



Homes & Communities Agency

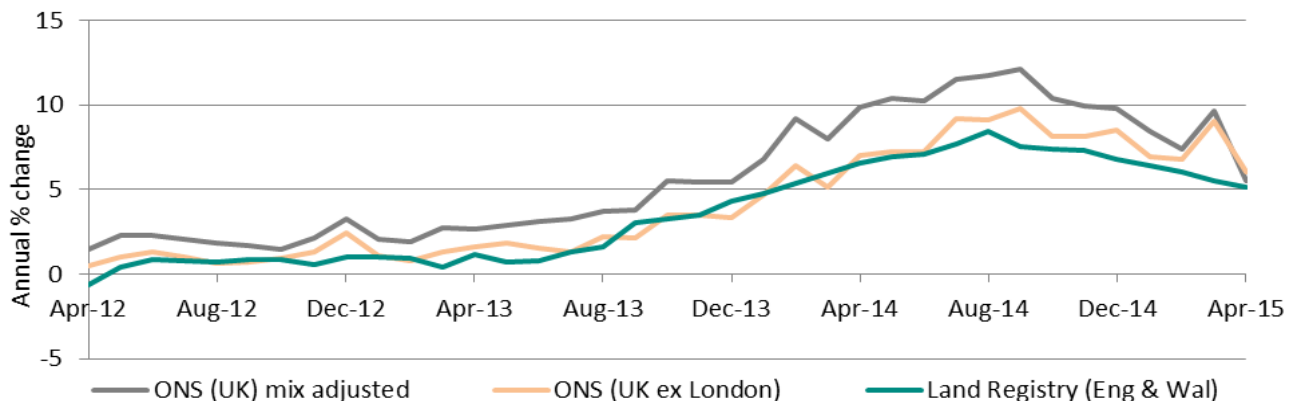
HCA Monthly Housing Market Bulletin, June 2015

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

OVERVIEW

- House prices:** House prices increases have remained strong, although at a lower rate than this time last year.
- Transactions:** The seasonally adjusted monthly number of home sales and gross mortgage lending have both decreased slightly over the last 12 months.
- Economy:** The unemployment rate has continued to creep downwards, whilst CPI inflation remained at virtually zero.

HOUSE PRICES



House prices data source	Date	% change over previous:		
		1 month	3 months	1 year
ONS	Apr 15	-0.6%	0.5%	5.5%
ONS (UK, excl London)	Apr 15	-0.5%	0.9%	6.0%
Land Registry	Apr 15	0.9%	0.4%	5.1%
Nationwide	May 15	0.3%	0.9%	4.6%
Halifax	May 15	-0.1%	2.0%	8.6%
Hometrack	May 15	0.8%	3.0%	6.5%
Rightmove	Jun 15	3.0%	4.5%	4.5%

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

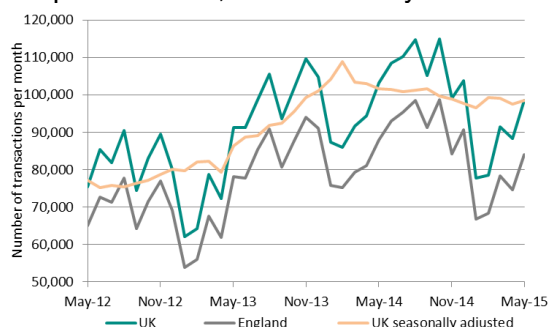
House price indicators vary depending on their methodology and sampling:

- 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 84,040 residential property transactions in England in May 2015, which is 4.4% lower 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 1,023,510 transactions in the 12 months to the end of May 2015. This is 1.7% 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)	April 2015	Change from April 14
First time buyers	Number	22,400	-9.7%
	£m	3,300	-8.3%
Home movers	Number	25,800	-10.7%
	£m	4,900	-7.5%
Buy to Let	Number	8,100	8.0%
	£m	1,100	22.0%

- Total gross mortgage lending in April 2015 was £15.8bn, a 5.4% decrease compared to April last year.

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

Right to Buy

- In 2014-15 there were 11,261 Right to Buy social housing sales by local authorities and 4,421 Preserved Right to Buy sales by Registered Providers.
- The combined total is 86.7% greater than in the previous year. (DCLG)
- The Government has made a commitment to extend the Right to Buy to the majority of Registered Provider tenants who currently are excluded from the scheme.

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

Homelessness

- 13,840 households were accepted as homeless by English local authorities between January and March 2015. This is 8.4% higher than the same quarter in 2014.
- There were 54,440 acceptances over the 12 month period Q2 2014 – Q1 2015, which is 4.1% greater than the total for the previous 12 months.

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

Affordability

- Despite recent house price increases, average price to earnings ratios in UK cities remain in line with long-run averages. Ratios have however varied in different locations, with some locations becoming more affordable and others less affordable.

(Hometrack)

<https://www.hometrack.com/media/273065/hometrack-uk-cities-house-price-index-report-may-2015.pdf>

HOUSE BUILDING

House builders

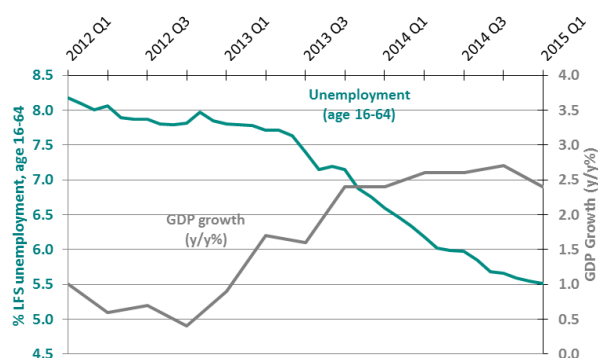
- For financial information on house builders that are listed on the London Stock Exchange please try this link:

<http://www.londonstockexchange.com/prices-and-markets/stocks/stocks-and-prices.htm>

THE ECONOMY

Employment and unemployment

- For February to April 2015, 73.4% of people aged from 16 to 64 were in work, up from 72.7% a year earlier.
- The unemployment rate for February to April 2015 was 5.5%, down from 6.6% a year earlier. (ONS)
<http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/index.html>



Interest rates

- UK gilt yields at 25 June 2015, were as follows:

Maturity	Yield	
	Current	1 month ago
10 year	2.15%	1.87%
20 year	2.67%	2.43%
30 year	2.82%	2.59%

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

Inflation

- The Consumer Price Index rose by 0.1% in the year to May, compared to a 0.1% fall in the year to April.
- The largest upward contribution to the change came from transport services, notably air fares with the timing of Easter in April a likely factor in the movement. There were also significant upward effects from food and motor fuels.
- The largest offsetting downward effect came from recreation and culture, particularly games, toys and hobbies (such as computer games) and data processing equipment.
- CPIH grew by 0.4% in the year to May 2015, up from 0.2% in April 2015.
<http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/index.html>

Forecasts

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

Median forecast, % increase (annual, unless stated otherwise)	Year	
	2015	2016
GDP growth	2.4	2.4
CPI inflation, Q4	0.7	1.7
RPI inflation, Q4	1.4	2.8
Average earnings	2.6	3.1
Official Bank Rate	0.5	1.3
House price inflation, Q4	4.8	5.0
Real household disposable income	3.0	2.0
LFS unemployment, Q4	5.2	5.1

<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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