

UK Properties Market Trend

Issued on 26th April, 2010

What is on the current market?

Telegraph.co.uk on 24 Mar 2010

Budget 2010 : key points

Housing – Stamp Duty limit for first-time buyers doubled to £250,000 for this year from midnight tonight. Funded by increase in stamp duty to 5% on homes worth over £1m.

Inheritance tax – threshold frozen at £325,000 for four years

Savings – annual ISA limit (£10,200 from next month) to increase annually in line with inflation

Fuel duty – 3% a litre increase will be staggered -1% in April, further 1% rise in October, and the rest in January.

Sin taxes – Duty on cider jumps by 10% above inflation from midnight on Sunday, when duty on beer, wine and spirits rises 1% as planned. Alcohol duties will rise by 2% above inflation for two further years from 2013. Tobacco duty 1% above inflation from today, increasing by 2% in real terms each year until 2014.



Times on line on 2nd April 2010

Street wise : property market news

Prices in prime Central London have enjoyed a 20% boom over the past 12 months, says Knight Frank, buoyed by 24% growth in the sub-£2.5m sector. Prices are now rising at their fastest rate since March 2008 and are only 9% below peak levels from that time, though month-on-month increases are beginning to slow. It also reports that the balance between buyers and sellers is beginning to even out. House prices increased by 0.7% in the month to March, reversing a 0.8% fall in February. Nationwide also reported a relatively high annual rate of price inflation of 9%. Quarterly price inflation edged down from 1.8% to 1.6%, suggesting that price rises are beginning to slow and flatten out. Low buyer activity during the cold weather was balanced by a negligible increase in properties available for sale. The recovery in London is outstripping the small gains being made elsewhere, according to Haart's London property index, which reported a 3% increase in prices from Feb to Mar in the capital, compared with 0.7% nationally. There was also a 19% increase in the number of homes for sale in London, where the average sale price for a property rose from £261,349 to £269,971.

The Rightmove.co.uk on 19th April 2010

Cash and supply over-ride pre-election jitters

Spring sellers ignore pre-election concerns and increase average asking prices by 2.6% (£5,898)

Choice increases as property supply shows some indications of outstripping buyer demand

Tentative recovery threatened by the prospect of a hung parliament

NAEA on 16th April 2010

Spring Shoots Spark Recovery

The number of people selling their homes rose in March to its highest level in six months, according to the National Association of Estate Agents. The average number of properties for sale per branch increased from 56 in February to 60 in March. This is the highest figure since September last year. The arrival of Spring also brought an influx of new house hunters to the market. In March, 274 people registered per branch, compared to 258 in February, an increase of 7%. The number of sales agreed also increased, from an average of 7% to 8%. The percentage of sales to first time buyers (FTBs) decreased slightly from 24% in February to 23% in this month. President of the NAEA, Gary Smith, said: "Spring has finally arrived and brought with it a much needed boost to the housing market, particularly amongst sellers. "This figure has been low in recent months and this is a welcome indication that reflects a growing confidence that the recovery is well underway."

Houseladder on 20th April 2010

Election 'likely to cause uncertainty in housing market'

Lucian Cook, director at Savills, says the property sector is predicted to make a slow recovery from the recession, as homeowners face "significant" mortgage constraints and house price volatility. Furthermore, he says new figures from Rightmove.co.uk – which reveal that the average asking price for homes in the UK has risen by 2.6% in April – are "surprising". "If you look at stock levels compared to new applicant levels, generally I would have thought there is some downward pressure on prices rather than upward pressure," adds Mr Cook.



Sinko International Limited

The Buy-to-let activities

Telegraph.co.uk on 14 March 2010

Rent boost for buy-to-let landlords

The supply of new properties coming on to the rental market has fallen for the second consecutive quarter possibly bringing an end to the downward trend in rents that has been in place since the autumn of 2008, says the latest RICS Lettings Survey. The net balance of chartered surveyors reporting rising rather than falling rents in the three months to January 2010 was zero. This follows five quarters of negative readings, and is in marked contrast to April last year when 58% more chartered surveyors were reporting falling rents, an all-time low for the survey. In addition, expectations as to the outlook for rents continues to strengthen with a net balance of 33% of respondents believing rents will to rise over the coming quarter (up from 22%). The more positive picture for rents can be attributed to the continued decline in supply of both flats and houses in the marketplace. 23% more chartered surveyors reported a fall rather than a rise in the number of new landlord instructions for this period, up from 18% in the previous quarter. Although the weather may have been a factor in this, it is more likely that the upturn in the housing market has tempted many of the accidental landlords away from the lettings market. Demand remains strong with 16% more respondents still seeing it rise than fall. Would be first-time buyers, unable to get a foot on the property ladder, are still a major source of increasing demand for good rental properties. Houses remain more popular than flats and it is the supply/demand imbalance in this market that is also helping to push rents higher. RICS spokesperson Jeremy Leaf said: "It is becoming clear that movements in the housing market are affecting lettings: the RICS housing survey has seen a steady increase in the number of new instructions coming on to the market over the past few months, whilst simultaneously we see with this survey that the number of properties available to rent has decreased. "This is a clear sign that the accidental landlords are returning to the sales market. If demand remains strong, which it is likely to as many first time buyers are still finding themselves priced out of the housing market, then rents should continue to rise as would be tenants compete for fewer properties."

