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PROPERTY MARKET REVIEW

JANUARY 2018



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.

Commercial property sales forecast to exceed £50bn in 2018

Research conducted by Colliers International, has projected commercial property sales in the UK to exceed £50bn this year and challenge last year's total of £55bn. Whilst the industrial sector will follow its recent upward path, so too will retailers seeking warehouse space for their burgeoning online sales. The rapid expansion in London of We Work, the office space outsourcer, is projected to result in an additional 3.5 million square feet of space.

The Head of UK Research at Colliers International, Mark Charlton, was quoted as saying: *"Property performance is likely to moderate in 2018 as pricing remains pressured and rental growth modest, but on the up-side, the market will become less volatile, offering attractive, stable returns for investors."*

Will 2017's active retail sector be repeated in 2018?

Last year was a good one for the retail sector of the UK commercial property market, with multiple developments emerging, including Rushden Lakes in Northamptonshire and Westgate Oxford.

Many developments have taken their opportunities from the planned route of the new 'Elizabeth Line', created by the massive infrastructure project of Crossrail in the capital.

Coal Drops Yard, which is anticipated to launch in the Autumn of 2018, will see the King's Cross shopping development adding approximately 100,000 sq. ft. of retail, leisure and event space to the £1bn plus project. Several top brands have

already signed up for space, including the luxury shoe and footwear maker 'Cheaney', together with the ethical bag brand 'Lost property of London', as well as 'Cubitts' a locally based eyewear outlet.

Business rates concessions for Scottish listed properties

The review group headed by former Royal Bank of Scotland Chair, Ken Barclay, and appointed by the devolved Scottish Government in 2016, has finally made recommendations to: *"... encourage bringing empty property back into economic use."*

Responding to this, the devolved Scottish Government has said that it will go ahead with plans that will restrict business rates relief on these properties to be limited to a maximum of two years. In addition, for any listed buildings that have been left vacant for five years, it will not apply increased rates that normally would have been applicable to vacant buildings. They went on to add that: *"We will enable discretion for local authorities in the application of this measure, so that local circumstances can be accounted for."*

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HOUSE PRICES HEADLINE STATISTICS

HOUSE PRICE INDEX (NOV 2017)*	118.6*
AVERAGE HOUSE PRICE	£226,071
MONTHLY CHANGE	0.1%
ANNUAL CHANGE	5.1%

*(Jan 2015 = 100)

- An annual price increase of **5.1%**, which takes the average property value in the UK to **£226,071**
- The North East saw the largest monthly fall in value of **1%**
- The West Midland Region saw the largest annual gain in value (**7.2%**) to Nov 2017

Source: The Land Registry / Release date: 16/01/2017
Next data release: 16/02/2018

HOUSE PRICES PRICE CHANGE BY REGION

REGION	MONTHLY CHANGE (%)	ANNUAL CHANGE (%)	AVERAGE PRICE (£)
ENGLAND	0.1	5.3	£243,339
NORTHERN IRELAND (QUARTER 3 - 2017)	3.0	6.0	£132,169
SCOTLAND	1.1	3.6	£145,992
WALES	-0.7	4.5	£152,855
EAST MIDLANDS	0.2	6.4	£185,047
EAST OF ENGLAND	-0.2	6.0	£289,731
LONDON	-0.9	2.3	£481,915
NORTH EAST	-1.0	2.3	£127,737
NORTH WEST	1.4	6.2	£159,066
SOUTH EAST	0.3	5.7	£325,270
SOUTH WEST	-0.5	6.2	£251,923
WEST MIDLANDS REGION	1.3	7.2	£192,119
YORKSHIRE AND THE HUMBER	-0.8	3.0	£155,778

UK UNEMPLOYMENT FIGURES**

- There were **32.08** million people in work, **56,000** fewer than for May to July 2017 but **325,000** more than a year earlier
- **8.86** million people aged 16 to 64 were economically inactive

Jobless total

1.43m

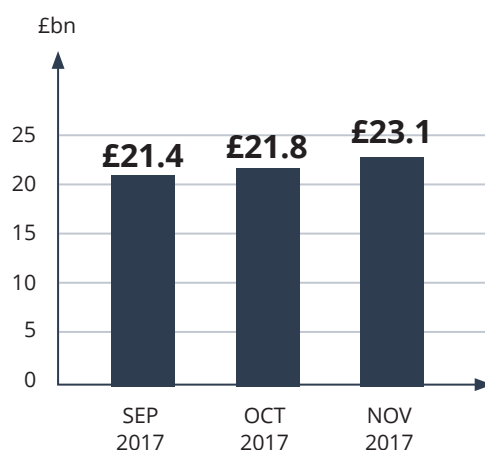
Unemployment rate

4.3%

Source: Office for National Statistics
Release Date: 13/12/2017**

** Latest data available ATOGP

MORTGAGE ACTIVITY



- First-time-buyer market performs better than expected
- Resilience in jobs market strengthens mortgage demand
- Buy-to-let market remains sluggish

Source: Council of Mortgage Lenders (now integrated into UK Finance)
Release date: 28/12/2017

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