



UNITED KINGDOM

RESIDENTIAL DATASHOT

OCTOBER | 2018





MARKET COMMENTARY

The Chancellor announced his last budget before the UK leaves the EU in March 2019. The Autumn Budget saw very few new additions to the plans already proposed in the Spring Statement earlier this year. The latest proposals include:

- £500m for the Housing Infrastructure Fund, to support the building of 650,000 more homes
- Lettings relief limited to properties where the owner is in shared occupancy with the tenant
- New partnerships with housing associations in England to deliver 13,000 homes
- Guarantees of up to £1bn for smaller house-builders

First-time buyer SDLT relief will be extended to include purchasers of the first share in a qualifying shared ownership property worth £500,000 or less, with the tax relief also applying to the rental payments. The tax relief will also be backdated to 22 November 2017 so that shared ownership properties purchased since then can claim an SDLT refund by amending their SDLT return.

The government will also publish a consultation in January 2019 on an SDLT surcharge of 1% for non-residents buying residential property in England and Northern Ireland. There is some criticism that such a surcharge will only put further pressure on housebuilders, as many rely on international interest and purchasers in order to build needed housing across the UK.

In addition to these proposals, the government also announced on Monday that it will extend the Help-to-Buy equity scheme programme to 2023. The scheme was due to end in 2021. There will be two key changes to eligibility for the loans. The loans will only be available to first-time buyers rather than all home-movers, and a regional property price cap will be introduced across the UK regions. Nearly 19% of homes bought through the scheme have been purchased by home-movers rather than first-timers. More than £8 billion has already injected into providing Help-to-Buy equity loans, which have seen 169,000 properties purchased since 2013.

INDICATOR	LATEST DATA			TREND	COLLIERS INTERNATIONAL COMMENT
	JULY	AUGUST	SEPTEMBER		
Nationwide House Price Growth	0.7%	-0.5%	0.3%	▲	UK monthly house prices were up 0.3% in September. The North was the weakest performing region in Q3, with prices down 1.7% year-on-year.
Halifax House Price Growth	1.2%	-0.2%	-1.4%	▼	Monthly house prices fell by 1.4% in September, the second consecutive monthly fall. House prices in the three months to September were 2.5% higher than during the same period last year.
Rightmove Asking Price Growth	-0.1%	-2.3%	0.7%	▲	September saw UK asking prices increase by 0.7% after two consecutive months of falling asking prices. There are signs of renewed buyer activity with a 6% increase in the number of sales agreed compared to same month last year.
Bank of England Mortgage Approval Rate	65,156	66,440	N/A	▲	The Bank of England Mortgage approval rate increased by 2% between July and August to 66,440.
Bank of England Base Rate	0.50%	0.75%	0.75%	▶	The Bank of England base rate remained at 0.75% since it was increased in August 2018.
Bank of England Average Rate on Two Year Fix (75% LTV)	1.73%	1.75%	1.71%	▼	The Bank of England average rate on a two-year fixed mortgages fell slightly to 1.71% in September.
RICS Price Expectations Survey	-5%	-9%	-17%	▼	According to the RICS near term sales expectations slipped for a fourth consecutive month, with the net balance coming in at -17%.
RICS Sales-to-Stock Ratio	35%	36%	35%	▼	The sales-to-stock ratio remained broadly unchanged as average sales per surveyor decreased and the average stock increased.
HMRC Property Transactions	96,280	98,900	98,400	▼	The number of residential property transactions decreased by 0.5% between August and September. The number of residential property transactions in September are 7% lower compared with the same time last year.

FOR MORE INFORMATION

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