



Nottinghamshire Economic Insight Issue 33: October 2012 Housing and property

National:

Surveyors were expecting sales of homes in the UK to pick up in the following three months owing to support for mortgage lending. However, prices were expected to remain little changed over the same period, the Royal Institution of Chartered Surveyors' survey suggested.

BBC News Business (9.10.12), [UK house sales set to rise, says surveyors body Rics](#), BBC © 2012

House prices fell for the third month in a row in September according to the Halifax, one of the UK's biggest mortgage lenders. Its latest monthly survey suggested that average prices dipped by 0.4% the previous month compared with August. This latest fall meant that the average UK house cost £159,486, 1.2% lower than at the same point the previous year.

BBC News Business (4.10.12), [UK house prices fell in September, Halifax says](#), BBC © 2012

The Nationwide building society announced it would stop offering interest-only mortgages to new borrowers from 11 October. It was the latest big lender to take this step, in response to pressure from the Financial Services Authority (FSA). The Nationwide said its existing customers with interest-only mortgages could keep them but not extend them.

BBC News Business (4.10.12), [Nationwide ends interest-only mortgages](#), BBC © 2012

Thousands of mortgage customers saw their monthly bill rise as a variable rate change at one of the UK's largest lenders, Santander, took effect. Its standard variable rate (SVR) rose to 4.74% from 4.24%. This will cost borrowers an extra £26 per month on a £100,000 mortgage.

BBC News Business (3.10.12), [Santander SVR mortgage rise comes into effect](#), BBC © 2012

House prices will stay flat or drop slightly over the following year despite a gradual recovery in the UK economy, the Nationwide predicted. It has suggested that the Bank of England's new Funding for Lending scheme, aimed at boosting credit, could support the market. Prices fell by 1.4% in the year to the end of September, the Nationwide said. A 0.4% drop compared to August left the average UK home valued at £163,964, the lender said. More business activity and the London 2012 Olympics have helped to put some energy in the UK economy, the building society said. However, its chief economist Robert Gardner said that there were "grounds for caution" about jobs, which were a key factor affecting movements in property prices.

BBC News Business (2.10.12), [UK house prices predicted to be flat for a year](#), BBC © 2012

Banks and building societies ramped up mortgage lending over the summer in a sign that efforts to boost the flow of credit are having an impact. The Bank of England said overall availability of secured credit to households increased significantly in the quarter to September, in contrast to expectations for little change. However, most of the products were aimed at people with big deposits and the Bank noted that credit-scoring criteria had tightened. The overall availability of credit to the corporate sector remained unchanged for small, medium and large companies. The Bank of England and the Treasury's £80 billion Funding for Lending scheme was launched in September to unclog the flow of credit to households and businesses. (See item below).

this is Nottingham (27.9.12), [Home lending, up but no increase in credit for businesses](#), BBC © 2012

The Bank of England's quarterly credit conditions survey, conducted in August and early September, showed a "significant" increase in the availability of secured lending, including mortgages. The balance of lenders reporting an increase in mortgage availability was the highest since the survey began in 2007. (See item above).

Heather Stewart, theguardian (26.9.12), [Bank of England survey shows rise in mortgage lending](#), © 2012 Guardian News and Media Limited or its affiliated companies

This letter was sent to local authorities, advising them that from 1 October 2012 all compulsory purchase and land disposal work will be dealt with by the National Planning Casework Unit, based in Birmingham.

Department for Communities and Local Government (DCLG) (25.9.12), [Letter to Chief Planning Officers: Compulsory purchase and land disposal work](#), © Crown copyright

Deputy Prime Minister, Nick Clegg said parents should be able to use their pension schemes to help their children buy a first home. Under the Liberal Democrats' plans, a future lump sum pension payout would be used to guarantee the mortgage. The party says the extra security could result in making homes more attainable, as it could mean young people having to save up for a smaller deposit. However the Saga group questioned its viability.

Justin Parkinson, BBC News Politics (23.9.12), [Lib Dem conference: Pension funds could back mortgages – Clegg](#), BBC © 2012

The right to bid will give community groups a fairer chance to prepare and bid to buy community buildings and facilities that are important to them. The community right to bid came into force on 21 September 2012.

Department for Communities and Local Government (CLG) (21.9.12), [Community Right to Bid](#), © Crown copyright

These statistics presents official statistics on new lettings and sales of existing social housing stock in England for 2011-12.

