



Homes & Communities Agency

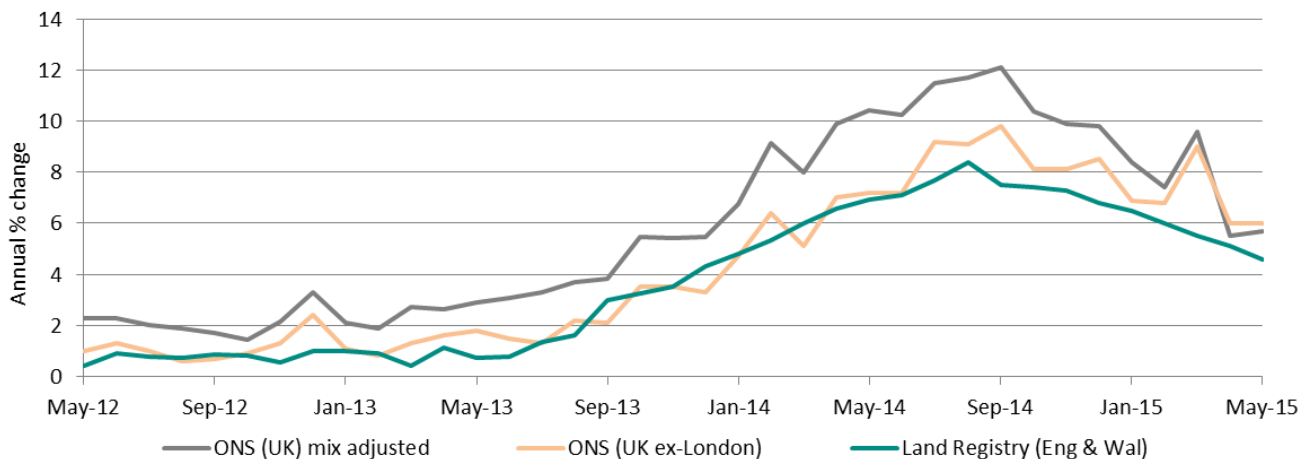
HCA Monthly Housing Market Bulletin, July 2015

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

OVERVIEW

- House prices:** House prices are increasing at a slower rate than this time last year, but nevertheless price rises remain strong.
- Transactions:** The seasonally adjusted monthly number of home sales increased slightly over the last year, despite a drop in gross mortgage lending.
- Economy:** The unemployment rate continues to creep downwards, whilst the CPI inflation rate has returned to zero.

HOUSE PRICES



House prices data source	Date	% change over previous:		
		1 month	3 months	1 year
ONS	May 15	0.8%	1.8%	5.7%
ONS (UK, excl London)	May 15	0.5%	1.3%	6.0%
Land Registry	May 15	0.0%	0.3%	4.6%
Nationwide	Jun 15	-0.2%	1.0%	3.3%
Halifax	Jun 15	1.7%	3.3%	9.6%
Hometrack	Jun 15	0.8%	3.1%	6.3%
Rightmove	Jul 15	0.1%	2.9%	5.1%

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

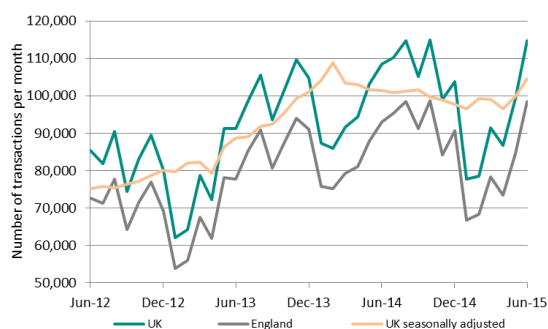
House price indicators vary depending on their methodology and sampling:

- 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 98,510 residential property transactions in England in June 2015, which is 6.0% higher than the previous year. The series high was 136,790 in August 2007, and the low point was 34,750 in January 2009.



- There were a total of 1,028,430 transactions in the 12 months to the end of June 2015. This is 0.7% 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)	May 2015	Change from May 14
First time buyers	Number	22,700	-16%
	£m	3,400	-13%
Home movers	Number	26,300	-15%
	£m	5,000	-12%
Buy to Let	Number	9,200	11%
	£m	1,200	20%

- Total gross mortgage lending in May 2015 was an estimated £16.2bn, a 3% decrease compared to May last year.
- Forward indicators of lending, such as Bank of England data on approvals, suggest that the market can expect an upturn in lending over the coming months. (CML)
<http://www.cml.org.uk/cml/media/press>

Homelessness

- 13,520 households were accepted as homeless by English local authorities between January and March 2015. This is 8.0% higher than the same quarter in 2014.
- There were 54,430 acceptances over the 12 month period Q2 2014 – Q1 2015, which is 4.3% greater than the total for the previous 12 months.
<https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

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>

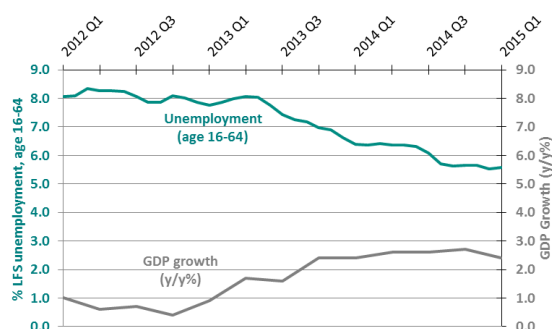
Land value

- Opinion is divided on national average residential development land value trends in 2015. There is agreement, though, that changes are slight.
- For Savills, UK greenfield and urban development land values increased by 0.5% and 1.6% respectively in Q1 2015. Growth has been limited by increasing construction costs and fewer bids per site in some parts of the UK.
http://www.savills.co.uk/research_articles/141285/188301-0
- Knight Frank, however, report average greenfield residential development land prices fell by 1.8% in Q1, taking the annual change to -0.5%.
<http://content.knightfrank.com/research/161/documents/en/q1-2015-2860.pdf>

THE ECONOMY

Employment and unemployment

- For March to May 2015, 73.3% of people aged from 16 to 64 were in work, up from 72.9% for a year earlier.
- The unemployment rate for March to May 2015 was 5.6%, down from 6.5% for a year earlier. (ONS)
<http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/index.html>



Interest rates

- UK gilt yields at 22 July 2015, were as follows:

Maturity	Yield	
	Current	1 month ago
10 year	2.03%	1.99%
20 year	2.60%	2.57%
30 year	2.75%	2.71%

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

Inflation

- The Consumer Prices Index (CPI) was unchanged in the year to June 2015, that is, a 12-month rate of 0.0%, down from 0.1% in the year to May.
- Falls in clothing and food prices were the main contributors to the change in the rate along with smaller rises in air fares than a year ago.
- There were no large upward effects to offset the change.
- CPIH grew by 0.3% in the year to June 2015, down from 0.4% in May.
<http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/index.html>

Forecasts

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

Median forecast, % increase (annual, unless stated otherwise)	Year	
	2015	2016
GDP growth	2.5	2.4
CPI inflation, Q4	0.7	1.7
RPI inflation, Q4	1.5	2.8
Average earnings	2.7	3.3
Official Bank Rate	0.5	1.2
House price inflation, Q4	5.4	5.0
Real household disposable income	3.0	2.1
LFS unemployment, Q4	5.2	5.0

<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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