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RESIDENTIAL PROPERTY REVIEW

JUNE 2018



Our monthly residential market review is intended to provide background to recent developments in property markets, as well as to give an indication of how some key issues could impact in the future.

RECORD HIGH SEEN FOR £1 MILLION PLUS HOUSE SALES

Recent Land Registry figures state that despite a small decline in the number of £1 million plus houses sold in the UK in the first half of 2017, the second half saw a rebound. This culminated in a 5% increase in sales to 14,474 in 2017, a record high compared with 13,748 seen in 2016. This compares with only 7,862 £1 million plus house sales, recorded in 2012.

Whilst London remains the location that represents 60% of £1 million plus house sales, other areas across the country were represented in the data. Eighteen local authorities outside the capital reported such sales, including Elmbridge in Surrey, Windsor, Maidenhead, the Chilterns, and South Bucks.

Louise Santaana of Lloyds, who analysed the Land Registry figures, stated: "As always, the highest number of transactions took place in the capital last year, however growth in London has started to slow for million pound properties. Overseas investors represent a good share of this end of the London market and some may be holding off buying, pending further clarity over Brexit."

VALUE OF SCOTTISH HOUSING MARKET RISES TO MORE THAN £160BN IN LAST DECADE

A recent report from Registers of Scotland (RoS) states that the total value of the residential housing market in Scotland was £161.3bn in the period spanning 2007-8 to 2017-18.

Amongst their findings, RoS revealed that residential sales registered with a mortgage declined from 84.5% in 2007-8, to 68.3% in 2017-18. Another key finding from the report states that with 11,969 sales transactions reported, new-build property represented 11.7% of all-Scotland sales in 2017-18.

Kenny Crawford, the Business Development and Information Director of RoS, said: "The Scottish property market is a significant component of the Scottish economy. Overall, house prices remained relatively stable until 2012-13, but have been generally increasing since then."

He went on to add: "However, volumes in 2017-18 were the highest since 2007-8 and have been increasing year on year from the recent low of 70,507 in 2011-12"

NHBC FOUNDATION AND SAVILLS INVESTIGATE NEW-BUILD BUYERS' PREFERENCES

The old adage 'location, location, location' being the primary driver for house purchase decision making has been challenged by a joint report from the National House Building Council and estate agents Savills.

Whilst location remains a major factor, other priorities have been identified as being of greater importance for new-build buyers. The top seven priorities for first-time buyers identified by the report, in order of preference, are Help to Buy availability, minimum maintenance, new home warranty, off-street parking, location, living space and neighbourhood. For first-time buyers, the top five amenities to be located near are; a bus stop, tube / tram / train links, convenience store, supermarket and local NHS services. Upsizers are more focused on education, with proximity to primary and secondary schools, ranking among their top five important amenities to be near when selecting a new-build home.

With Help to Buy a priority, this clearly outlines how rapidly the policy has impacted the housing market.

HOUSE PRICES HEADLINE STATISTICS

HOUSE PRICE INDEX (APR 2018)*	119.0*
AVERAGE HOUSE PRICE	£226,906
MONTHLY CHANGE	1.2%
ANNUAL CHANGE	3.9%

*(Jan 2015 = 100)

- UK house prices rose by **3.9%** in the year to April 2018
- London was the slowest growing region at **1%**
- The South West was the fastest growing region with an annual growth rate of **6.1%**

Source: The Land Registry / Release date: 13/06/2018
Next data release: 18/07/2018

AVERAGE MONTHLY PRICE BY PROPERTY TYPE – APR 2018

PROPERTY TYPE	ANNUAL INCREASE
DETACHED £342,154	(3.8%)
SEMI-DETACHED £214,717	(5.3%)
TERRACED £184,304	(4.7%)
FLAT / MAISONETTE £202,052	(1.0%)

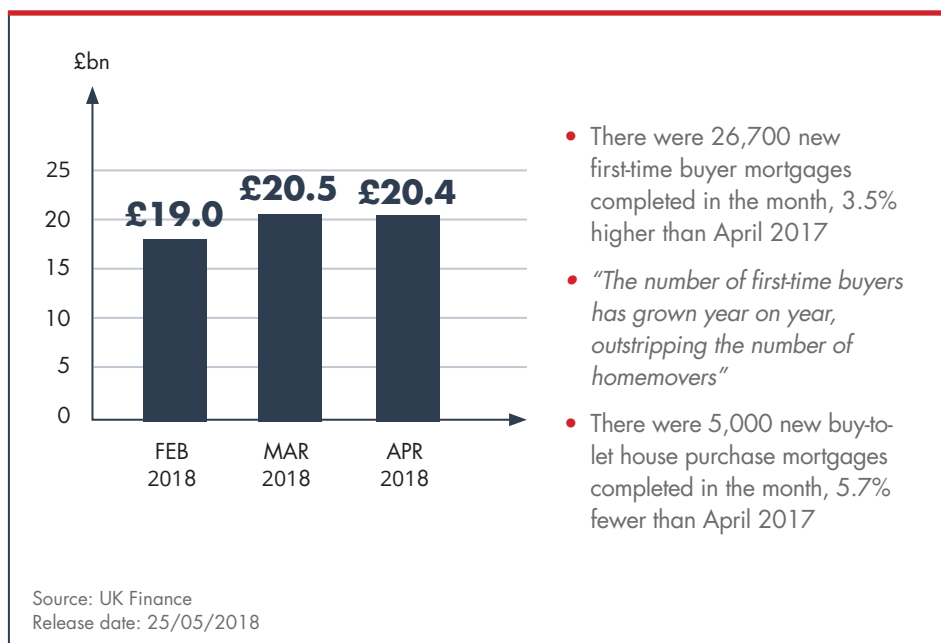
Source: The Land Registry
Release date: 13/06/2018

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HOUSE PRICES PRICE CHANGE BY REGION

REGION	MONTHLY CHANGE (%)	ANNUAL CHANGE (%)	AVERAGE PRICE (£)
ENGLAND	1.1	3.7	£243,639
NORTHERN IRELAND (QUARTER 1 - 2018)	0.3	4.2	£130,026
SCOTLAND	2.5	5.6	£148,952
WALES	1.6	4.4	£156,495
EAST MIDLANDS	1.3	4.8	£186,480
EAST OF ENGLAND	-0.8	2.5	£286,447
LONDON	2.4	1.0	£484,584
NORTH EAST	4.2	4.5	£130,489
NORTH WEST	0.0	2.4	£155,868
SOUTH EAST	0.9	3.5	£324,530
SOUTH WEST	1.8	6.1	£255,207
WEST MIDLANDS REGION	0.8	5.9	£192,090
YORKSHIRE AND THE HUMBER	1.4	3.5	£158,545

MORTGAGE ACTIVITY



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