



Our monthly property 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.

Increase in gross mortgage lending in March

In its latest data release, the Council of Mortgage Lenders (CML), the body representing 97% of all UK residential mortgage lenders, has announced that gross mortgage lending in March increased to £21.4bn. This level is 19% lower than lending figures released for March 2016. Much of this decline is accounted for by the 2016 rush of home buyers looking to avoid the increased stamp duty rates for additional properties, which took effect in April 2016. Gross mortgage lending is down 4% on Q4 2016 and down 6% on Q1 2016.

Mortgage lending stuck "in neutral gear"

Mohammad Jamei, the Senior Economist of the CML, has been quoted as saying that in their opinion, mortgage lending is now "... in neutral gear".

He went on to add: "We expect this profile to continue over the short-term, as low mortgage rates encourage existing borrowers to remortgage and government schemes help first-time buyers."

Having said that, market commentators do not believe that the Prime Minister's shock announcement of a snap general election, planned for June 8th this year, will have any major impact on the residential market place in the short-term.

First-time buyers nearly overtake home-movers

First-time buyers have come close in March to overtaking the level of home movers for the first time in 20 years, according to the CML.

With current mortgage rates at historically low levels, first-time buyers are seen to be driving market activity, as other parts of the market appear to weaken. Historically, house purchase approvals have averaged 68,000 a month over the last five months, but the MPC are anticipating average monthly house purchase approvals reaching 71,000 a month for the next six months.

There have been 342,000 first-time buyers over the last rolling 12-month period, the highest figure seen for nine years.

Lettings activity falls

The lettings market appears to be slowing nationwide, according to the latest data released by Agency Express. They reported that new listings of properties 'To Let' fell in February by 13.8% from the previous month. This dip represents the largest month on month February fall since records began in 2012.

This data was reinforced by comments made by the Director General of the CML, Paul Smee, who was quoted as saying: "Buy to let house purchase activity continues to be weak, despite strong buy-to-let remortgage levels. This will likely remain so going forward as lenders tighten affordability criteria ahead of the PRA mandated stress tests, and the introduction of tax changes in April."

HOUSE PRICES HEADLINE STATISTICS

HOUSE PRICE INDEX (FEB 2017)*	114.1*
AVERAGE HOUSE PRICE	£217,502
MONTHLY CHANGE	0.6%
ANNUAL CHANGE	5.8%

*(Jan 2015 = 100)

- Average house price in England stands at **£234,466**
- East of England houses saw a **10.3%** annual price rise
- Flats and maisonettes showed a **7.2%** annual price rise

Source: The Land Registry / Release date: 11/04/2017
Next data release: 16/05/2017

HOUSE PRICES PRICE CHANGE BY REGION

REGION	MONTHLY CHANGE (%)	ANNUAL CHANGE (%)	AVERAGE PRICE (£)
ENGLAND	0.8	6.3	£234,466
NORTHERN IRELAND (QUARTER 4 - 2016)	0.6	5.7	£125,480
SCOTLAND	-0.6	3.1	£138,821
WALES	-0.9	1.8	£145,293
EAST MIDLANDS	2.0	7.5	£176,784
EAST OF ENGLAND	2.1	10.3	£281,665
LONDON	-0.9	3.7	£474,704
NORTH EAST	-0.1	2.2	£123,749
NORTH WEST	1.8	6.7	£152,618
SOUTH EAST	-1.0	5.4	£311,539
SOUTH WEST	0.4	6.2	£241,582
WEST MIDLANDS REGION	1.1	7.0	£180,516
YORKSHIRE AND THE HUMBER	2.5	5.2	£152,591

UK UNEMPLOYMENT FIGURES

- Unemployment rate at **4.7%** down from **5.1%** a year earlier
- Lowest unemployment level since August 1975
- There were **31.84** million people in work; up **312,000** from a year earlier

Jobless total

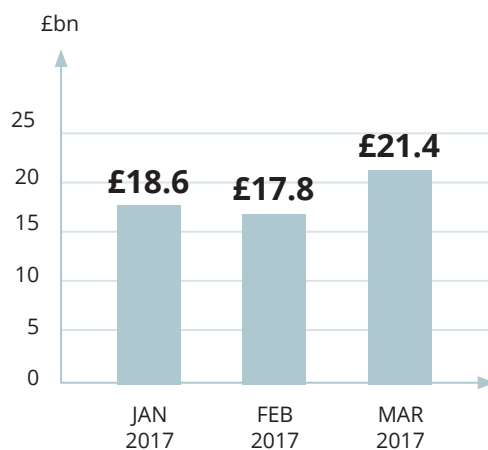
1.56m

Unemployment rate

4.7%

Source: Office for National Statistics
Release Date: 12/04/2017

MORTGAGE ACTIVITY



Source: Council of Mortgage Lenders
Release date: 20/04/2017

- Gross mortgage lending 19% lower than March 2016
- "Mortgage lending appears to be in neutral gear" says CML
- "We do not expect any marked effect from the General Election"

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