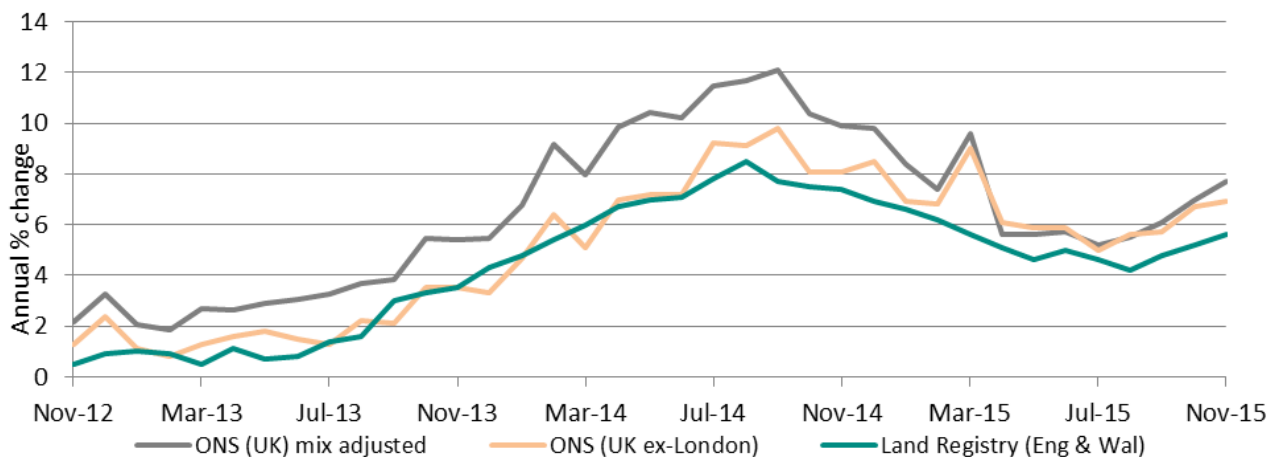




## SUMMARY

- House prices:** Average house price growth has now returned to all English regions, but prices continue to rise most rapidly in the south and east.
- Housing market:** The seasonally adjusted number of home sales generally increased throughout 2015, and total mortgage lending has continued to rise.
- Construction:** Housebuilding output has suffered due to an increasingly cautious public sector. Construction industry order levels were unchanged year-on-year.
- Economy:** Q4 GDP increased by 1.9% year-on-year, the unemployment rate has continued to decline, and consumer price inflation remained near zero.

## HOUSE PRICES



House prices data source	Date	% change over previous:		
		1 month	3 months	1 year
ONS	Nov 15	0.6%	1.1%	7.7%
ONS (UK, excl London)	Nov 15	0.5%	0.9%	6.9%
Land Registry	Nov 15	0.4%	1.0%	5.6%
Nationwide	Dec 15	0.8%	1.4%	4.5%
Halifax	Dec 15	1.7%	1.6%	9.5%
Hometrack	Dec 15	0.7%	2.3%	7.9%
Rightmove	Dec 15	-1.1%	-1.8%	7.4%

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/](http://www.nationwide.co.uk/hpi/)  
 Halifax (UK) [http://www.lloydsbankinggroup.com/media1/economic\\_insight/halifax\\_house\\_price\\_index\\_page.asp](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](http://www.rightmove.co.uk/news/house-price-index)

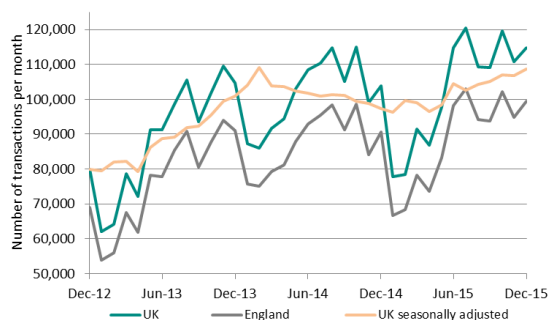
### House price indicators vary depending on their methodology and sampling:

- 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 99,390 residential property transactions in England in December 2015, which is 9.6% higher than one year earlier.
- The series high was 136,790 in August 2007, and the low point was 34,750 in January 2009.



- There were a total of 1,055,870 transactions in England in the year to the end of December 2015. This is 0.5% lower than in the previous 12 months.
- The seasonally adjusted monthly total generally followed an upward trend through 2015.

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

### Homelessness

- 14,670 households were accepted as homeless by English local authorities between July and September 2015. This is 4.5% higher than the same quarter in 2014.
- There were 55,720 acceptances over the 12 month period Q4 2014 – Q3 2015, which is approximately 5.9% greater than the total for the previous 12 months.

