



# Homes & Communities Agency

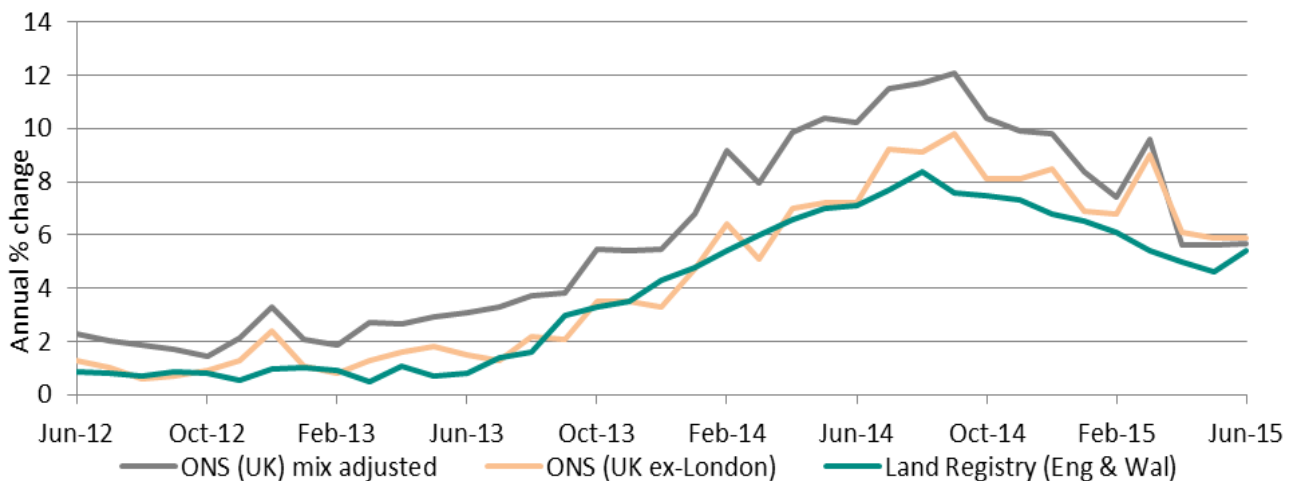
## HCA Monthly Housing Market Bulletin, August 2015

For more information please click on the links provided, or contact the HCA's Spatial & Market Intelligence team, [Market.Intelligence@hca.gsi.gov.uk](mailto:Market.Intelligence@hca.gsi.gov.uk).

### OVERVIEW

- House prices:** National average house prices are increasing at a slower rate than this time last year, but nevertheless average price rises remain strong.
- Transactions:** The seasonally adjusted number of home sales has been steady for at least the last 12 months at around 100,000 homes per month.
- Economy:** The unemployment rate has stabilised, whilst the CPI inflation rate remains close to zero. Year on year GDP growth was 2.6% at Q2.

### HOUSE PRICES



House prices data source	Date	% change over previous:		
		1 month	3 months	1 year
ONS	Jun 15	1.2%	1.4%	5.7%
ONS (UK, excl London)	Jun 15	1.4%	1.9%	6.1%
Land Registry	Jun 15	1.1%	2.0%	5.4%
Nationwide	Jul 15	0.4%	0.9%	3.5%
Halifax	Jul 15	-0.6%	2.4%	7.9%
Hometrack	Jul 15	0.8%	3.0%	6.2%
Rightmove	Aug 15	-0.8%	2.2%	6.4%

#### 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.

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/](http://www.nationwide.co.uk/hpi/)

Halifax (UK) [http://www.lloydsbankinggroup.com/media1/economic\\_insight/halifax\\_house\\_price\\_index\\_page.asp](http://www.lloydsbankinggroup.com/media1/economic_insight/halifax_house_price_index_page.asp)

