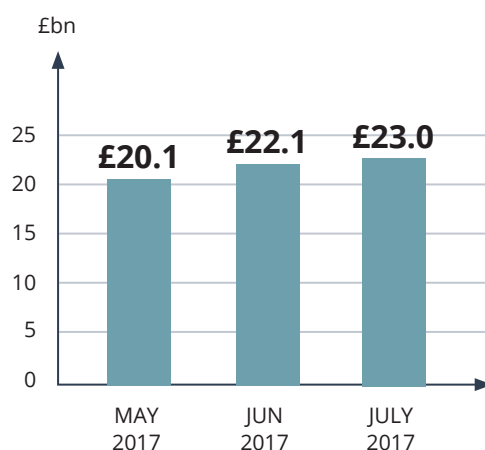
1.46m

Unemployment rate

4.3%

Source: Office for National Statistics
Release Date: 13/09/2017

MORTGAGE ACTIVITY



- Gross mortgage lending for July is estimated at £23.0 billion
- Accounting for seasonal factors, this figure is above the average lending figures seen over the past year

Source: UK Finance (formerly Council of Mortgage Lenders)
Release date: 24/08/2017

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