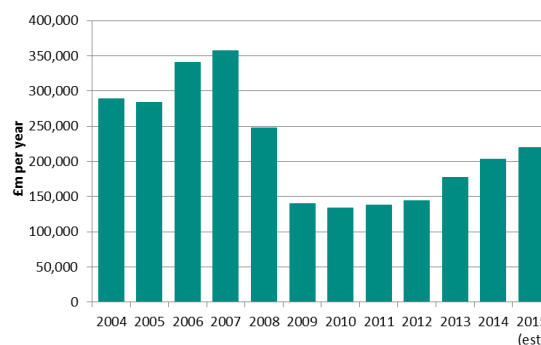
<https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

### Mortgages

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

Type of buyer		Nov 2015	Change from Nov 14
First time buyers	Number	27,900	10.3%
	£m	4,200	13.5%
Home movers	Number	32,300	8.8%
	£m	6,500	20.4%
Buy to Let	Number	10,000	17.6%
	£m	1,300	30.0%

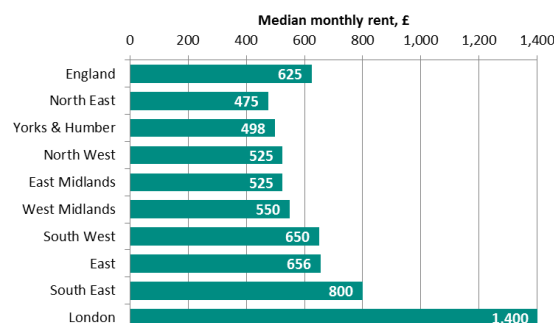
- Gross mortgage lending reached an estimated £19.9bn in December. This is 23% higher than December 2014.
- This brings the estimated total for the year to £220.3bn, an 8% increase on 2014 and the highest annual gross lending figure since 2008.



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

### Private rental market

- The median monthly rent recorded in England between October 2014 – September 2015 was £625.

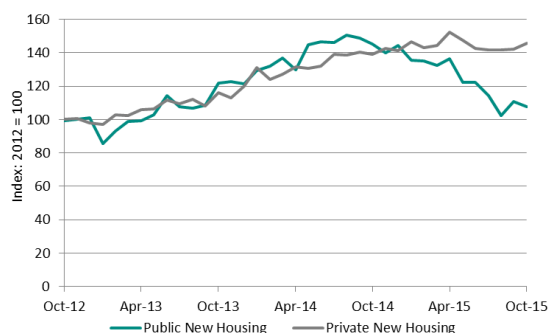


<https://www.gov.uk/government/organisations/valuation-office-agency>

## HOUSE BUILDING

### Construction industry: housing output

- The Output in the Construction Industry publication now shows a year on year decline in the total value of new housing development in Great Britain.
- This decrease is due to a decline in public housing output. The trend in the private sector is of sustained steady increase.



<http://www.ons.gov.uk/ons/rel/construction/output-in-the-construction-industry/index.html>

### New home registrations

- NHBC figures on new homes to be built in the UK show 156,140 registrations in 2015, a 7% increase on 2014.
- Private sector registrations increased by 7% on 2014 and the public sector increased by 5%.
- The number of detached homes registered was the highest for over a decade (42,173). The number for semi-detached homes was the highest in more than 20 years (35,423).
- The number of registrations grew in majority of UK regions.

<http://www.nhbc.co.uk/NewsandComment/Name.65144.en.html>

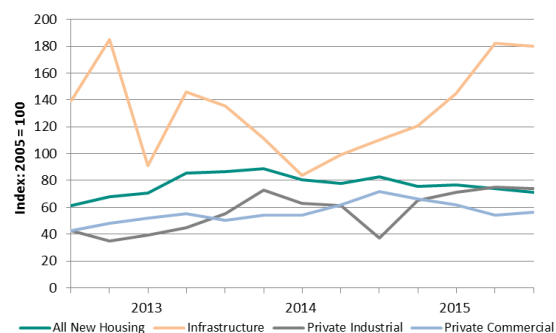
### House builders

- 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>

## CONSTRUCTION

### Construction industry: new orders

- Total new orders for the construction industry in July - September 2015 were estimated to have increased by 0.8% from April - June 2015, but showed no growth compared with the same quarter in 2014.



<http://www.ons.gov.uk/ons/rel/construction/output-in-the-construction-industry/index.html>

### UK Construction PMI

- In the Markit/CIPS UK Construction Purchasing Managers' Index UK construction companies ended 2015 with an expansion of overall business activity.
- November's output growth had been a seven-month low, but improvements in December signal a positive outlook for 2016.

<https://www.markiteconomics.com/Survey/Page.mvc/PressReleases>

## ENGLISH REGIONS

### House prices

- All regions saw increases in house prices in 2015, but there were big differences in regional growth rates.
- The table below shows how the North-South house price divide widened.

### Regional annual house price change

	ONS	Nation wide	Home.co.uk
London	9.8%	12.2%	13.7%
East	10.2%	2.2%	10.9%
S East	9.8%	6.7%	10.8%
S West	6.5%	3.8%	5.2%
West Mids	6.8%	1.6%	5.4%
East Mids	6.2%	3.6%	4.3%
N West	5.0%	0.6%	2.3%
Yorks & H	3.3%	0.4%	2.4%
N East	0.4%	2.2%	-0.2%

<http://www.ons.gov.uk/ons/rel/hpi/house-price-index/index.html> November 2015  
<http://www.nationwide.co.uk/about/house-price-index/headlines> December 2015  
[http://www.home.co.uk/asking\\_price\\_index/](http://www.home.co.uk/asking_price_index/) January 2016

### House building

- DCLG data for the last 24 months shows no change in the total number of new homes started in England per year.
- But there are regional differences with some regions having started increasing numbers of homes whilst starts have decreased elsewhere.

