



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

Buy-to-Let landlords continue to feel the pinch

In their latest 'UK Cross Sector Outlook', Savills Research have noted that following the summer budget of 2015, the government's alterations to Buy-to-Let (BTL) regulations and taxation, have seriously dented the enthusiasm of many potential landlords. Savills report that UK Finance have calculated that the number of BTL mortgages granted in the year to August 2017 was 75,300. This represents a fall of 47% from the year to March 2016. Furthermore, the actual growth in the number of outstanding BTL mortgages is lower still - now standing at 24,800 - which suggests that landlords are divesting in this sector.

October's data sees a boost to remortgaging

UK Finance have stated in their non-seasonally adjusted data release that loans for remortgaging and for house purchases rose, when compared with the previous month and with the same period in 2016.

Given the current economic climate, both capital and interest payments for new loans are at an all-time low, which reflects the increasingly competitive nature of the mortgage-lending market.

June Deasy, Head of Mortgage Policy at UK Finance said: "Over the last year, the number of loans for remortgaging have been at record levels; this trend looks set to continue further as we head towards the end of 2017 and borrowers seek to take advantage of low interest rates. Mortgage repayments as a percentage of income still remain at, or close to, their historic low point, and despite the recent base rate rise, we can expect monthly mortgage payments to remain affordable for the vast majority of borrowers."

Conflicting data released by the Land Registry

In its latest data release, the UK Land Registry, which collates completion data across the country, has recorded the average residential property price in the UK at £223,807 in October. This represents an annual positive price change of 4.5%, and a slight monthly fall of 0.5%. They stated that the Royal Institution of Chartered Surveyors (RICS), whose members they canvass for the data, reported that headline near-term price expectations slipped to -11% from -8% in September and has now been negative in each of the last three months. The Bank of England found that housing market demand has strengthened overall, but with the usual regional divergence.



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HOUSE PRICES HEADLINE STATISTICS

HOUSE PRICE INDEX (OCT 2017)*	117.4*
AVERAGE HOUSE PRICE	£223,807
MONTHLY CHANGE	- 0.5%
ANNUAL CHANGE	4.5%

*(Jan 2015 = 100)

- An annual price increase of **4.5%**, which takes the average property value in the UK to **£223,807**
- The North West saw the largest monthly fall in value of **-2.0%**
- Northern Ireland saw price growth of **3.0%** over Q3 2017

Source: The Land Registry / Release date: 12/12/2017
Next data release: 16/01/2018

HOUSE PRICES PRICE CHANGE BY REGION

REGION	MONTHLY CHANGE (%)	ANNUAL CHANGE (%)	AVERAGE PRICE (£)
ENGLAND	-0.6	4.7	£240,860
NORTHERN IRELAND (QUARTER 3 - 2017)	3.0	6.0	£132,169
SCOTLAND	-0.7	2.8	£143,544
WALES	0.8	4.5	£153,316
EAST MIDLANDS	0.2	7.0	£184,544
EAST OF ENGLAND	0.1	6.1	£289,168
LONDON	-0.9	2.1	£481,102
NORTH EAST	-0.1	2.4	£127,224
NORTH WEST	-2.0	3.9	£154,056
SOUTH EAST	-0.5	4.6	£322,311
SOUTH WEST	0.2	6.7	£251,376
WEST MIDLANDS REGION	-1.1	5.2	£186,351
YORKSHIRE AND THE HUMBER	-1.1	3.3	£155,281

UK UNEMPLOYMENT FIGURES

- There were **32.08** million people in work, **56,000** fewer than for May to July 2017 but **325,000** more than a year earlier
- **8.86** million people aged 16 to 64 were economically inactive

Jobless total

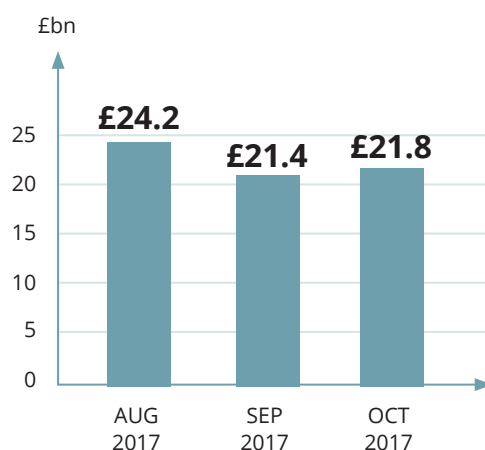
1.43m

Unemployment rate

4.3%

Source: Office for National Statistics
Release Date: 13/12/2017

MORTGAGE ACTIVITY



- The number and value of loans for remortgaging and for house purchases rose in October
- First-time buyers borrowed £5.1 billion, up two per cent on the previous month
- Home movers borrowed £7 billion, up 2.9 per cent on September

Source: Council of Mortgage Lenders (now integrated into UK Finance)
Release date: 12/12/2017

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YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE