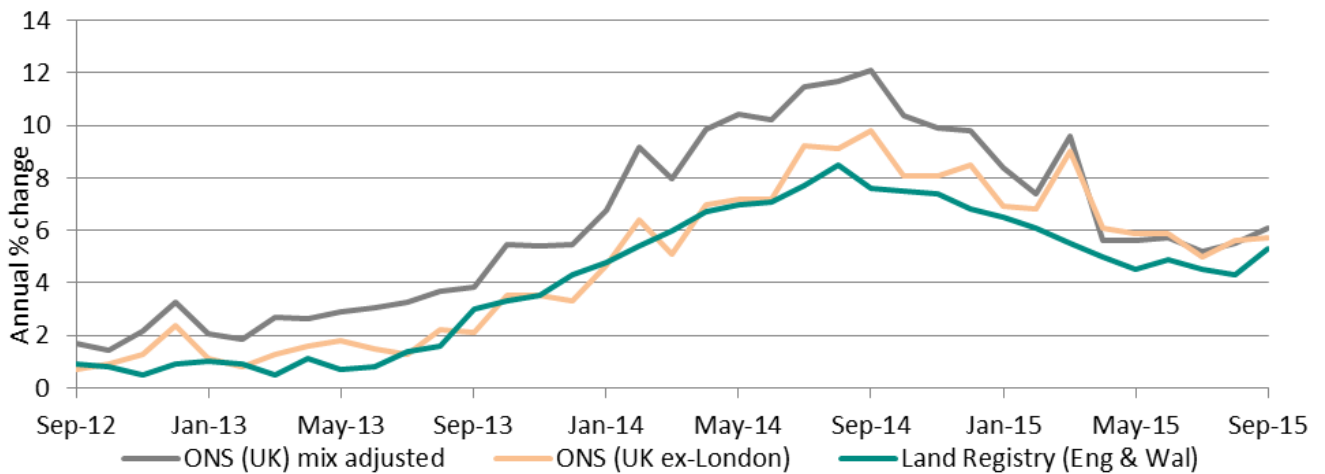




**SUMMARY**

- House prices:** Steady national average price increases disguise shifting regional trends. Average rises in the southern regions remain strongest but have eased, whilst growth has returned to all other regions' average price levels.
- Housing market:** The seasonally adjusted trend in the number of home sales has generally been upwards in 2015, and total mortgage lending continues to increase.
- Construction:** Housing completions have increased 15% year-on-year, led by the private sector. Overall construction industry output fell by 2.2% in Q3.
- Economy:** Q3 GDP increased by 2.3% 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	Sep 15	0.3%	3.4%	6.1%
ONS (UK, excl London)	Sep 15	0.2%	3.3%	5.7%
Land Registry	Sep 15	1.0%	3.3%	5.3%
Nationwide	Oct 15	0.6%	1.1%	3.9%
Halifax	Oct 15	1.1%	2.8%	9.7%
Hometrack	Oct 15	0.6%	2.6%	7.1%
Rightmove	Nov 15	-1.3%	0.1%	6.2%

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

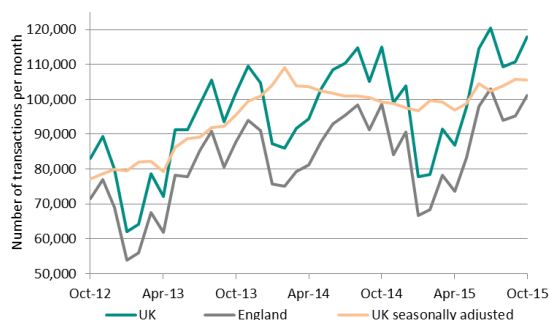
- ONS and the Land Registry are based on completions data.
- The Land Registry data is the most comprehensive, as it includes all property sales, including cash buyers.
- Nationwide and Halifax are based on their own mortgage offers.
- Rightmove is from asking prices.
- Hometrack is based on a survey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

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) <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)