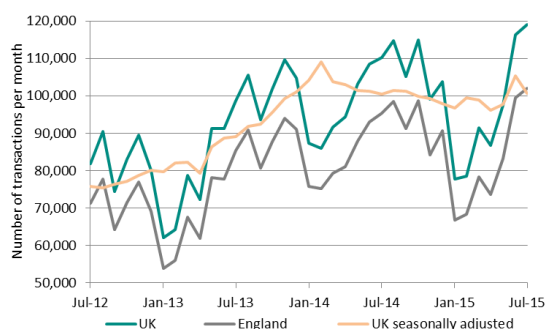
Hometrack (UK) <http://www.hometrack.com/uk/insight/uk-cities-house-price-index/>

Rightmove (E&W) [www.rightmove.co.uk/news/house-price-index](http://www.rightmove.co.uk/news/house-price-index)

## HOUSING MARKET

### Housing transactions

- There were 102,010 residential property transactions in England in July 2015, which is 6.9% higher than one year earlier. The series high was 136,790 in August 2007, and the low point was 34,750 in January 2009.



- There were a total of 1,034,670 transactions in the 12 months to the end of July 2015. This is 0.3% higher than in the previous 12 months. (HMRC)

<http://www.hmrc.gov.uk/statistics/transactions.htm>

### Market rental

- Private rental prices paid by tenants in England grew by 2.5% in the 12 months to June 2015.
- Rental prices increased in all the English regions, over the year to June 2015, with rental prices increasing the most in London (3.8%), followed by the East and South East regions. The lowest average increases were in the three north of England regions.
- Rents in England, but excluding London, rose on average by 1.7%.

(ONS)

<http://www.ons.gov.uk/ons/rel/hpi/index-of-private-housing-rental-prices/index.html>

### Mortgages

- Council of Mortgage Lenders data on mortgage market growth (house purchase loans):

Type of buyer	Measure (loans)	June 2015	Change from June 14
First time buyers	Number	28,300	-2.4%
	£m	4,200	0%
Home movers	Number	32,700	0.3%
	£m	6,400	6.7%
Buy to Let	Number	10,400	23.8%
	£m	1,400	40.0%

- Total gross mortgage lending in June 2015 was an estimated £20.5bn, a 15% increase compared to June last year.
- The number of mortgages with arrears equivalent to 2.5% or more of the mortgage balance has decreased for the ninth consecutive quarter. The 106,400 mortgages with that level of arrears in Q2 2015 represented 0.96% of all mortgages.
- Mortgage repossessions have also continued to decline. 2,500 homes were taken into possession in the second quarter, compared to 5,400 one year before. The 2015 figure represents 0.02% of all mortgages.
- Both the arrears and possession rate figures are the lowest since quarterly records began in 2008. (CML)

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

## HOUSE BUILDING

### House building

- Seasonally adjusted house building starts in England are estimated at 33,280 in the June quarter 2015, a 14% decrease compared to the previous quarter. Starts in the quarter decreased by 6% on the same quarter a year earlier.
- Seasonally adjusted completions are estimated at 35,640 in the June quarter, 4% higher than the previous quarter and 22% up on the same quarter a year earlier.
- Seasonally adjusted starts are now 94% above the trough in the March quarter 2009 but 32% below the March quarter 2007 peak. Completions are 26% below their March quarter 2007 peak.

<https://www.gov.uk/government/statistics/house-building-in-england-april-to-june-2015>

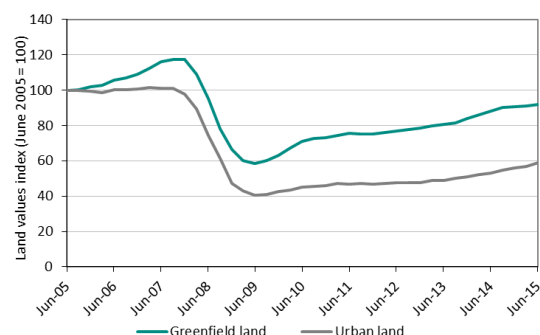
### Construction industry

- Output in the construction industry in quarter 2 (Apr to June) 2015 was estimated to have increased by 2.4%, compared with the same quarter one year before.
- Upward pressure on the quarter came from all new work which increased by 1.0%, with private new housing, infrastructure and public other new work increasing by 3.9%, 0.5% and 1.2% respectively.
- Repair and maintenance decreased by 1.2% in quarter 2 compared with quarter 1.

