



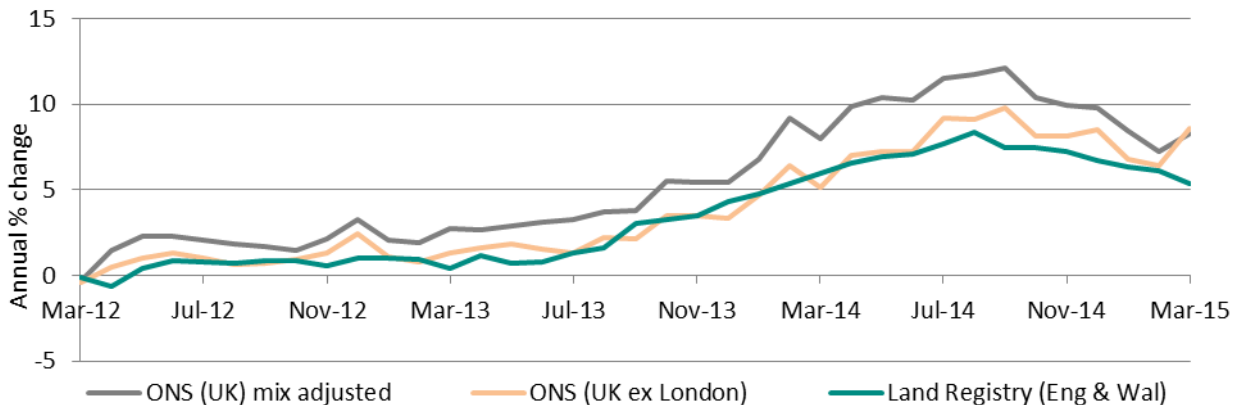
HCA Monthly Housing Market Bulletin, May 2015

For more information please click on the links provided, or contact the HCA's Strategic & Market Intelligence team, part of Spatial and Market Intelligence
Market.Intelligence@hca.gsi.gov.uk.

OVERVIEW

- House prices:** Average annual increases in house prices slow compared to mid-2014, but are still above the three year average.
- Transactions:** The seasonally adjusted monthly number of home sales has been fairly steady for the past year.
- Mortgages:** There has been a fall in mortgages for first time buyers and home movers, but an increase in mortgages for buy-to-let compared to March 2014.

HOUSE PRICES



House prices data source	Date	% increase over previous:		
		1 month	3 months	1 year
ONS	Mar 15	1.6%	0.2%	8.3%
ONS (UK, excl London)	Mar 15	1.4%	0.8%	8.6%
Land Registry	Mar 15	-0.8%	0.4%	5.3%
Nationwide	Apr 15	1.0%	0.7%	5.2%
Halifax	Apr 15	1.6%	8.5%	11.1%
Hometrack	Apr 15	0.8%	2.8%	6.8%
Rightmove	May 15	-0.1%	2.5%	4.7%

ONS mix-adjusted house price indices (UK) <http://www.ons.gov.uk/ons/rel/hpi/house-price-index/index.html>
 Land Registry (England & Wales) <http://www.landregistry.gov.uk/public/house-prices-and-sales>
 Nationwide (UK) www.nationwide.co.uk/hpi/
 Halifax (UK) http://www.lloydsbankinggroup.com/media1/economic_insight/halifax_house_price_index_page.asp
 Hometrack (UK) <http://www.hometrack.com/uk/insight/uk-cities-house-price-index/>
 Rightmove (E&W) www.rightmove.co.uk/news/house-price-index

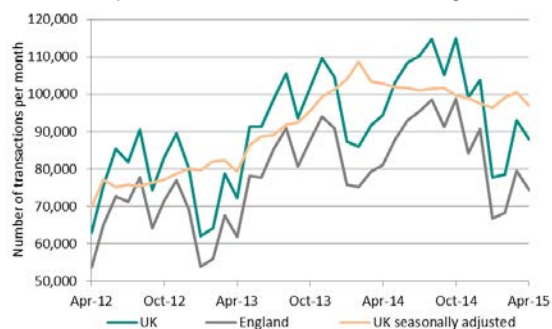
House price indicators vary depending on their methodology and sampling:

- ONS and the Land Registry are based on completions data.
- The Land Registry data is the most comprehensive, as it includes all property sales, including cash buyers.
- Nationwide and Halifax are based on their own mortgage offers.
- Rightmove is from asking prices.
- Hometrack is based on a survey of estate agents which includes the agents' opinion of achievable selling prices.
- Halifax, Nationwide and Land Registry data are seasonally adjusted.

HOUSING MARKET

Housing transactions

- There were 74,360 residential property transactions in England in April 2015, which is 9% lower than one year before. The series high was



136,790 in August 2007, and the low point was 34,750 in January 2009.

- There were a total of 1,028,260 transactions in the 12 months to the end of April 2015. This is 3.2% higher than in the previous 12 months.

(HMRC)

<http://www.hmrc.gov.uk/statistics/transactions.htm>

Mortgages

- Council of Mortgage Lenders data on mortgage market growth (house purchase loans):

Type of buyer	Measure (loans)	Mar 2015	Change from Mar 14
First time buyers	Number	23,000	-5.0%
	£m	3,400	-3.0%
Home movers	Number	25,200	-2.7%
	£m	4,900	-6.5%
Buy to Let	Number	18,200	21.3%
	£m	2,700	35.0%

- Total gross mortgage lending in March 2015 was £16.1bn, a 5% increase on March last year.
- There was a fall in the first quarter of this year in the number and the proportion of mortgages in arrears or ending in repossession. A decline was experienced in all arrears bands, and across both owner-occupier and buy-to-let lending.

