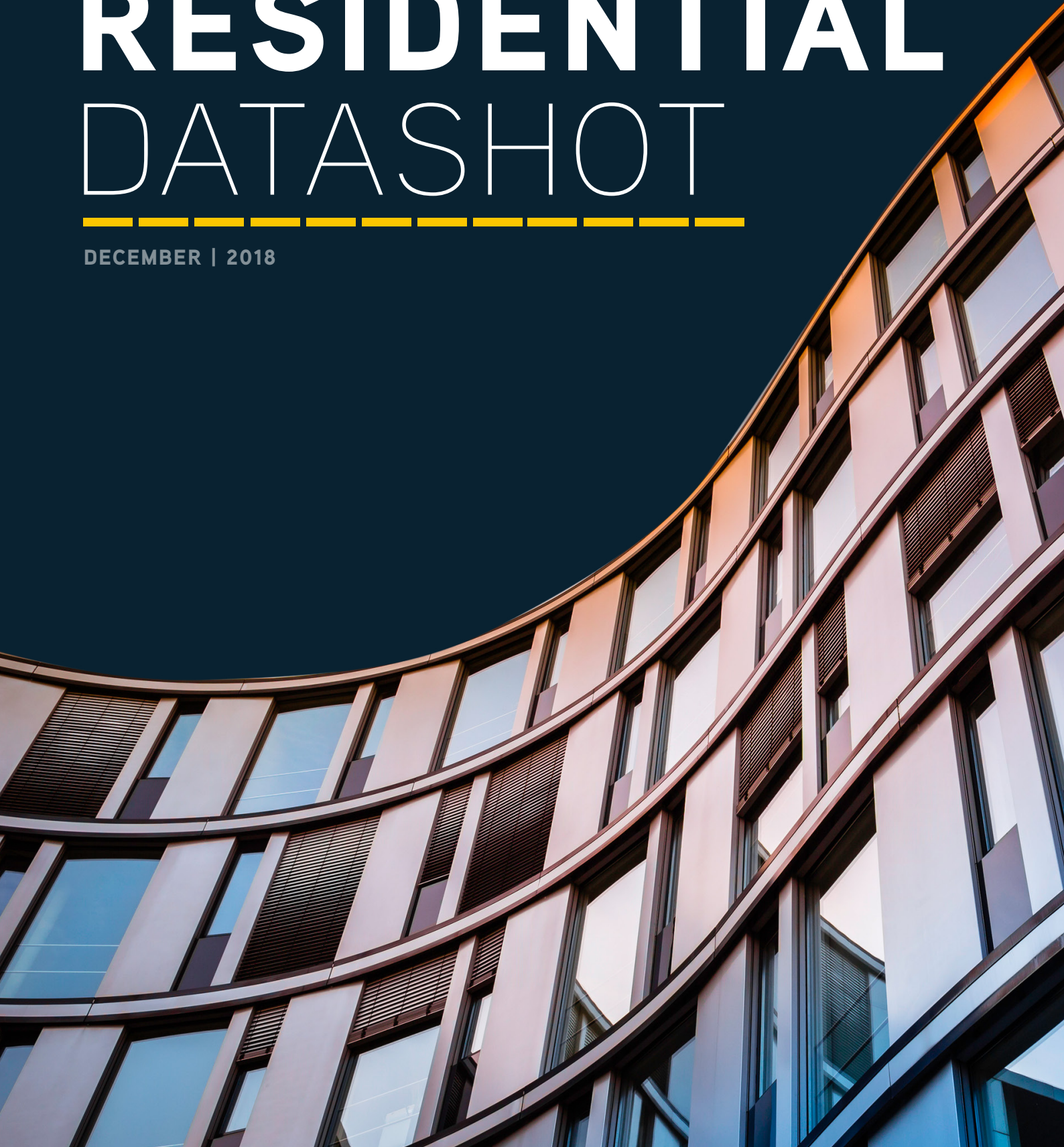




UNITED KINGDOM

RESIDENTIAL DATASHOT

DECEMBER | 2018





MARKET COMMENTARY

Earlier this year the Law Commission announced proposals that would give leaseholders more security and control over their homes. The Law Commission recently published its consultation which explores ways to make “commonhold” more prevalent than leasehold as a form of home ownership in the UK.

What is commonhold?

Commonhold allows freehold ownership of individual flats, houses and non-residential units within a building or an estate. The freehold ownership is not limited by time. A “commonhold association” is then responsible for the joint management of the building or estate. The commonhold system is in use across the US, Australia and Europe.









Commonhold ownership is part of the Leasehold and Commonhold Reform Act 2002. The Law Commission’s consultation brought to light a number

of problems with that law preventing its uptake and are now looking to make the law work for homeowners, developers, mortgage lenders etc.

The proposals include:

- Allow commonhold to be used for mixed-use (residential, commercial and leisure) developments
- Include shared ownership leases and affordable housing under commonhold
- Make it easier for leaseholders to convert to commonhold to have greater control over their properties
- Improve mortgage lender confidence in commonhold
- Allow homeowners to end ground rent contracts with developers

The UK wide consultation ends in March 2019.

INDICATOR	LATEST DATA			TREND	COLLIERS INTERNATIONAL COMMENT
	SEPTEMBER	OCTOBER	NOVEMBER		
Nationwide House Price Growth	0.2%	0.0%	0.3%		The Nationwide House Price Index registered modest house price growth between October and November. Economic and political uncertainty continues to dampen demand.
Halifax House Price Growth	-1.3%	0.6%	-1.4%		UK house prices declined between October and November by 1.4%. The average UK house price was £224,578.
Rightmove Asking Price Growth	0.7%	1.0%	-1.7%		UK asking prices for property new to the market fell by 1.7% in November, which is the largest decline in asking prices since November 2012. Rightmove saw this drop in asking prices as a way for sellers to attract buyers during uncertain times and lower demand.
Bank of England Mortgage Approval Rate	65,726	67,086	N/A		Mortgage approval rates increased by 2.1% in October.
Bank of England Base Rate	0.75%	0.75%	0.75%		The Bank of England base rate remained the same at 0.75%.
Bank of England Average Rate on Two Year Fix (75% LTV)	1.71%	1.79%	1.73%		The Bank of England average rate on a two-year fixed mortgage fell to 1.73% in November.
RICS Price Expectations Survey	-17%	-17%	-25%		RICS price expectations for the next three months fell to -25% (from -17% in October). Surveyors' price expectations over the next year are for prices to remain broadly flat.
RICS Sales-to-Stock Ratio	34%	33%	33%		The RICS sales-to-stock ratio remained unchanged.
HMRC Property Transactions	101,620	102,530	N/A	N/A	LATEST STATISTICS NOT AVAILABLE AT TIME OF PUBLICATION

FOR MORE INFORMATION

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