



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

## INCREASE IN SECOND HOME OWNERSHIP

According to think tank, the Resolution Foundation, the number of British people who own overseas property, buy-to-let or second homes has doubled since 2001, with wealth from owning a second property having risen to almost £1tn.

The findings also show that one in ten people now own an additional property and buy-to-let property is now the most common form of property wealth, having grown by 58% since 2006–08.

Whilst the number of millennials who own a home continues to fall, millennials do match the property rates of other generations, when it comes to owning additional properties. George Bangham, Policy Analyst at the Resolution Foundation, said that this is a sign that property wealth is not distributed fairly, commenting: *“While young people in particular are less likely to own their own home than previous generations, those that do own are more likely to have more than one property”*.

Chris Norris, Director of Policy and Practice at the National Landlords Association, defended second home owners, saying: *“Far from the stereotype of the wealthy property baron, most private landlords invest in residential property to provide for their future and their family’s in the form of supplementing a pension or establishing a business.”*

## INVESTIGATION LAUNCHED INTO LEASEHOLD SYSTEM

After concerns were raised by MPs and consumer groups about unfair leaseholds, including contracts with costly fees and onerous terms, the Competition and Markets Authority (CMA) have announced an investigation into the leasehold system, to see whether people are being treated fairly when buying a home.

In March, the Housing, Communities and Local Government Committee said that the leasehold system has left some householders in unsellable and un-mortgageable homes, and that leaseholders in new-build properties are often treated as a source of profit.

The watchdog is writing to lenders, developers and freeholders to ask for information about how leaseholds are sold and managed, and the terms their contracts contain.

Mark Hayward, Chief Executive of estate agent trade body NAEA Propertymark commented: *“For too long, housebuilders and developers have not been transparent enough about what it actually means to buy a leasehold property, which has led to three in five [people] feeling like they were mis-sold.”*

## FIRST-TIME BUYER NUMBERS UP 7.9% YEAR-ON-YEAR

The latest UK Finance Mortgage Trends Update revealed that in April this year, 27,370 new first-time buyer mortgages completed. This was slightly down on the 28,860 agreed in March, but up 7.9% on a figure of 25,370 recorded in the same month in 2018.

Matt Andrews, Managing Director of mortgages at Masthaven commented: *“This is testament to a continued determination to get more feet on the property ladder from borrowers and lenders alike.”*

The update also reveals that the number of home mover mortgages has increased by 6.4% year-on-year and remortgages with additional borrowing, showed an increase of 0.3%. However, for remortgages with no additional borrowing, the figure was down 6.2% from April 2018.

The figures show that in the buy-to-let sector, the 5,100 new purchase mortgages and 14,400 remortgages remained the same as the figures recorded this time last year.

## HOUSE PRICES HEADLINE STATISTICS

|                               |          |
|-------------------------------|----------|
| HOUSE PRICE INDEX (APR 2019)* | 120.1*   |
| AVERAGE HOUSE PRICE           | £228,903 |
| MONTHLY CHANGE                | 0.7%     |
| ANNUAL CHANGE                 | 1.4%     |

\*(Jan 2015 = 100)

- UK house prices grew by **1.4%** in the year to April 2019
- House price growth was strongest in **Wales** where prices increased by **6.7%** in the year to April 2019
- The lowest annual growth was in **London**, where prices fell by **1.2%** over the year to April 2019

Source: The Land Registry  
Release date: 19/06/2019  
Next data release: 17/07/2019

## AVERAGE MONTHLY PRICE BY PROPERTY TYPE – APR 2019

| PROPERTY TYPE                 | ANNUAL IN- |
|-------------------------------|------------|
| DETACHED<br>£349,793          | 2.7%       |
| SEMI-DETACHED<br>£216,938     | 2.0%       |
| TERRACED<br>£186,587          | 1.9%       |
| FLAT / MAISONETTE<br>£199,018 | -1.6%      |