<http://www.cml.org.uk/cml/media/press>

Market rental

- Rental prices increased in all the English regions over the year to March 2015, with rental prices increasing the most in London (3.2%).
- Private rental prices grew by 2.1% in England in the 12 months to March 2015. (ONS)
<http://www.ons.gov.uk/ons/rel/hpi/index-of-private-housing-rental-prices/index.html>
- Properties with more bedrooms typically see higher median rents with the highest median rents seen in properties with four or more bedrooms. However the difference is most marked between properties with three bedrooms and properties with four or more bedrooms. A studio property and three bed property have a median average rent of £500 and £675 respectively, a property with four or more beds has a median average rent of £1,175.
<https://www.gov.uk/government/statistics/private-rental-market-statistics-may-2015>

HOUSE BUILDING

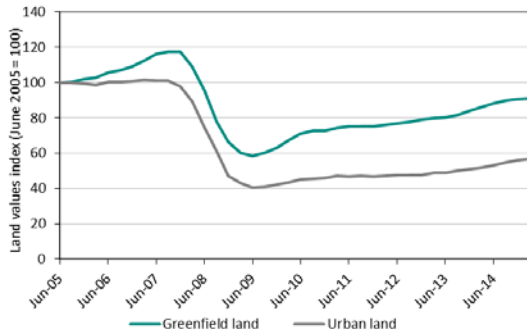
Construction

- In quarter one 2015, output in the construction industry was estimated to have decreased by 0.3%, when compared to quarter one 2014. This is the first year on year fall since quarter two 2013.
<http://www.ons.gov.uk/ons/rel/construction/output-in-the-construction-industry/march-2015/index.html>
- Seasonally adjusted house building starts in England are estimated at 40,300 in the March quarter 2015, a 31% increase compared to the previous quarter. The seasonally adjusted level of starts in the March quarter 2015 increased by 11% in the same quarter a year earlier.

<https://www.gov.uk/government/statistics/house-building-in-england-january-to-march-2015>

Land Value

- At March 2015 British urban land values were just over half the level they held in 2007.
- Greenfield values were around three quarters of their pre-slump maximum.

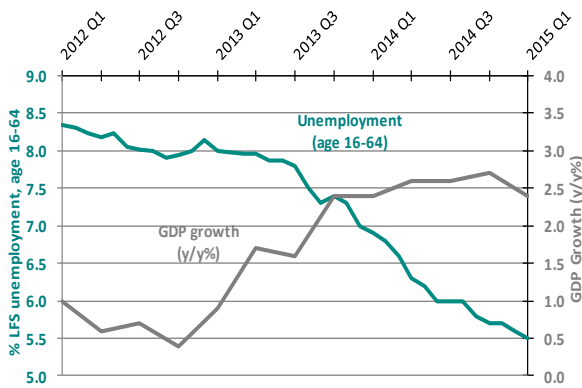


(Savills Research: Development Land Statistical Supplement, March 2015)

House builders

- For financial information on house builders that are listed on the London Stock Exchange please try this link: <http://www.londonstockexchange.com/prices-and-markets/stocks/stocks-and-prices.htm>

THE ECONOMY



Employment and unemployment

- For January to March 2015, 73.5% of people aged from 16 to 64 were in work, up from 72.5% for a year earlier.
- The unemployment rate for January to March 2015 was 5.5%, down from 6.8% for a year earlier. (ONS) <http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/index.html>

Interest rates

- UK gilt yields at 01 June 2015, were as follows:

Maturity	Yield	
	Current	1 month ago
10 year	1.82%	1.85%
20 year	2.38%	2.39%
30 year	2.53%	2.55%

<http://markets.ft.com/Research/Markets/Bonds>

Inflation

- The Consumer Price Index fell by 0.1% in the year to April, compared to 0.0% in the year to March.
- This is the first time the CPI has fallen over the year since official records began in 1996, and the first time since 1960 based on comparable historic estimates.
- The largest downward contribution came from transport services – notably air and sea fares, with the timing of Easter this year a likely factor.
- CPIH grew by 0.2% in the year to April 2015, down from 0.3% in March 2015. <http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/index.html>

Forecasts

- Data from HM Treasury's April 2015 compilation of independent forecasts for the UK economy is presented below.

Median forecast, % increase (annual, unless stated otherwise)	Year	
	2015	2016
GDP growth	2.6	2.4
CPI inflation, Q4	0.7	1.7
RPI inflation, Q4	1.6	2.4
Average earnings	2.5	2.9
Official Bank Rate	0.5	1.3
House price inflation, Q4	5.2	3.8
Real household disposable income	3.1	2.1
LFS unemployment, Q4	5.3	5.2

<https://www.gov.uk/government/statistics/forecasts-for-the-uk-economy-may-2015>

Homes and Communities Agency, Strategic and Market Intelligence

If you have any comments, questions or feedback about this bulletin we would love to hear from you.

Please contact us at Market.Intelligence@hca.gsi.gov.uk

Disclaimer – The Homes and Communities Agency (HCA) makes no warranty as to the content, accuracy, timeliness or completeness of the information in this document, or that the information may be relied upon for any reason. The HCA shall not be liable for any losses or damages (including any special, incidental, indirect or consequential damages of any kind) or any damages whatsoever arising out of or in connection with the use or performance of this publication or the similar use of other documents which are referenced by or linked to this publication. Any links to other websites do not constitute an endorsement or an approval by the HCA of any products, services, policies or opinions of the organisation or individual.