



Footes Financial Planning
Innovation Centre, 1 Devon Way,
Longbridge Technology Park,
Birmingham, West Midlands
B31 2TS

T: 0121 222 5655
E: enquiry@footes-financialplanning.co.uk
www.footes-financialplanning.co.uk

RESIDENTIAL PROPERTY REVIEW

FEBRUARY 2019



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.

JANUARY SEES AN INCREASE IN RESIDENTIAL PROPERTY LISTINGS

The start of 2019 has seen a strong revival in the number of properties being listed for sale on the market, according to an index compiled by online estate agents, HouseSimple.

This index analyses the numbers of new properties listed by estate agents each month, across more than 100 major cities and towns across the UK. The data revealed that new property listings in the UK increased by 64% in January compared with December 2018, from 31,825 to 52,207.

The data also revealed that new residential stock in London increased by 70.6% compared with December. This represented 21,677 properties, compared with December's 12,709.

The CEO of HouseSimple, Sam Mitchell, said: *"We would normally expect to see activity pick up in the New Year, but no one was quite sure how sellers and buyers would react to the amplified Brexit uncertainty in January. In the end, it proved to be a busy month for sellers in particular, and even with the distraction of the Commons vote mid-month, home owners were keen to make up for lost time."*

BUY-TO-LET LANDLORDS SEEN TO EXIT THE MARKETPLACE

Recent research from the Association of Residential Letting Agents (ARLA), in its December 2018 'Private Rented Sector' report, has shown that letting agents in London saw an average of six landlords sell their properties and exit the market in December 2018.

ARLA reported that fewer landlords are exiting the market outside of the capital. The national average is four landlords,

with an average of three landlords leaving the market in the West Midlands, North East, East Midlands, South West, and East of England.

The Chief Executive of ARLA Propertymark, David Cox, commented: *"Over the last few years, landlords across the country have been pushed out of the market by increasing costs and legislation, and new investors have been deterred from entering."*

He went on to add: *"The issue has particularly intensified in the capital which may be a result of landlords starting to receive their first tax bill incorporating the increase in taxes from the Mortgage Interest Relief changes . . ."*

PRIME SCOTTISH PROPERTY OUTPERFORMS

Savills recent 'Market in Minutes', covering prime residential property in Scotland, has reported that the Scottish prime market outperformed the rest of the UK in Q4 2018. Market growth was led by Glasgow and Edinburgh, where values increased by 3% and 7% respectively.

With thriving financial and technology sectors, Edinburgh is one of the quickest growing prime residential markets in the UK, fast closing the gap with leading UK university cities. Data shows that in 2018, sales volumes in excess of £1 million were 12% higher than at the same point in 2017.

In Glasgow, growth was supported by a lack of supply, specifically for high-end properties worth £1 million and above.

Rural locations in Scotland have seen a spike in international viewers. Although growth is modest, the market continues to perform well.

HOUSE PRICES HEADLINE STATISTICS

HOUSE PRICE INDEX (DEC 2018)*	121.0*
AVERAGE HOUSE PRICE	£230,776
MONTHLY CHANGE	0.2%
ANNUAL CHANGE	2.5%

* (Jan 2015 = 100)

- UK house prices grew by **2.5%** in the year to December 2018
- House price growth was strongest in Northern Ireland where prices increased by **5.5%** over the year
- The lowest annual growth was in the North East, where prices fell by **1.0%** over the year

Source: The Land Registry / Release date: 13/02/2019
Next data release: 20/03/2019

AVERAGE MONTHLY PRICE BY PROPERTY TYPE – DEC 2018

PROPERTY TYPE	ANNUAL INCREASE
DETACHED £349,871	3.2%
SEMI-DETACHED £219,116	3.5%
TERRACED £187,198	2.7%
FLAT / MAISONETTE £203,578	0.2%

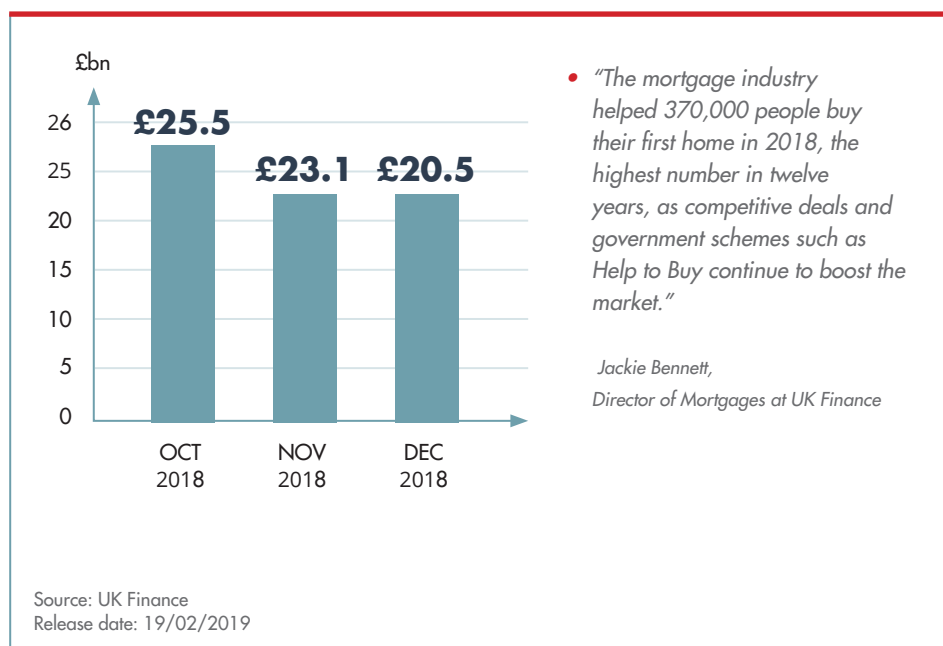
Source: The Land Registry
Release date: 13/02/2019

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HOUSE PRICES PRICE CHANGE BY REGION

REGION	MONTHLY CHANGE (%)	ANNUAL CHANGE (%)	AVERAGE PRICE (£)
ENGLAND	0.3	2.3	£247,886
NORTHERN IRELAND (QUARTER 4 - 2018)	1.3	5.5	£136,669
SCOTLAND	-0.9	2.4	£148,711
WALES	0.8	5.2	£161,845
EAST MIDLANDS	-0.2	4.2	£192,748
EAST OF ENGLAND	-1.1	0.2	£289,602
LONDON	0.1	-0.6	£473,822
NORTH EAST	-0.4	-1.0	£128,756
NORTH WEST	0.4	3.5	£164,352
SOUTH EAST	0.1	1.2	£324,729
SOUTH WEST	-0.3	2.9	£256,427
WEST MIDLANDS REGION	2.0	5.2	£200,388
YORKSHIRE AND THE HUMBER	2.0	4.2	£165,119

MORTGAGE ACTIVITY



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