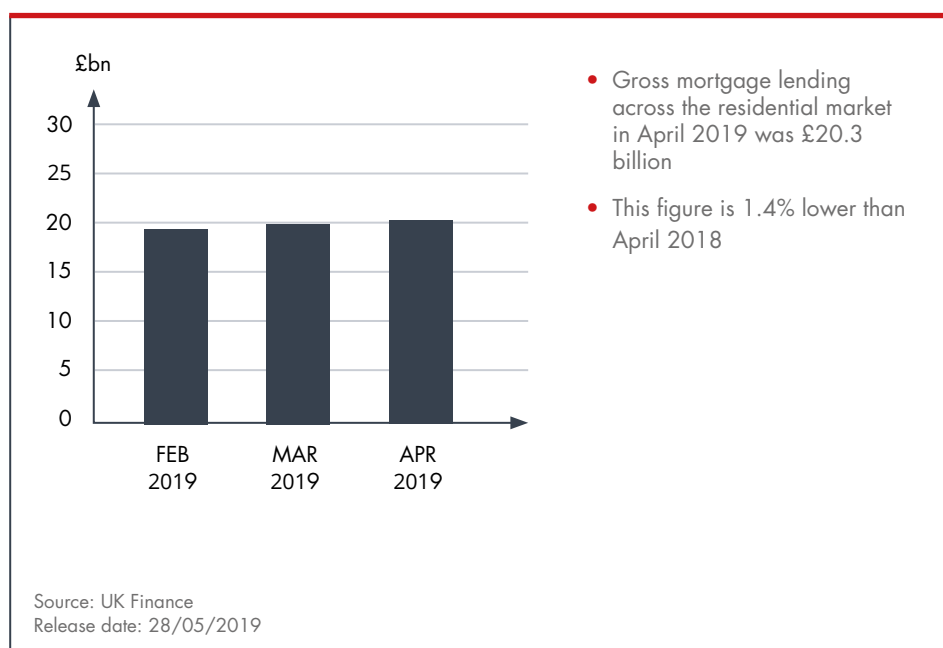
Source: The Land Registry  
Release date: 19/06/2019

Contains HM Land Registry data © Crown copyright and database right 2017. This data is licensed under the Open Government Licence v3.0.

## HOUSE PRICES PRICE CHANGE BY REGION

| REGION                              | MONTHLY CHANGE (%) | ANNUAL CHANGE (%) | AVERAGE PRICE (£) |
|-------------------------------------|--------------------|-------------------|-------------------|
| ENGLAND                             | 0.7                | 1.1               | £245,128          |
| NORTHERN IRELAND (QUARTER 1 - 2019) | -1.0               | 3.5               | £134,811          |
| SCOTLAND                            | 0.7                | 1.6               | £150,825          |
| WALES                               | 2.4                | 6.7               | £163,902          |
| EAST MIDLANDS                       | 0.9                | 2.9               | £192,682          |
| EAST OF ENGLAND                     | 0.3                | 0.6               | £289,436          |
| LONDON                              | 2.4                | -1.2              | £471,504          |
| NORTH EAST                          | 5.0                | 2.0               | £130,888          |
| NORTH WEST                          | 0.6                | 2.6               | £161,891          |
| SOUTH EAST                          | -0.1               | -0.8              | £318,727          |
| SOUTH WEST                          | -0.1               | 1.3               | £253,410          |
| WEST MIDLANDS                       | -0.2               | 2.2               | £195,498          |
| YORKSHIRE AND THE HUMBER            | 0.3                | 2.5               | £161,443          |

## MORTGAGE ACTIVITY



It is important to take professional advice before making any decision relating to your personal finances. Information within this document is based on our current understanding and can be subject to change without notice and the accuracy and completeness of the information cannot be guaranteed. It does not provide individual tailored investment advice and is for guidance only. Some rules may vary in different parts of the UK. We cannot assume legal liability for any errors or omissions it might contain. Levels and bases of, and reliefs from, taxation are those currently applying or proposed and are subject to change; their value depends on the individual circumstances of the investor. No part of this document may be reproduced in any manner without prior permission.