



## Phillips and Stubbs Property Review

November 2016

### Housing demand still strong

In a recent trading update, Taylor Wimpey, Britain's third largest housebuilder, reported that sales and cancellations following the 23 June referendum were relatively unchanged from the previous year.

Despite experiencing a brief faltering of demand immediately after the vote, Taylor Wimpey reports business has picked up to normal levels and that the mainstream UK housing market has remained buoyant as potential buyers have continued to purchase new homes. The company believes the market's long-term health is underpinned by strong demand.

Contrary to strength in the mainstream market, prices in some parts of central London have fallen and deals of super prime £10m plus homes have tailed off. Taylor Wimpey reports that in London's zones one and two, prices have fallen slightly for the highest priced homes but demand remains strong.

Taylor Wimpey's Chief Executive, Pete Redfern commented: *"Trading during the second half of 2016 and into the autumn selling season has been strong. While there remains some uncertainty following the UK's vote to leave the EU, we are encouraged to see that the housing market has remained robust and trading has remained resilient."*

### Low stock levels influencing prices

The Royal Institution of Chartered Surveyors (RICS) monthly Residential Market Survey of October reports that new buyer enquiries have increased for the second month running, but that there has been a further fall in new instructions.

Chief Economist at RICS Simon Rubinsohn, commented on the lack of housing stock: *"The dire shortage of available housing*

*across the UK is continuing to push prices upwards, regardless of the uncertainty linked to the ongoing discussions surrounding Brexit."*

Nationally, over a third (37%) of respondents to the survey believe their local markets are over-priced relative to economic fundamentals. A far higher proportion (61%) believe that current prices are around fair value. Half of surveyors in London and 69% of surveyors in the south-east of England agree that homes in those regions are currently overvalued.

Expectations for price growth over the next three months edged higher in October with a net balance of 18% of contributors anticipating a rise, an increase from 15% in September. National price growth expectations are now positive in all areas except London, where surveyors expect prices to remain flat in the short term.

In the next quarter more respondents in every area of the UK said that they expect the number of homes sold to increase rather than decrease. Focussing on a longer term perspective, the majority of those polled expect the level of transactions to rise in the next 12 months.

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## HOUSE PRICES HEADLINE STATISTICS

HOUSE PRICE INDEX (SEP 2016)*	114.3*
AVERAGE HOUSE PRICE	£217,888
MONTHLY CHANGE	0.2%
ANNUAL CHANGE	7.7%

\*(Jan 2015 = 100)

- Housing market indicators for September suggest a period of relative stability
- Average UK house price now stands at **£217,888**
- RICS reports modest increase in new buyer enquiries

Source: The Land Registry / Release date: 15/11/2016  
Next data release: 13/12/2016

## HOUSE PRICES PRICE CHANGE BY REGION

REGION	MONTHLY CHANGE (%)	ANNUAL CHANGE (%)	AVERAGE PRICE (£)
ENGLAND	0.2	8.3	£234,250
NORTHERN IRELAND (QUARTER 3 - 2016)	0.8	5.4	£124,093
SCOTLAND	0.2	3.4	£143,006
WALES	0.2	4.4	£146,388
EAST MIDLANDS	0.7	8.2	£175,441
EAST OF ENGLAND	0.7	12.1	£277,248
LONDON	1.4	10.9	£487,649
NORTH EAST	-1.9	1.5	£125,213
NORTH WEST	0.2	5.7	£150,845
SOUTH EAST	-0.9	9.9	£312,609
SOUTH WEST	0.6	7.5	£241,262
WEST MIDLANDS REGION	0.3	7.7	£180,551
YORKSHIRE AND THE HUMBER	-0.4	4.7	£151,399

## UK UNEMPLOYMENT FIGURES

- Unemployment rate at **4.8%**, lowest since July / September 2005
- There were **31.8** million people in work
- **23.24** million people working full-time and **8.56** million part-time

Jobless total

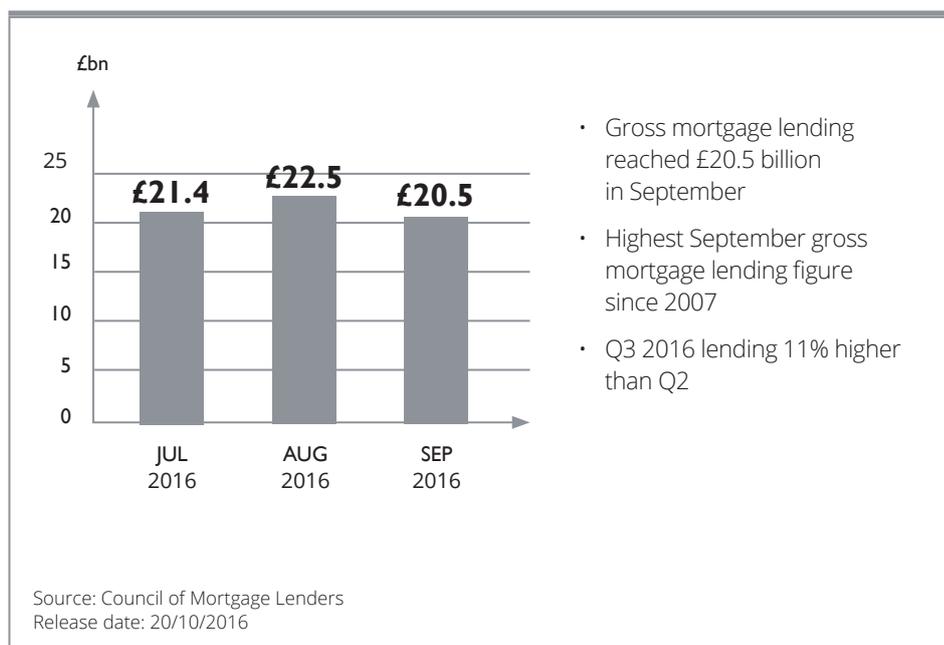
**1.6m**

Unemployment rate

**4.8%**

Source: Office for National Statistics  
Release Date: 16/11/2016

## MORTGAGE ACTIVITY



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**P H I L L I P S & S T U B B S**

Sales 01797 227338

Lettings 01797 228497

Mayfair Office 0870 112 7099