

FINANCIAL FOCUS

||| OBJECTIVE
WEALTH

The UK Housing Market

We are starting to see more pressure on the headline figures on house prices, with Rightmove stating the “unusual dip” in prices, by 0.3% to £378,420 – compared with an average increase of 0.4% in June over the past 10 years.

The UK has a sometimes-unhealthy obsession with house prices, so sentiment in the housing market matters. It is what most people relate to and represents the majority of people’s personal wealth. Government policy relies on a healthy housing market, with forecasts considering growth only and especially the much-lauded building program.

Whilst there are some question marks over the Office for National Statistics (ONS) data, showing consistent year-on-year growth in house prices (although they acknowledge significant regional variations), there has certainly not been a house price crash. As ever, plenty were predicting that the jump in lending rates would precipitate a sharp reduction in values. Rates have remained stubbornly and comparatively high, and have now been joined by other, influential factors.

Firstly, let us consider just where the pinch points are with high interest rates. First-time buyers are finding that the monthly payments to get on the housing ladder are higher, making the move from renting more difficult.

**THIS MONTH'S
FEATURED
ARTICLE**

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Lenders lend on an affordability basis, so with a higher proportion of outgoings on mortgage expenses, borrowers qualify for lower loans.

Fiscal drag is seriously reducing affordability. The Guardian states that the 'number of people in the UK paying income tax at the higher rate is expected to increase by 500,000 this tax year, to more than 7 million'. This is a significant proportion of those looking to buy a house and move. Wages have risen in line with inflation; however, the tax rate thresholds have remained the same since 2021 and will continue until 2028 at the earliest.

Colleen Babcock, property expert at Rightmove, states that there is a 10-year high in the number of homes for sale. With the new landlord obligations, people downsizing because of higher bills and a more aggressive housebuilding program, there is much more supply. Then we are down to supply and demand, with house price data confirming that there are 14% more houses for sale and 4% fewer buyers. It is a buyer's market.

This is a good thing. There are opportunities for those who want a bigger property, with boomers perhaps less reluctant to hold on to their four-bedroom properties, having to settle for more realistic selling prices. And first-time buyers can snap up landlords' properties that they formerly would have had to rent instead of owning.

As a mortgage broker, not only do we provide all of the services you would expect to get you the best mortgage, but we also include a new service provided at no cost to you. We will provide you with details of the property you are looking to purchase, which could help you secure a more competitive asking price.

John Wheatley

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As your mortgage broker, we want to provide you with the best service and support throughout the whole mortgage process, whether you are a new client, or whether you are one of our existing clients looking to remortgage.

We have recently signed up to a platform called Sprift, which allows us to support you fully by providing you with everything you need to know about a property. This will allow us to identify a suitable product quickly and easily for you, and in turn speed up the mortgage application and underwriting process.

Sprift works with a number of data partners, such as the Land Registry, Office for National Statistics, Valuation Office Agency, to name a few. It provides a dashboard of instantly accessible and extensive information about a property, which can also be shared with other professionals, such as estate agents and conveyancers, working on your behalf.

Our mortgage broking services provide you with a complimentary comprehensive report, both PDF and online interactive versions, to give you as much key information as possible about the property you are interested in*, including comparables of other for sale and sold properties in the area.

*there is no charge for the first two reports.

If you would like to discuss your existing mortgage, or you are looking for a new mortgage, please don't hesitate to get in touch with us and we will help you get the best deal you can.

Hannah Vickery
Mortgage Adviser

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