



Phillips and Stubbs Property Review

January 2018

UK house prices increased 5.1% to November 2017

In their recent UK Residential Market Survey, the Royal Institution of Chartered Surveyors (RICS) reports that UK house prices increased 5.1% in the year to November 2017, a 0.3% decrease on October figures. Estate agents report that stock levels remained stable and new buyer enquiries stabilised, and for the 23rd consecutive month the net balance for new instructions remained negative in November.

The latest Bank of England Agents' summary of business conditions, outlined that housing market activity moderated in Q4 2017, following a pickup in activity post-summer. Demand remained weak in the secondary market and in London, particularly for high-priced properties. Demand for new housing showed signs of softening across the UK in the last three months of 2017.

House price growth to slow in 2018

Respected news agency Reuters, reports that their recent poll of 28 housing market participants reveals that residential property prices will increase by 1.3% across the UK in 2018.

Some of the factors behind this prognosis include the possibility of continuing political and economic uncertainty ahead of Brexit in 2019, the possibility of further interest rate rises, weaker consumer confidence, falling real wages and issues surrounding mortgage affordability.

Leasehold sales on new build homes to be banned in England

The Government has announced that people purchasing new build homes will no longer be required to enter leasehold agreements. This follows a consultation where thousands of homeowners criticised leasehold practices. In some instances people have been subject to vastly increasing ground rents, others have had their freehold sold to investment companies, and were required to pay large sums to purchase it.

The Government's Communities Secretary, Sajid Javid said that: *"It's unacceptable for home buyers to be exploited through unnecessary leaseholds, unjustifiable charges and onerous ground rents. It's clear from overwhelming response from the public that real action is needed to end these feudal practices."*

Given that this initiative from the Government will require new legislation, it will be some time before it can be enacted. It is unclear what relief, if any, there will be for the 1.4 million households in England who already own their house under leasehold arrangements.

Relocation from London reaches 10-year high

According to The Guardian, in the first six months of 2017, 292,000 people left the capital for other parts of the UK. This represents an increase of 14% compared with a decade earlier and is the highest level recorded since 2006. This exodus has primarily been driven by people leaving London's increasingly expensive residential property market. In addition, London's financially stretched local authorities are attempting to house their homeless residents in more affordable locations outside of the city.

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

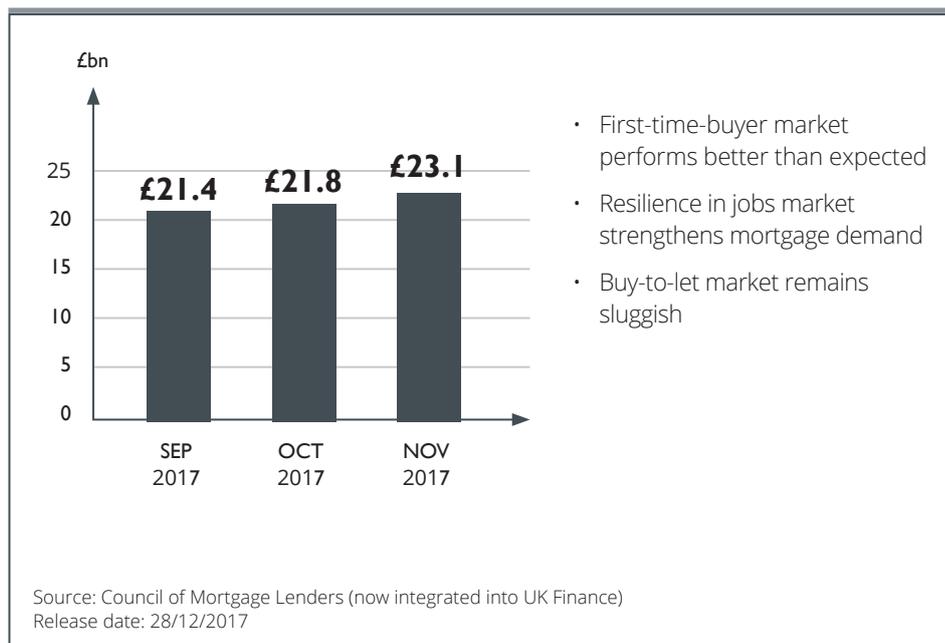
Unemployment rate

4.3%

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

** Latest data available ATOGP

MORTGAGE ACTIVITY



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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