

RESIDENTIAL PROPERTY REVIEW

MARCH 2019



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.

Average residential sales times longer

Recent research from property portal, Rightmove, indicates that across the UK, the average time taken from when a property is first listed, until it is marked as under offer, has increased from 72 days in January 2018 to 77 days currently.

The data also shows that Runcorn, in Cheshire, has the fastest moving housing market outside of London. Runcorn has an average asking price of £132,653 and has seen a reduction in selling time from 69 days in 2018 to just 48 days currently, 29 days quicker than the national average. This appears to have largely been driven by the opening of the Mersey Gateway Bridge, alleviating major traffic problems, to allow a journey time of 20 minutes by car, from Runcorn to Liverpool City Centre.

In Scotland, homes are selling quickest in Livingston, where on average it takes just 35 days for properties to get snapped up. Redditch in the West Midlands takes top spot as the fastest selling market in England, with properties in the Worcestershire town selling in 45 days, on average.

Targets may not be met despite more homes being built

A recent survey of more than 400 housebuilding companies in England, by property and construction consultancy McBains, reveals that 57% of respondents reported increasing the rate at which they built new homes during 2018 and are also predicting a further rise over the next 12 months.

However, less than half of those surveyed (48%) think that the Government target of building 300,000 homes a year, on average, by the mid-2020s is achievable, with worries

over land availability, slow planning permission and skills shortages being cited as barriers to prevent them building more homes.

Of the homes to be built over the next 12 months, house builders expect 22% of these new homes to be classed as affordable homes for rent or sale. Clive Docwra, Managing Director of McBains, commented: *"For those people struggling to get a foot on the property ladder, the finding that only around one in five of new homes to be built over the next year will fall into the affordable category will be disappointing."*

Uncertainty continues

The Royal Institute of Chartered Surveyors (RICS) February 2019 UK Residential Survey, indicated that the residential property market continues to struggle for momentum. The survey posed an additional question this time, aimed at identifying the most significant factor holding back activity, and in response to this, 77% of respondents cited Brexit uncertainty as the biggest challenge facing the housing market at present. The survey also indicated that 71% felt it was impacting both buyers and sellers, while only 8% were of the view that Brexit was not having an effect on either.

The Chancellor delivered his Spring Statement on 13 March and although little was expected in terms of new policy measures affecting the built environment, many policies remain dependent on the outcome of the Brexit debate, which a RICS press release expressed as *'frustrating given how much parliamentary time has been diverted to it at the expense of pressing domestic issues such as the housing crisis, construction skills shortage and infrastructure deficit.'*

HOUSE PRICES HEADLINE STATISTICS

HOUSE PRICE INDEX (JAN 2019)*	119.7*
AVERAGE HOUSE PRICE	£228,147
MONTHLY CHANGE	- 0.8%
ANNUAL CHANGE	1.7%

*(Jan 2015 = 100)

- UK house prices grew by **1.7%** in the year to January 2019
- This is the lowest annual growth for the UK since June 2013
- House price growth was strongest in Wales where prices increased by **4.6%** in the year to January 2019

Source: The Land Registry / Release date: 20/03/2019
Next data release: 17/04/2019

HOUSE PRICES PRICE CHANGE BY REGION

REGION	MONTHLY CHANGE (%)	ANNUAL CHANGE (%)	AVERAGE PRICE (£)
ENGLAND	-1.0	1.5	£244,567
NORTHERN IRELAND (QUARTER 4 - 2018)	1.3	5.5	£136,669
SCOTLAND	0.6	1.3	£149,036
WALES	-1.3	4.6	£160,232
EAST MIDLANDS	0.2	4.4	£192,757
EAST OF ENGLAND	-1.0	-0.2	£288,494
LONDON	-0.3	-1.6	£472,230
NORTH EAST	-3.3	0.9	£125,233
NORTH WEST	-1.3	3.4	£160,811
SOUTH EAST	-0.5	0.1	£321,174
SOUTH WEST	-1.4	0.5	£253,926
WEST MIDLANDS	-2.1	4.0	£195,399
YORKSHIRE AND THE HUMBER	-1.0	2.9	£160,420

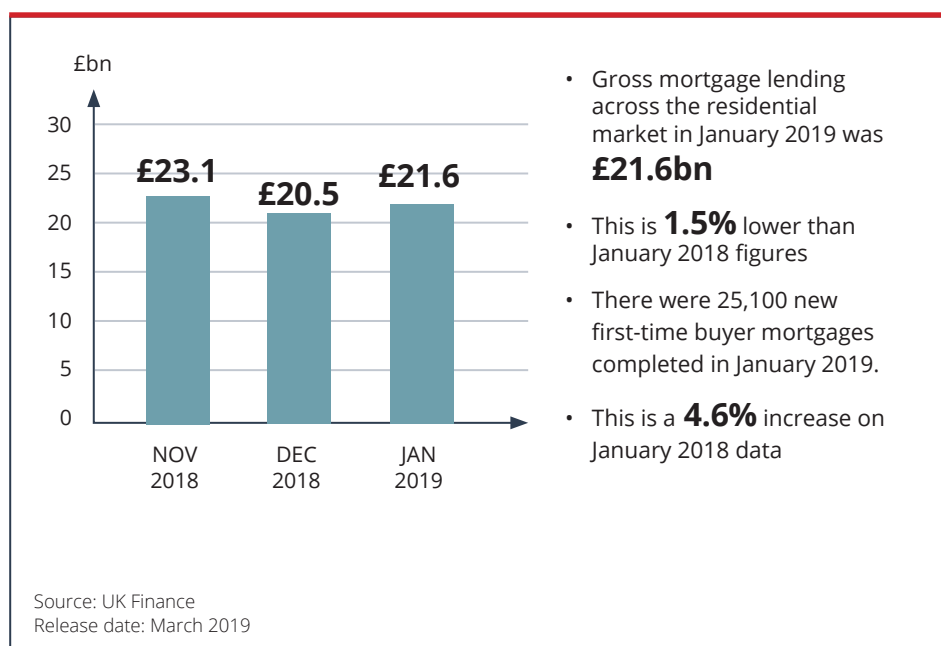
AVERAGE MONTHLY PRICE BY PROPERTY TYPE – JAN 2019

PROPERTY TYPE	ANNUAL INCREASE
DETACHED £349,363	2.9%
SEMI-DETACHED £214,858	1.9%
TERRACED £183,520	1.6%
FLAT / MAISONETTE £203,280	- 0.1%

Source: The Land Registry
Release date: 20/03/2019

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MORTGAGE ACTIVITY



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