## HOUSING MARKET

### Housing transactions

- There were 101,030 residential property transactions in England in October 2015, which is 2.4% 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 1,036,460 transactions in England in the year to the end of October 2015. This is 2.3% lower than in the previous 12 months.
- The seasonally adjusted monthly trend has generally been increasing through 2015. (HMRC)

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

### Social Housing Sales

- In 2014-15 there were 20,454 sales of social housing dwellings, a decrease of 1% compared to 2013-14.
- 12,489 of these sales were by local authorities (6% up on the 2013-14 figure). 7,965 were by private registered providers (an 11% decrease).
- 81 of the sales were through the Right to Buy or Preserved Right to Buy schemes, an increase of 5 percentage points compared to 2013-14.
- The average discount as a percentage of market value of Right to Buy local authority dwellings sold was 46% in 2014-15. This is 19 percentage points higher than in 2011-12.
- The average discount of Right to Buy registered provider homes sold was 52%, which was 21 percentage points higher than in 2011-12. (DCLG)

<https://www.gov.uk/government/statistics/social-housing-sales-in-england-2014-to-2015>

### Mortgages

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

Type of buyer	Measure (loans)	Sept 2015	Change from Sept 14
First time buyers	Number	28,600	8.7%
	£m	4,300	10.3%
Home movers	Number	33,800	8.0%
	£m	6,800	15.3%
Buy to Let	Number	11,300	29.9%
	£m	1,500	36.4%

- Total gross mortgage lending in October 2015 was an estimated £21.8bn, a 19% year on year increase. This is the highest monthly figure since gross lending reached £23.6bn in July 2008.
- The number of mortgages with arrears equivalent to 2.5% or more of the mortgage balance has decreased for the tenth consecutive quarter. The 104,600 mortgages with that level of arrears in Q3 2015 represented 0.94% of all mortgages.
- Mortgage repossessions have also continued to decline. 2,500 homes were taken into possession in the third quarter, compared to 5,000 one year before.
- Both the arrears and possession rate figures are the lowest since quarterly records began in 2008. (CML)

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

### Empty Homes

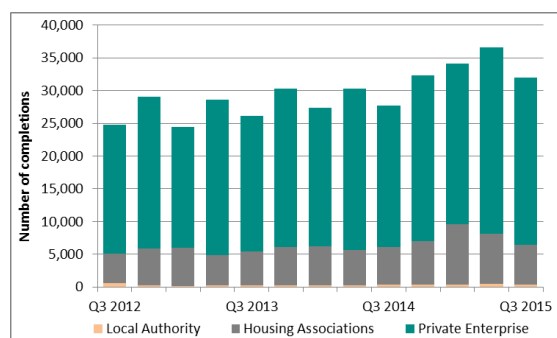
- There were an estimated 610,123 empty homes in England in 2014, which represents 2.6% of all dwellings. 205,821 (0.88%) were long-term empty (ie for over six months).
- The concentration of empty homes varies by region, from 1.6% (0.6% long term) in London to over 3.2% (over 1.1%) in each of the three Northern regions.

<http://www.emptyhomes.com/>

## HOUSE BUILDING

### House building

- Seasonally adjusted house building starts in England are estimated at 34,250 in the September quarter 2015, a 2% increase on the same quarter a year earlier.
- Completions (seasonally adjusted) are estimated at 34,940 in the September quarter 2015, 15% up on the same quarter a year earlier.
- Private enterprise completions increased by 2% but housing association completions decreased by 14% from the previous quarter.
- Starts are now 100% above the trough in March 2009 but 30% below the March 2007 peak.



