

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

APRIL 2019



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.

'Last-time buyer' numbers increase in home purchases

Whilst first-time buyers make up just over 50% of residential home purchases currently, a further 30% of purchases, accounting for approximately 200,000 homes, are being made by buyers aged 55 or older.

This research, conducted by the Intermediary Mortgage Lenders Association (IMLA), states that of this group, many are cash buyers, using the large equity reserve in previously owned properties to downsize to their ideal last home and retain the excess cash; 63% of these older homeowners own their properties outright.

The IMLA went on to add the caveat, that whilst only 2.5% of those eight million older homeowners actually move each year, it predicts that this small cohort will grow exponentially faster than any previous generations over the next 10-20 years.

The International Monetary Fund offers a warning

The world's financial watchdog, the International Monetary Fund (IMF), based in Washington and headed by the previous Finance Minister of France, and now Managing Director and Chairwoman, Christine Lagarde, has fired a warning over the danger of overseas buyers disrupting domestic property markets.

The IMF has stated that house price booms are a consistent cause of recessions and countries, including the UK, should take note and make pre-emptive steps to ensure that this process does not repeat itself. In an effort to prevent a housing bubble destabilising the economy, the IMF suggest that Britain

should contemplate imposing stricter mortgage limits and deterrents against overseas buyers of UK property.

They warned the UK is a market: *"where foreign buyers have played a role."* The IMF also stated that: *"The most recent data seem to point to an increase in downside risks to house prices over the next one to three years in some countries."*

Lifestyle aspirations drive new home development design

In addition to adapting to trends in the property world, new housing developments are increasingly having to adapt to changes in wider society. These changes are having an impact on the communal amenities provided and outdoor space.

New home developments are now frequently design-driven by the demands of buyers looking for a 'lifestyle' that includes innovative amenities such as gyms and fitness centres, communal landscaped green spaces and community facilities, such as meeting rooms.

Given that many more people have flexible working patterns and may work from home, much more time is now spent by working families in the residential home and their desires are now being reflected in the initial overall design of mid and high end new-build developments.

Some new developments are offering innovative 'extras' such as individual indoor secure bicycle storage facilities, allowing homeowners to easily jump on their bike to commute to the station or office, or just to spend their leisure time cycling around the area.

HOUSE PRICES HEADLINE STATISTICS

HOUSE PRICE INDEX (FEB 2019)*	118.7*
AVERAGE HOUSE PRICE	£226,234
MONTHLY CHANGE	- 0.8%
ANNUAL CHANGE	0.6%

*(Jan 2015 = 100)

- UK house prices grew by **0.6%** in the year to February 2019
- This is down from **1.7%** in the year to January 2019
- Scotland saw house prices fall by **0.2%** over the last 12 months.

Source: The Land Registry
Release date: 17/04/2019
Next data release: 22/05/2019

HOUSE PRICES PRICE CHANGE BY REGION

REGION	MONTHLY CHANGE (%)	ANNUAL CHANGE (%)	AVERAGE PRICE (£)
ENGLAND	-0.6	0.4	£242,964
NORTHERN IRELAND (QUARTER 4 - 2018)	1.3	5.5	£136,669
SCOTLAND	-3.1	-0.2	£145,762
WALES	0.2	4.1	£159,559
EAST MIDLANDS	-0.5	1.6	£190,199
EAST OF ENGLAND	0.5	0.6	£290,137
LONDON	-2.0	-3.8	£459,800
NORTH EAST	-0.4	-0.8	£125,397
NORTH WEST	1.3	4.0	£163,758
SOUTH EAST	-1.7	-1.8	£315,700
SOUTH WEST	-0.4	1.2	£253,730
WEST MIDLANDS	0.4	2.9	£196,152
YORKSHIRE AND THE HUMBER	-2.5	0.0	£155,685

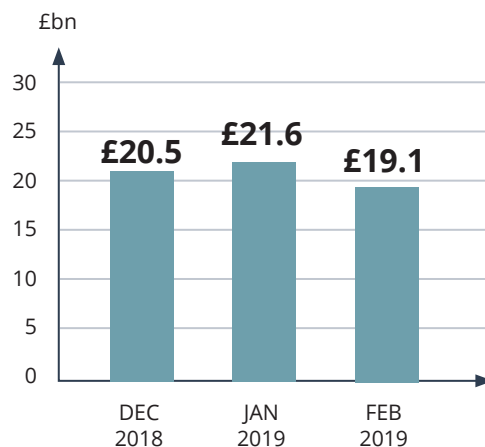
AVERAGE MONTHLY PRICE BY PROPERTY TYPE – FEB 2019

PROPERTY TYPE	ANNUAL INCREASE
DETACHED £344,374	0.8%
SEMI-DETACHED £215,632	2.2%
TERRACED £183,367	1.2%
FLAT / MAISONETTE £197,693	- 2.8%

Source: The Land Registry
Release date: 17/04/2019

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

MORTGAGE ACTIVITY



- Gross mortgage lending across the residential market in February 2019 was **£19.10bn**
- This is **2.5%** higher than February 2018
- The number of mortgages approved by the main high street banks in February 2019 was **2.2%** lower than February 2018

Source: UK Finance
Release date: April 2019

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.