<http://www.ons.gov.uk/ons/rel/construction/output-in-the-construction-industry/index.html>

### Land value

- In June 2015 average British urban land values stood at approaching 60% of the level they held in 2007.
- Greenfield values were nearly 80% of their pre-slump maximum.
- Residential land value increases in the last year have been strongest in London. Urban valuations elsewhere were a little above average in the East and South East regions. The South East saw the strongest greenfield land value average increases.



(Savills Research: Development Land Statistical Supplement, June 2015)

### 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

### GDP

- GDP is estimated to have increased by 0.7% in Q2 2015 compared to Q1, and by 2.6% compared with the same quarter a year ago.
- Output in services increased by 0.7% and production increased by 1.0%. Construction growth was flat. In contrast agriculture decreased by 0.7%. (ONS)  
<http://www.ons.gov.uk/ons/rel/qva/gross-domestic-product--preliminary-estimate/index.html>

### Inflation

- The Consumer Prices Index (CPI) grew by 0.1% in the year to July 2015, up from 0.0% in the year to June 2015.
- Falling prices for food and non-alcoholic beverages partially offset the rise.
- CPIH grew by 0.4% in the year to July 2015, up from 0.3% in June.  
<http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/index.html>

### Interest rates

- UK gilt yields at 19 August 2015, were as follows:

Maturity	Yield	
	Current	1 month ago
10 year	1.75%	2.07%
20 year	2.33%	2.65%
30 year	2.47%	2.79%

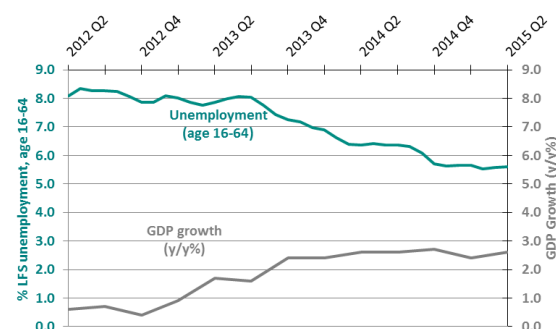
<http://markets.ft.com/Research/Markets/Bonds>

### Employment and unemployment

- For April to June 2015, 73.4% of people aged from 16 to 64 were in work, up from 72.8% for a year earlier.
- The unemployment rate for April to June 2015 was 5.6%, down from 6.3% for a year earlier but slightly higher than for January to March 2015.

(ONS)

<http://www.ons.gov.uk/ons/rel/lms/labour-market-statistics/index.html>



### Forecasts

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

Median forecast, % increase (annual, unless stated otherwise)	Year	
	2015	2016
<b>GDP growth</b>	2.6	2.4
<b>CPI inflation, Q4</b>	0.5	1.7
<b>RPI inflation, Q4</b>	1.3	2.9
<b>Average earnings</b>	2.7	3.4
<b>Official Bank Rate</b>	0.5	1.0
<b>House price inflation, Q4</b>	4.7	5.4
<b>Real household disposable income</b>	3.3	2.4
<b>LFS unemployment, Q4</b>	5.3	5.1

<https://www.gov.uk/government/collections/data-forecasts>

### Homes and Communities Agency, Spatial 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](mailto:Market.Intelligence@hca.gsi.gov.uk)

**Disclaimer** – The Homes and Communities Agency (HCA) makes no warranty as to the content, accuracy, timeliness or completeness of the information in this document, or that the information may be relied upon for any reason. The HCA shall not be liable for any losses or damages (including any special, incidental, indirect or consequential damages of any kind) or any damages whatsoever arising out of or in connection with the use or performance of this publication or the similar use of other documents which are referenced by or linked to this publication. Any links to other websites do not constitute an endorsement or an approval by the HCA of any products, services, policies or opinions of the organisation or individual.