<https://www.gov.uk/government/statistics/house-building-in-england-july-to-september-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>

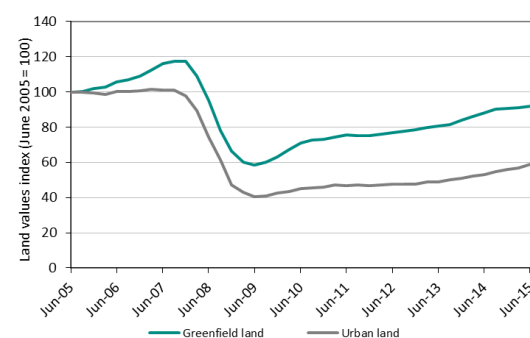
## CONSTRUCTION

### Construction industry output

- In Quarter 3 (July to Sept) 2015, output in the construction industry decreased by an estimated 2.2% compared with Q2.
- Between Q3 2014 and Q3 2015 output was estimated to have fallen by 0.1%.
- Downward pressure on the quarter came from both new work and repair and maintenance, which fell by 2.2% and 2.1% respectively. All work types except infrastructure and private industrial reported decreases. (ONS) <http://www.ons.gov.uk/ons/rel/construction/output-in-the-construction-industry/index.html>

### Land value

- In September 2015 average British value of urban residential development land stood at approaching 60% of the level they held in 2007.
- Greenfield values were nearly 80% of their pre-slump maximum.
- Residential land value increases in the last year have been strongest in London. Urban valuations elsewhere were a little above average in the East and South East regions. The South East saw the strongest greenfield land value average increases.



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

## THE ECONOMY

### GDP

- GDP is estimated to have increased by 0.5% in Q3 2015 compared to Q2, and by 2.3% compared with the same quarter a year previously.
- Quarter-on quarter output in services increased by 0.7%, in agriculture by 0.4% and in production by 0.2%. Construction output, however, decreased by 2.2%. (ONS)  
<http://www.ons.gov.uk/ons/rel/naa2/second-estimate-of-gdp/q3-2015/stb-gdp-q3-2015.html#tab-Main-points>

### Inflation

- The Consumer Prices Index (CPI) fell by 0.1% in the year to October 2015, the same fall as in the year to September 2015.
- Upward price pressures for clothing and footwear and a range of recreational goods were offset by downward pressures for university tuition fees, food, alcohol and tobacco.
- The rate of inflation has been at or around 0.0% throughout 2015.
- CPIH, the measure of UK consumer price inflation that also includes owner occupiers' housing costs, grew by 0.2% in the year to October 2015, unchanged from September.  
<http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/index.html>

### Interest rates

- UK gilt yields at 26 November 2015, were as follows:

Maturity	Yield	
	Current	1 month ago
10 year	1.84%	1.77%
20 year	2.40%	2.34%
30 year	2.55%	2.53%

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

### Forecasts

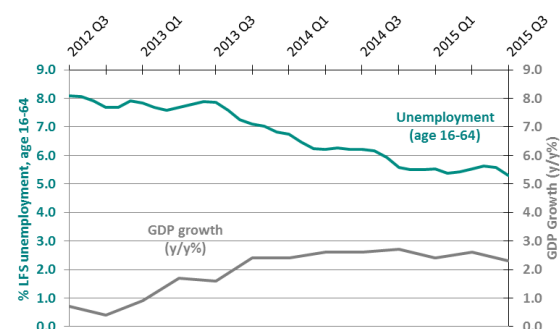
- Data from HM Treasury's November 2015 compilation of independent forecasts for the UK economy is presented below.

Median forecast (annual, unless stated otherwise)	% change in year	
	2015	2016
<b>GDP growth</b>	2.4%	2.4%
<b>CPI inflation, Q4</b>	0.1%	1.6%
<b>RPI inflation, Q4</b>	1.1%	2.6%
<b>Average earnings</b>	2.7%	3.3%
<b>Official Bank Rate</b>	0.5%	1.0%
<b>House price inflation, Q4</b>	6.0%	4.8%
<b>Real household disposable income</b>	3.6%	2.5%
<b>LFS unemployment, Q4</b>	5.3%	5.1%

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

### Employment and unemployment

- For July to September 2015, 73.7% of people aged from 16 to 64 were in work, the highest since comparable records began in 1971.
- The unemployment rate was 5.3%, down from 6.0% for a year earlier. The rate has been fairly stable throughout 2015. (ONS)  
<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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