### Regional housebuilding starts on site

	Q4 13 - Q3 14	Q4 14 - Q3 15	Difference
London	20,100	23,240	15.6%
E Mids	12,610	13,670	8.4%
W Mids	11,830	12,780	8.0%
East	15,840	16,920	6.8%
S East	22,360	23,650	5.8%
England	137,710	137,690	0.0%
N West	13,880	13,360	-3.7%
N East	7,140	6,460	-9.5%
S West	20,460	16,670	-18.5%
Yorks/H	13,490	10,940	-18.9%

<https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building>

### Economic growth

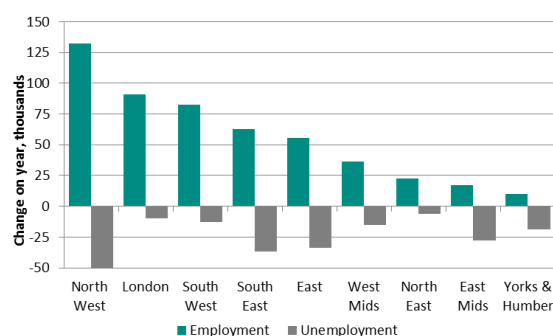
- Gross Value Added (GVA) is a measure of the increase in the value of the economy due to the production of goods and services.
- In the recently published 2014 data London had the highest GVA per head of population at £42,666, while the North East had the lowest at £18,216.
- GVA per head increased in all English regions, year-on-year. The highest annual growth was in London and the lowest was in the West Midlands.



<http://www.ons.gov.uk/ons/rel/regional-accounts/regional-gross-value-added-income-approach/index.html>

### Employment

- The number of people in employment increased and the number of unemployed decreased in every region from September - November 2014 to the same quarter in 2015.



<http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/index.html>

## THE ECONOMY

### GDP

- GDP is estimated to have increased by 0.5% in Q4 2015 compared to Q3, and by 1.9% compared with the same quarter a year previously.
- Quarter-on quarter output in services increased by 0.7% and in agriculture by 0.6%. Production output, however, decreased by 0.2% and construction by 0.1%.

<http://www.ons.gov.uk/ons/rel/qva/gross-domestic-product--preliminary-estimate/index.html>

### Inflation

- The Consumer Prices Index (CPI) rose by 0.2% in the year to December 2015, compared with a 0.1% rise in the year to November 2015.
- This continues the trend since early 2015 of the rate being close to zero.
- Movements in transport costs, particularly air fares, were the main contributors to the rise in the rate.
- Downward pressures from prices for alcohol and tobacco along with food and non-alcoholic beverages partially offset the rise.
- CPIH, the measure of UK consumer price inflation that also includes owner occupiers' housing costs, grew by 0.5% in the year to December 2015, up from 0.4% in November.

<http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/index.html>

### Interest rates

- UK gilt yields at 26 January 2016, were as follows:

Maturity	Yield	
	Current	1 month ago
10 year	1.68%	1.92%
20 year	2.26%	2.47%
30 year	2.45%	2.65%

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

### Forecasts

- Data from HM Treasury's January 2016 compilation of independent forecasts for the UK economy is presented below.

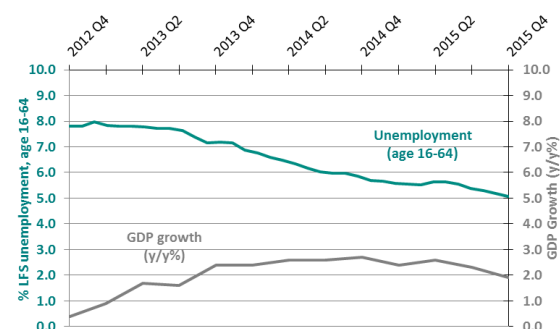
Median forecast (annual, unless stated otherwise)	% change in year	
	2015	2016
<b>GDP growth</b>	2.3%	2.2%
<b>CPI inflation, Q4</b>	0.1%	1.3%
<b>RPI inflation, Q4</b>	1.0%	2.4%
<b>Average earnings</b>	2.6%	3.2%
<b>Official Bank Rate</b>	0.5%	0.8%
<b>House price inflation, Q4</b>	6.3%	5.0%
<b>Real household disposable income</b>	3.4%	2.6%
<b>LFS unemployment, Q4</b>	5.2%	5.1%

<https://www.gov.uk/government/collections/data-forecasts>

### Employment and unemployment

- In September to November 2015, 74.0% of people aged from 16 to 64 were in work, the highest since comparable records began in 1971.
- The unemployment rate was 5.1%, down from 5.8% for a year earlier. The rate has generally been falling for four years.

<http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/index.html>



### Homes and Communities Agency, Spatial 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](mailto:Market.Intelligence@hca.gsi.gov.uk)

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