

MARKET COMMENTARY

The Mayor of London launched his Housing Strategy for London this month after several months of consultation. The Mayor's message is to make London a city "for all Londoners". The main points of the strategy include:

- Building homes for Londoners
- Delivering genuinely affordable homes
- High quality homes and inclusive neighbourhoods
- Creating a better leasing environment for private renters
- Reforming and improving the leasehold sector
- Tackling homelessness and helping rough sleepers

He proposes to deliver these points through identifying land for house building, investing in homes and infrastructure, improving house building methods and through construction skills training. He will also invest £4.82bn of funding from the UK government to support 116,000 affordable home starts by 2022.

Private renters will benefit from a register for landlords and agents and those who behave dishonestly will be named and shamed on a public website. Plans for this were publicly announced in May and will be considered at the next London Assembly meeting. Improving and overhauling the leasehold sector is another initiative in which he will work with the public and developers to make the system fairer and easier to understand.

In other residential news, there is a new Secretary of State for Housing, Communities and Local Government – James Brokenshire. Mr Brokenshire has taken over from Sajid Javid who is now Home Secretary. In January this year, the Secretary of State for Housing and Communities and Local Government was given new responsibilities during the cabinet reshuffle. Mr Brokenshire will now be working closely with the newly appointed Housing Minister, Dominic Raab, to deliver the housing initiatives agreed in the Autumn Budget.

Hopefully Mr Raab and Mr Brokenshire will have a longer tenure than their predecessors and be able to make a greater impact on the housing market and housing market policy.



INDICATOR	LATEST DATA				COLLIERS INTERNATIONAL COMMENT
	FEB	MAR	APR	TREND	
Nationwide House Price Growth	-0.4%	-0.2%	0.2%	↑	House prices rose by 0.2% between March and April. Restrained economic growth and the squeeze on household budgets is likely to see a modest slowdown in housing market activity and house price growth this year.
Halifax House Price Growth	0.5%	1.6%	-3.1%	↓	Halifax House Price Growth shows that house prices fell by 3.1% in April, following a 1.6% rise in March.
Rightmove Asking Price Growth	0.8%	1.5%	0.4%	↑	The price of newly listed property increased moderately by 0.4% between March and April. This growth helped to drive the national average house price to a new record of £305,732.
Bank of England Mortgage Approval Rate	63,781	62,914	N/A	↓	Mortgage approvals took a moderate downturn between February and March. This is in line with the decrease in the number of residential transactions during the same period.
Bank of England Base Rate	0.50%	0.50%	0.50%	→	Bank of England base rates look set to remain low at 0.50%.
Bank of England Average Rate on Two Year Fix (75% LTV)	1.49%	1.53%	1.72%	↑	The Bank of England average rate on a two-year fixed rate mortgage increased 12% between March and April as lenders increased rates in anticipation of a May Bank of England rate rise. Rates were last at such a high in July 2016.
RICS Price Expectations Survey	1%	-4%	-6%	↓	The price expectations survey for the next three months has decreased to -6%, from -4% in March.
RICS Sales-to-Stock Ratio	36%	36%	35%	↓	The sales-to-stock ratio remained largely unchanged.
HMRC Property Transactions	99,510	96,800	100,190	↑	The number of residential property transactions increased by 3.5% between March 2018 and April 2018 and was 2.7% lower compared with April last year.



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