



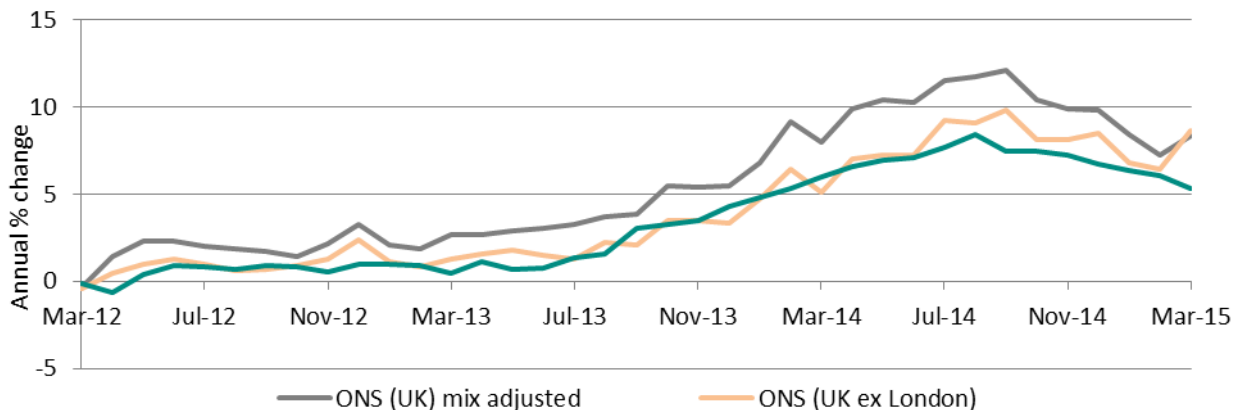
HCA Monthly Housing Market Bulletin, April 2015

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

OVERVIEW

- House prices:** As average house prices continue to increase the regional profile is changing. Increases in Central London have slowed, whilst some London commuter towns and regional centres are showing signs of accelerating.
- Transactions:** The seasonally adjusted monthly number of home sales has been fairly steady for the past year.
- The economy:** GDP increased, but at the slower rate of 0.3%. Employment has increased again, whilst unemployment fell. CPI inflation remains at 0%.

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	Mar 15	0.4%	2.6%	8.1%
Hometrack	Mar 15	0.7%	2.3%	7.3%
Rightmove	Apr 15	1.6%	4.7%	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:

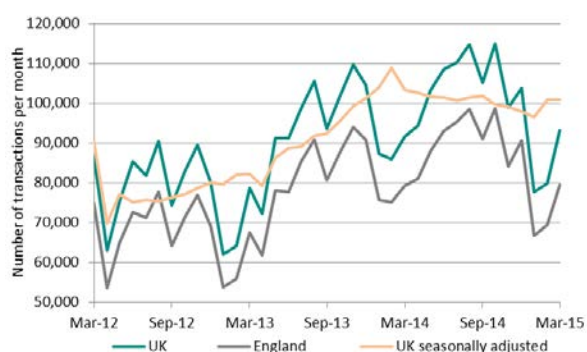
- ONS and the Land Registry are based on completions data.
- The Land Registry data is the most comprehensive, as it includes all property sales, including cash buyers.
- Nationwide and Halifax are based on their own mortgage offers.
- Rightmove is from asking prices.
- Hometrack is based on a survey 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 79,500 residential property transactions in England in March 2015, which is 0.3% higher 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 1,036,000 transactions in the 12 months to the end of March 2015. This is 6.0% 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)	Feb 2015	Change from Feb 14
First time buyers	Number	18,700	-16.1%
	£m	2,700	-12.9%
Home movers	Number	21,900	-16.4%
	£m	4,100	-12.8%
Buy to Let	Number	7,400	0.8%
	£m	900	3.4%

- Total gross mortgage lending in March 2015 was £16.5bn, a 7% increase on March last year.

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

Market rental

- Private rental prices paid by tenants in England rose by 2.1% in the 12 months to March 2015.
- Rental prices increased in all the English regions, with the highest price increases in London (3.2%), followed by the South East (2.3%).
- Prices in England, but excluding London, rose on average by 1.5%.

(ONS)
<http://www.ons.gov.uk/ons/rel/hpi/index-of-private-housing-rental-prices/index.html>

Homelessness

- 13,650 households were accepted as homeless by English local authorities between October and December 2014. This is 5.9% higher than the same quarter in 2013.
- There were 53,250 acceptances in 2014, which is roughly the same number as in each of the previous two years.

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

HOUSE BUILDING

Construction

- Construction output in February 2015, decreased by 0.9% compared with January 2015 and by 1.3% compared with February 2014. Over the year repair and maintenance fell by 4.3% while all new work increased by 0.5%.

<http://www.ons.gov.uk/ons/rel/construction/output-in-the-construction-industry/february-2015/index.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>

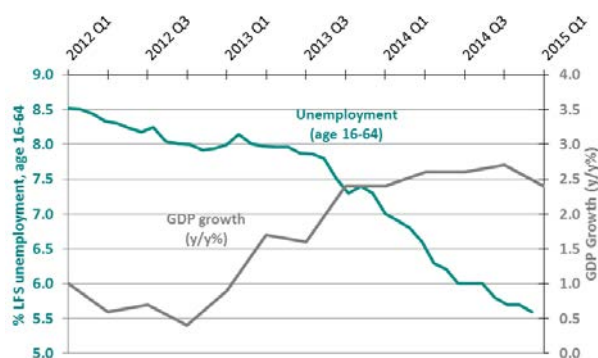
THE ECONOMY

GDP

- GDP increased by 0.3% in Q1 2015, compared to Q4 2014, and by 2.4% over the previous four quarters.
- Output increased in services by 0.5% while the other three main industrial groupings in the economy decreased: construction fell by 1.6%, production by 0.1% and agriculture by 0.2% (ONS, first estimate).
<http://www.ons.gov.uk/ons/rel/gva/gross-domestic-product--preliminary-estimate/index.html>

Employment and unemployment

- From December 2014 to February 2015, 73.4% of people aged 16-64 were in work, up from 72.4% a year earlier.
- Unemployment has fallen from 6.9% to 5.6% over the same period. (ONS)
<http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/index.html>



Interest rates

- UK gilt yields at 27 April 2015, were as follows:

Maturity	Yield	
	Current	1 month ago
10 year	1.68%	1.54%
20 year	2.24%	2.11%
30 year	2.42%	2.29%

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

Inflation

- The Consumer Price Index grew by 0.0% in the year to March, the same level as the previous month.
- Falls in clothing and gas prices produced the largest downward contributions to change in the inflation rate.
- These were offset by a rise in the price of motor fuels and smaller upward contributions from a variety of other products such as food.
- CPIH, the measure of consumer price inflation which includes owner occupiers' housing costs, grew by 0.3% in the year to March, unchanged from February (ONS).
<http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/index.html>

Forecasts

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

Median forecast, % increase (annual, unless stated otherwise)	Year	
	2015	2016
GDP growth	2.7	2.4
CPI inflation, Q4	0.8	1.9
RPI inflation, Q4	1.7	3.2
Average earnings	2.5	3.1
Official Bank Rate	0.5	1.3
House price inflation, Q4	5.0	3.7
Real household disposable income	3.0	2.1
LFS unemployment, Q4	5.3	5.2

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

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

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