



UNITED KINGDOM

# RESIDENTIAL DATASHOT

NOVEMBER | 2018





## MARKET COMMENTARY

Two years ago the Chancellor announced, in the 2016 Autumn Statement, a ban on letting agent's fees. The Tenant's Fees Bill was passed in the House of Commons in September 2018 and was debated in the House of Lords this month. Further detailed debate is scheduled for the 5th of December before becoming law next year.

The Tenant's Fees Bill is part of the Government's promise to make renting fairer and more transparent, in England, by banning exorbitant letting agent's fees. The Bill outlines the following:

- Capping holding deposits at one week's rent
- Capping rental deposits at six week's rent
- Capping change of tenancy fees at £50
- A financial penalty of £5,000 for letting agents who breach the ban for the first time and a criminal offence for repeat offences.
- Trading Standards will enforce the ban and make it possible for tenants to recover fees via a tribunal

According to Government analysis, tenants will save around £300 every time they move house. On the other hand, estate agents will be affected by the loss of revenue and, in some cases, may have to close branches.

The Bill has come under criticism from ARLA (Association of Residential Letting Agents) saying that private tenants will be affected by having to pay higher rents. Whilst others, like the Mayor of London, say the Bill does not go far enough. The Mayor has suggested that:

- Rental deposits be capped at three week's rent
- Holding deposits be capped at one day's rent
- Councils should be able to levy fees up to £30,000 against agents who repeatedly charge illegal fees and allow tenants to reclaim compensation up to three times the fee charged

It will be interesting to see what the final bill covers and how easy it will be to enforce the ban. The Bill has proven to be controversial, whilst tenants welcome the regulation of fees required to lease accommodation after years of being hit financially by exorbitant fees.

INDICATOR	LATEST DATA			TREND	COLLIERS INTERNATIONAL COMMENT
	AUGUST	SEPTEMBER	OCTOBER		
Nationwide House Price Growth	-0.5%	0.2%	0.0%		House price growth flattened between September and October as pressure on household finances and the uncertain economic outlook dampened demand, despite low borrowing costs low unemployment.
Halifax House Price Growth	-0.2%	-1.3%	0.7%		UK house prices increased slightly by 0.7% in October, following two consecutive monthly decreases. The average house price in October was £227,869.
Rightmove Asking Price Growth	-2.3%	0.7%	1.0%		Rightmove Asking Prices increased between September and October by 1.0%. The average asking price in October was £307,245.
Bank of England Mortgage Approval Rate	66,101	65,269	N/A		Mortgage approvals slipped by 1.3% between August and September due to the summer slowdown.
Bank of England Base Rate	0.75%	0.75%	0.75%		The Bank of England voted to keep interest rates the same, but have warned that depending on the Brexit deal they may increase in 2019.
Bank of England Average Rate on Two Year Fix (75% LTV)	1.75%	1.71%	1.76%		The Bank of England average rate on a two-year fixed rate mortgage increased marginally to 1.76%.
RICS Price Expectations Survey	-9%	-17%	-16%		The RICS reported that sales expectations were less negative over the next three months.
RICS Sales-to-Stock Ratio	35%	34%	33%		The sales-to-stock ratio remained broadly unchanged as average sales per surveyor decreased and the average stock increased.
HMRC Property Transactions	99,500	101,620	102,530		The number of residential property transactions increased by 0.9% month-on-month. Residential transactions are 1.3% higher compared with the same time last year.

## FOR MORE INFORMATION

---

### RESIDENTIAL

Ashley Osborne

+44 20 7344 6762

ashley.osborne@colliers.com

### RESEARCH & FORECASTING

Lisa Dean

+44 20 7487 1961

lisa.dean@colliers.com

This report gives information based primarily on Colliers International data, which may be helpful in anticipating trends in the property sector. However, no warranty is given as to the accuracy of, and no liability for negligence is accepted in relation to, the forecasts, figures or conclusions contained in this report and they must not be relied on for investment or any other purposes. This report does not constitute and must not be treated as investment or valuation advice or an offer to buy or sell property.

Colliers International is the licensed trading name of Colliers International Property Advisers UK LLP (a limited liability partnership registered in England and Wales with registered number OC385143) and its subsidiary companies, the full list of which can be found on [www.colliers.com/ukdisclaimer](http://www.colliers.com/ukdisclaimer). Our registered office is at 50 George Street, London W1U 7GA.

This publication is the copyrighted property of Colliers International and/or its licensor(s). © 2018. All rights reserved.

Colliers International | UK  
50 George Street  
London W1U 7GA



[colliers.com/uk-research](http://colliers.com/uk-research)