

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

NOVEMBER 2018



Our monthly residential 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.

How did the latest Budget affect the market?

The Chancellor of the Exchequer, Philip Hammond extolled his latest budget to the nation in October, but how did his announcements affect the residential property market?

Encouragingly, his comments boded well: *"The Government is determined to fix the broken housing market. Building more homes in the right places is critical to unlocking productivity growth and making houses more affordable."*

He went on to state that £500 million would be made available for the Housing Infrastructure Fund, to enable an additional 650,000 homes to be built. In addition, he envisaged an improved relationship with housing associations in England, worth additional funding of £653 million to enable another 13,000 homes to be built. He also announced the Government will underwrite guarantees for up to £1 billion, for smaller housebuilders to operate.

Diminished activity in the residential market

The estate agent Savills, have reported the majority of surveyors have seen declining numbers of new enquiries and vendor instructions. The optimism that these surveyors had seen in July and August, with August seeing the most new residential loan completions since 2007, has dissipated.

The Government's Help to Buy equity loan scheme was cited as supporting around one in eight first-time buyer transactions in the first quarter of 2018. This scheme was extended in Mr Hammond's Budget announcement, stating that it will now continue to be made available until 2023. However, it will be

restricted to first-time buyers only, from 2021. There will also be regionally adjusted maximum property value caps applied to loans.

Summary of the Government's economic statement

The Royal Institution of Chartered Surveyors (RICS) have reported a fall in sales transactions and a flat trend in buyer demand. In line with this, their 12-month sales expectations series is negative, mainly driven by decline in London.

Additionally, a recent report from the Bank of England highlighted a softening in the housing market, with fewer transactions and weaker price inflation in many areas. This report also revealed that the new-build market remained stronger than the secondary market.

Government figures for August 2018 showed that, on a seasonally adjusted basis, the number of residential property transactions with a value of £40,000 or greater, was 99,120. This is 2.6% lower compared with a year ago.

Between July and August 2018, total transactions increased by 1.3%.

"The Government is determined to fix the broken housing market. Building more homes in the right places is critical to unlocking productivity growth and making houses more affordable."

HOUSE PRICES HEADLINE STATISTICS

HOUSE PRICE INDEX (SEP 2018)*	122*
AVERAGE HOUSE PRICE	£232,554
MONTHLY CHANGE	0.0%
ANNUAL CHANGE	3.5%

*(Jan 2015 = 100)

- UK house prices rose **3.5%** in the year to September 2018
- On a non-seasonally adjusted basis, average house prices in the UK were unchanged between August and September
- House prices grew fastest in the West Midlands region, increasing by 6.1% in the year to September

Source: The Land Registry / Release date: 14/11/2018
Next data release: 19/12/2018

HOUSE PRICES PRICE CHANGE BY REGION

REGION	MONTHLY CHANGE (%)	ANNUAL CHANGE (%)	AVERAGE PRICE (£)
ENGLAND	0.0	3.0	£249,408
NORTHERN IRELAND (QUARTER 3 - 2018)	2.3	4.8	£135,060
SCOTLAND	-0.1	5.8	£152,961
WALES	0.5	5.8	£162,089
EAST MIDLANDS	1.1	6.0	£194,803
EAST OF ENGLAND	-0.1	2.0	£294,027
LONDON	-0.4	-0.3	£482,241
NORTH EAST	0.8	3.5	£132,049
NORTH WEST	-0.8	3.3	£162,915
SOUTH EAST	-0.2	1.7	£328,059
SOUTH WEST	0.3	4.3	£260,142
WEST MIDLANDS REGION	1.1	6.1	£199,763
YORKSHIRE AND THE HUMBER	-1.1	2.6	£162,009

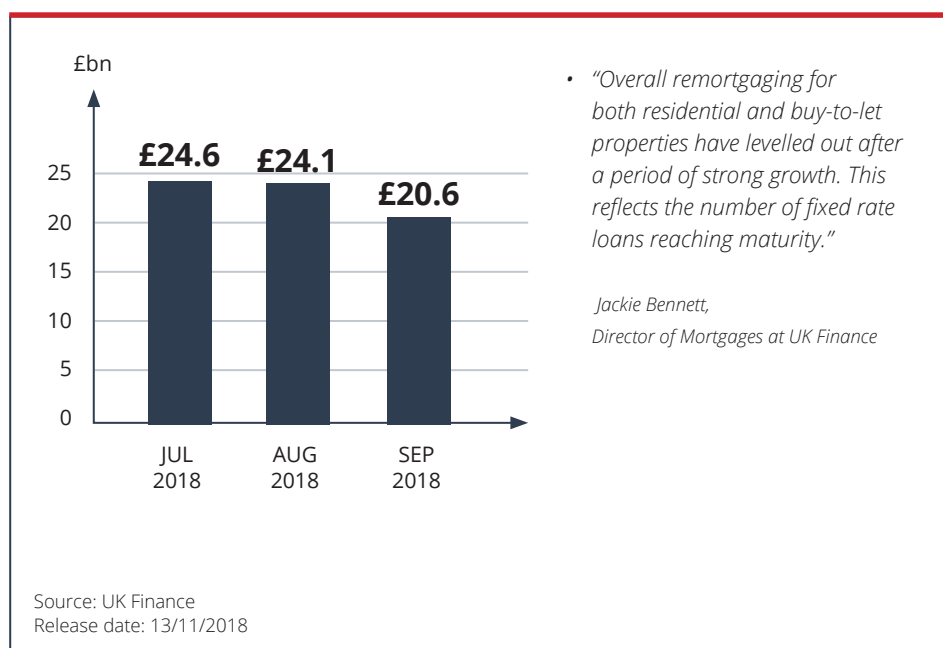
AVERAGE MONTHLY PRICE BY PROPERTY TYPE – SEP 2018

PROPERTY TYPE	ANNUAL INCREASE
DETACHED £356,912	5.2%
SEMI-DETACHED £219,776	4.5%
TERRACED £188,629	3.8%
FLAT / MAISONETTE £203,374	-0.3%

Source: The Land Registry
Release date: 14/11/2018

Contains HM Land Registry data © Crown copyright and database right 2017. This data is licensed under the Open Government Licence v3.0.

MORTGAGE ACTIVITY



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.