



UNITED KINGDOM

RESIDENTIAL DATASHOT

SEPTEMBER | 2018





MARKET COMMENTARY

In January of this year, the then Housing Secretary Sajid Javid, launched a new national housing agency called Homes England. Homes England took over from the Homes and Community Agency. Its remit is to secure land, including brownfield sites and support smaller and innovative house builders. As a result, the agency will feature heavily in the government's plan to deliver 300,000 homes a year by 2020.

This month the Homes Agency announced its partnership with Barclays Bank, launching the Housing Delivery Fund, which will provide £1bn in capital to increase the pace and volume of housing in the UK. Loans, between £5-£100 million, will be made available to developers and developments that meet the following criteria:

- There must be reasonable evidence that the scheme would not progress without the funding or that the scheme aids innovation

- The scheme must include all housing types – affordable homes, homes for rent and for sale – which includes social housing, retirement living and private rental homes
- Schemes must have a minimum of 10 homes built as part of the development and must be in England
- The developer must have a successful track record
- Borrowers must be a private sector company with the majority control in the development site

Total development funding is up to 80% of the cost of the loan and 70% LTV. Barclays will be providing £875m of the £1bn, with Homes England making up the rest.



INDICATOR	LATEST DATA			TREND	COLLIERS INTERNATIONAL COMMENT
	JUNE	JULY	AUGUST		
Nationwide House Price Growth	0.5%	0.7%	-0.5%		House prices fell 0.5% month-on-month, pointing to the usual summer slowdown. Nationwide reported that, despite a slight softening in annual house prices in August, there is little change in the balance between demand and supply in the market.
Halifax House Price Growth	0.9%	1.2%	0.1%		The Halifax House Price Growth report saw prices remain steady in August. The report also stated that in the latest quarter (June-August) prices were 1.9% higher than in the previous quarter.
Rightmove Asking Price Growth	0.4%	-0.1%	-2.3%		Average asking prices of newly-marketed property fell by 2.3% in August, as new sellers tried to find a buyer more quickly.
Bank of England Mortgage Approval Rate	65,374	64,768	N/A		Between June and July, the Bank of England Mortgage Approval Rate declined marginally ahead of the summer slowdown.
Bank of England Base Rate	0.50%	0.50%	0.75%		The Monetary Policy Committee voted unanimously in August to increase interest rates to 0.75%.
Bank of England Average Rate on Two Year Fix (75% LTV)	1.73%	1.73%	1.75%		The Bank of England average rate on a two year fixed mortgage increased slightly to 1.75%, but has remained broadly stable since June.
RICS Price Expectations Survey	0%	-0.5%	-0.8%		The price expectations survey for the next three months has decreased to -6%, from -4% in November, and has been negative in each of the last three months.
RICS Sales-to-Stock Ratio	34%	35%	36%		The sales-to-stock ratio remained broadly unchanged as average sales per surveyor decreased and the average stock increased.
HMRC Property Transactions	98,670	97,860	99,120		The number of residential transactions is 2.6% lower compared with the same time last year.

FOR MORE INFORMATION

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