

PROPERTY MARKET REVIEW

APRIL 2019



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.

Prime London property investment rises by 28% in Q1 2019

London's West End and the City welcomed investment of £3.2 billion in the first quarter of 2019, which eclipsed the £2.5 billion investment seen in the same quarter of 2018, according to data released by Savills.

They went on to add that investment volumes in Central London in Q1 2019, were higher than those seen in the same quarter of 2015, which were recorded at £3.14 billion, prior to the 2016 referendum to leave the EU.

Savills stated that despite the uncertainty of the ongoing Brexit negotiations, Central London has seen significant inward capital flows, such as Citigroup's purchase of its Europe, Middle East and Africa (EMEA) headquarters at 25 Canada Square for £1.10 billion.

Scottish landlords move to upgrade 'Grade B' properties

A lack of 'Grade A' office space in major Scottish cities has been identified as driving an increase in landlords and institutional investors repurposing existing Grade B properties to Grade A, according to the latest research from Colliers International.

Many of these refurbishment projects in Glasgow and Edinburgh are aimed at attracting tenants wishing to embrace the changing demands of employers, such as desk-sharing policies, home working and space for 'break-out' meetings.

RICS announce new professional statement regarding service charges

The Royal Institution of Chartered Surveyors (RICS) new professional statement 'Service Charges in Commercial Property' came into effect on 1 April 2019. This makes it mandatory for

RICS firms to ensure service charges in commercial property are disclosed and any firm not complying with this requirement will face disciplinary action.

This mandate has been arrived at after detailed discussions between RICS and industry leaders, such as large real estate organisations and other professional bodies, to ensure that any upfront and fair costs relating to the general upkeep and maintenance of commercial property are fully transparent.

RICS Global Property Standards Director, Paul Bagust, stated: "As a tenant you want to make sure the charges you're paying are fair and reasonable, and as a landlord, you want to ensure the costs of running your building are covered and are paid on time."

He added: "These requirements are a collaborative effort of many professions – including the Institute of Chartered Accountants in England and Wales (ICAW), the Law Society and the British Property Federation."

City of London's proposed tallest building gets the go-ahead

At over 305m high and three times the height of Big Ben, the proposed 'Tulip' building, destined for a site alongside the existing iconic building christened 'The Gherkin' in St Mary Axe, has been granted planning consent by the City of London's planning committee.

Amongst the objections were comments such as: "would fit better in Dubai than London" and "its height is entirely determined by an egotistical desire to have the largest structure in the City of London."

The proposed building will boast a 'Bulb' of twelve floors, incorporating a glass 'Sky Bridge' viewing tower and a glass-bottomed slide. It is hoped by the developers, J. Safra Group, that these combined features will attract over one million visitors a year and over £1 billion in revenue for the City of London.

HOUSE PRICES HEADLINE STATISTICS

HOUSE PRICE INDEX (FEB 2019)*	118.7*
AVERAGE HOUSE PRICE	£226,234
MONTHLY CHANGE	- 0.8%
ANNUAL CHANGE	0.6%

*(Jan 2015 = 100)

- UK house prices grew by **0.6%** in the year to February 2019
- This is down from **1.7%** in the year to January 2019
- Scotland saw house prices fall by **0.2%** over the last 12 months.

Source: The Land Registry
Release date: 17/04/2019
Next data release: 22/05/2019

HOUSE PRICES PRICE CHANGE BY REGION

REGION	MONTHLY CHANGE (%)	ANNUAL CHANGE (%)	AVERAGE PRICE (£)
ENGLAND	-0.6	0.4	£242,964
NORTHERN IRELAND (QUARTER 4 - 2018)	1.3	5.5	£136,669
SCOTLAND	-3.1	-0.2	£145,762
WALES	0.2	4.1	£159,559
EAST MIDLANDS	-0.5	1.6	£190,199
EAST OF ENGLAND	0.5	0.6	£290,137
LONDON	-2.0	-3.8	£459,800
NORTH EAST	-0.4	-0.8	£125,397
NORTH WEST	1.3	4.0	£163,758
SOUTH EAST	-1.7	-1.8	£315,700
SOUTH WEST	-0.4	1.2	£253,730
WEST MIDLANDS	0.4	2.9	£196,152
YORKSHIRE AND THE HUMBER	-2.5	0.0	£155,685

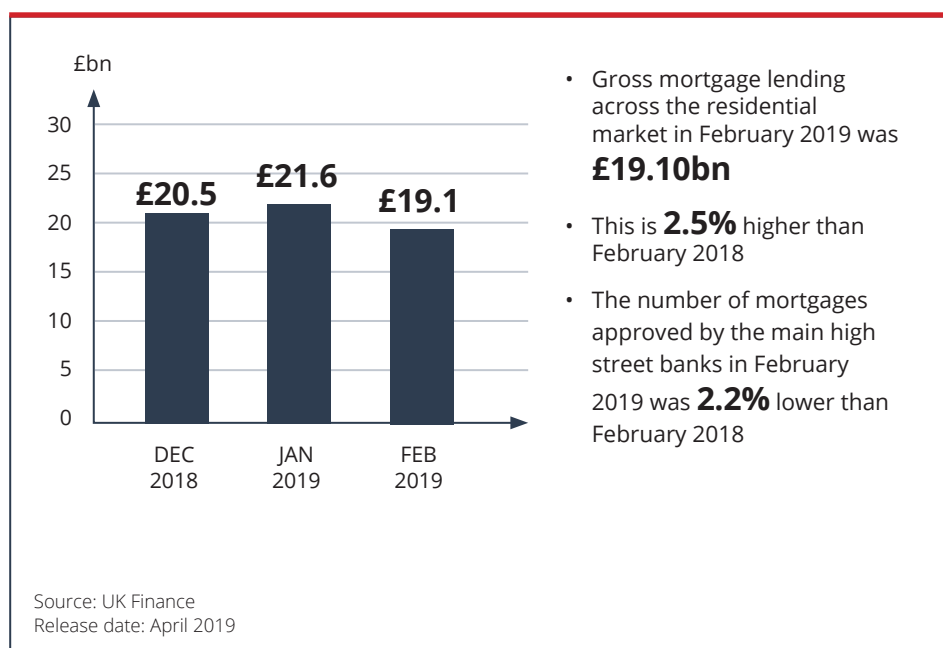
AVERAGE MONTHLY PRICE BY PROPERTY TYPE – FEB 2019

PROPERTY TYPE	ANNUAL INCREASE
DETACHED £344,374	0.8%
SEMI-DETACHED £215,632	2.2%
TERRACED £183,367	1.2%
FLAT / MAISONETTE £197,693	- 2.8%

Source: The Land Registry
Release date: 17/04/2019

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MORTGAGE ACTIVITY



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