ARLA on 26th March 2010

Rentals cannot take the strain of UK housing shortage

The Association of Residential Letting Agents (ARLA) conducted the poll to assess the state of the Private Rented Sector (PRS). More than half (58%) of respondents at the 2010 ARLA annual conference highlighted the issue of insufficient supply of rental stock as the biggest issue facing the sector. Ian Potter, operations manager at ARLA, said: "This is a very serious issue. At the end of last year we highlighted that a lack of properties will be a defining factor in the housing market in 2010 and our member agents across the country have confirmed this opinion as fact. "The UK is in dire need of good quality rental accommodation to counter the lack of broader housing supply across the country and the PRS needs tangible Government support to help achieve this. This should be in the shape of incentives for improvements on older properties, assistance for landlords in gaining mortgage finance, and regulation to drive unethical letting agents out of the industry. "2010 has already brought a number of Government proposals for the PRS but few firm decisions. Significant policy decisions will be set out in the coming months of the election and it is imperative that all the parties factor the PRS into their strategies on the national housing supply.



The mortgage situation

BBC News on 19th April 2010

Mortgage lending jumps in March

Mortgage lending jumped to £11.5bn in March, a 24% rise from February the Council of Mortgage Lenders (CML) said. The figure was also 3% up on March last year, when the market had reached its nadir in the wake of the credit crunch. Despite this rise, the CML said activity in the property market was still relatively subdued. It pointed out that total mortgage lending in the first three months of the year was still substantially lower than in the last three months of 2009. "Despite the increase in activity late last year a subsequent fall early this year – due to the end of the stamp duty holiday – the underlying position looks to have barely changed," said CML economist Paul Samter. "But with the gradually improving economic backdrop and interest rates still low, we continue to expect a gentle improvement in market conditions later in the year," he added.

Houseladder on 21st April 2010

Faith in mortgage borrowing 'slowly being restored'

Jon Brown, partner relationship manager at iammoving.com, says as people become more confident in the state of the housing market, many areas of the UK are also reporting a stabilisation or increase in property prices. "The fact that the property market is now seen to be out of its dip has the dual benefit of encouraging more people to place their house on the market and encouraging more home movers to consider buying," he states. Mr Brown suggests that providing Bank of England interest rates remain low, he expects there to be a "gentle continued growth" in the property sector over the next few years. His comments come as new figures from the Council of Mortgage Lenders show gross mortgage lending increased from £9.3billion in February to £11.5billion in March, marking a rise of 24%. However, gross home loan lending as a whole in the first quarter of 2010 declined by 24% from the fourth quarter of 2009.



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UK Facing severe housing shortage

Insufficient supply of good quality property means that the private rented sector (PRS) is struggling to meet demand. With the PRS picking up the slack from the housing market, ARLA believes that the next Government must focus on averting the sector from crisis. “More than two thirds of our agents have seen demand outstrip supply across the country – there simply isn’t enough housing stock coming onto the rental market. The Government’s move to help first-time buyers by raising the Stamp Duty threshold was a step in the right direction. Now we need to see tangible measures to support the PRS,” said Ian Potter, operations manager of ARLA. “Investors need to be treated as businesses, with proper incentivisation to invest in and refurbish older properties. This will improve standards, help the environment with improving insulation, and encourage much-needed investment to help get the market back on its feet. “Banks need to be told to be more flexible about the provision of finance for the Buy-to-Let sector which has fuelled the supply of good quality homes, and saved this government from an even greater housing shortage. Without these kinds of measures there is a serious risk that a shortage or rentals will create another form of housing crisis.” The research, conducted among UK letting agents and landlords, shows that during Q1 2010, two thirds (59%) of ARLA member agents reported more tenants than properties available. This is a 50% rise on the last quarter (41%) and in Q3 2009 the figure was just 24%. The speed with which tenants are snapping up homes to rent is also telling – properties are vacant for an average period of just 3.6 weeks, which is down from 4.2 weeks at the same point last year.

Housepricecrash.co.uk House Price Statistics – UK National on 25th April 2010

Source website	Period covered	Average house price	Monthly change (%)	Annual Change (%)	Peak average house price	Change since peak (%)
Communities and Local Government House Price Index	Feb 10	£204,359	N/A	↑7.40	£221,758 (Jan 08)	↓7.85
FT House Price Index (Acadametrics)	Mar 10	£227,788	↑1.10	↑13.40	£231,595 (Feb 08)	↓1.64
Halifax House Price Index	Mar 10	£168,521	↑1.10	↑5.20	£199,770 (Aug 07)	↓15.64
Land Registry Monthly Report	Feb 10	£164,455	↓0.30	↑7.00	£186,045 (Jan 08)	↓11.60
Nationwide House Price Index	Mar 10	£164,519	↑0.70	↑9.00	£186,044 (Oct 07)	↓11.57
Rightmove House Price Index	Mar 10	£229,614	↑0.10	↑5.30	£242,500 (May 08)	↓5.31

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