

RESIDENTIAL DATA SHOT

January 2018



MARKET COMMENTARY

The New Year brought changes to the Prime Minister's cabinet. The January 8th reshuffle saw outgoing Minister of State for Housing & Planning Alok Sharma replaced by Dominic Raab, who will work alongside Sajid Javid, who has now been given more responsibility by being named the Secretary of State for Housing, Communities and Local Government. It's not clear how his role will work alongside Mr Raab.

The Prime Minister has come under significant criticism for appointing Raab, who is the seventh housing minister since 2010. The government has insisted that housing and solving the housing crisis in the UK is top of the agenda, but a lack of continuity in this role is not making it easy to achieve such goals.

Dominic Raab and Sajid Javid have the following initiatives from the Autumn Budget still to deliver:

- £44bn in government support to meet the target of building 300,000 new homes a year in five years' time.
- Compulsory purchase of land banked by developers for financial reasons.
- £1.1bn to unlock strategic sites for development.
- A review into delays in developments that have been given planning permission.

Despite the criticism, most in the housing industry are hoping that Mr Raab will remain in the role long enough to make an impact with the above initiatives and that he will support all types of housing tenure, not just housebuilding.



INDICATOR	LATEST DATA				COLLIERS INTERNATIONAL COMMENT
	OCT	NOV	DEC	TREND	
Nationwide House Price Growth	0.2%	0.1%	0.6%	↑	December saw an increase in house price growth of 0.6%. Nationwide reported that total annual house price growth for 2017 stood at 2.6%, which was a marked slowdown from 2016 (4.5%). Demand in 2017 was supported by low mortgage rates and employment growth, while supply constraints provided support for house prices. Growing pressure on household income dampened consumer confidence as the year went on.
Halifax House Price Growth	0.3%	0.3%	-0.6%	↓	House prices also fell month on month by 0.6% from November following a 0.3% increase in both October and November; this is the first fall since June 2017. Halifax also reported that prices in Q4 2017 were 2.7% higher than in the same three months a year earlier, although the annual change in December was lower than in November (3.9%).
Rightmove Asking Price Growth	1.3%	-0.6%	-2.3%	↓	2017 ended with the annual rate of house price growth up +1.2%, with December seeing a seasonal price fall of 2.3% in asking prices. According to Rightmove, early indications show that it's been a busy start to 2018 with visits to the housebuying website up by around 9% compared to the same time last year. In addition, January 2018 has seen average asking prices increase by 0.7%, which is in line with figures from the start of 2016 (0.6%).
Bank of England Mortgage Approval Rate	64,887	65,139	N/A	↑	There was a marginal increase in mortgage approval rates to 65,139 in November of last year.
Bank of England Base Rate	0.25%	0.50%	0.50%	→	The Bank of England base rate has remained at 0.5% since November 2017.
Bank of England Average Rate on Two Year Fix (75% LTV)	1.55%	1.61%	1.57%	↓	The Bank of England average rate on two-year fixed mortgages (75% LTV) decreased marginally to 1.57% and has remained broadly stable since October 2017.
RICS Price Expectations Survey	-9%	-4%	-6%	↓	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	36%	35%	35%	→	The sales-to-stock ratio remained unchanged as average sales per surveyor decreased and the average stock increased.
HMRC Property Transactions	101,730	103,130	99,100	↓	The number of residential property transactions decreased by 3.9% between November 2017 and December 2017. This month's figure is 0.1% lower compared with the same month last year.

FOR MORE INFORMATION



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