Department for Communities and Local Government (CLG) (21.9.12), [Social housing lettings and sales in England, 2011-12 - Continuous Recording \(CORE\)](#), © Crown copyright

Charity Shelter called for landlords to offer long-term contracts to provide more security for tenants, as a survey suggested that the cost of renting rose to a record high in August. The average cost rose to £734 a month on average in England and Wales, up 2.9% on a year earlier, LSL Property Services said. August was the fifth month in a row that rents had risen for "frustrated buyers", it said.

BBC News Business (21.9.12), [Fears for tenants as rental costs rise](#), BBC © 2012

Open revolt broke out over David Cameron's plan to allow large extensions in back gardens. To help revive the economy, the Prime Minister wants homeowners to be able to build out as far as 26ft without permission for a three-year period. However Richmond and Sutton Councils said on Thursday 20 September that they would oppose a 'foolish' shake-up they fear will blight streets, slash property prices and set neighbour against neighbour. The interventions forced planning minister Nick Boles to admit town halls could opt out of the reform.

Daniel Martin, MailOnline (21.9.12), [Rebellion over home extensions: PM's planning free-for-all hit by council backlash](#), © Associated Newspapers Ltd

This is a letter to local authorities providing information on a one year extension to temporary provisions allowing applicants to extend time limits for implementing a planning permission.

Department for Communities and Local Government (CLG) (18.9.12), [Letter to Chief Planning Officers: Extending planning permissions and the positive and proactive statement in decision notices](#), © Crown copyright

Speaking at the National Housing Federation (NHF) Annual Conference, Regulation Committee Chair, Julian Ashby, highlighted the importance of regulation. He called for a more tailored approach as the regulator's remit expands to cover both for profit and not for profit Registered Providers, in what is an increasingly risky operating environment.

Homes & Communities Agency (18.9.12), [Social housing regulator recognises challenge of more diverse sector](#), © Homes and Communities Agency 2008-2012

House prices continued to accelerate much quicker in London than the rest of the UK, latest figures showed. UK property prices rose by 2% in the year to the end of July - lower than the rate of inflation - according to the Office for National Statistics (ONS). However, prices increased by 5.7% in London over the same period. There were price falls in Scotland, Wales and Northern Ireland.

BBC News Business (18.9.12), [House prices: Two-speed housing market persists](#), BBC © 2012

The number of homeless families put up by councils in bed and breakfast accommodation rose by almost half, according to an analysis of official figures by the National Housing Federation, which represents housing organisations. It found that between January and March 2011 there were 2,750 families nationwide living in B&Bs. In the same period in 2012 this had risen to 3,960, an increase of 44%. The rise came after ministers warned 20 councils not to house families in B&Bs for six weeks or more.

Randeep Ramesh, theguardian (17.9.12), [Homeless families in B&B accommodation up by 44%](#), © 2012 Guardian News and Media Limited or its affiliated companies

This page provides information about Get Britain Building, a £420 million fund announced in November 2011 as part of the government's Housing Strategy for England. Get Britain Building is intended to unlock stalled sites with planning permission to support construction activity and provide new homes. It is also intended to address difficulties in accessing development finance faced by some house-builders. On 14 September the HCA published the shortlist of 105 projects to be invited to enter a due diligence process.

Homes & Communities Agency (14.9.12), [Get Britain Building](#), © Homes and Communities Agency 2008-2012

Property websites will be given more of a free hand to matchmake private buyers and sellers under government plans. At present, some websites that display property for private sale are treated as estate agents by the law. This means that they need to check that the descriptions of homes in adverts are accurate. This responsibility is set to be lifted from websites, but an industry group warned that buyers could now get a worse deal.

BBC News Business (13.9.12), [Private home sales to be easier, says government](#), BBC © 2012

UK homebuilder Barratt Developments saw a strong bounce in profits in the past financial year, helped by building on land that yielded higher margins. Barratt said its full-year profits rose by 159% to £111m, while revenues were 14% higher at £2.3bn. The company completed 12,637 properties during the period, up from 11,078 the previous year.

BBC News Business (12.9.12), [Barratt profits more than double as home sales improve](#), BBC © 2012

Mortgage deposit levels for first-time buyers fell below 20% for the first time in more than three years. The Council of Mortgage Lenders (CML) said the average first-time deposit fell in July to 19%, the lowest level since November 2008. Meanwhile, mortgage lending to all home buyers picked up in July, albeit at still subdued levels. The number of mortgages arranged by lenders rose by 5% from June to 49,500, which was also 5% up on the previous year. Despite this increase, the level of borrowing was still half the level recorded in the years before the banking crisis started in 2007.

BBC News Business (12.9.12), [Mortgage deposits drop below 20% for first-time buyers](#), BBC © 2012

Local:

The current Lord Byron was due to open a new £1.3 million business centre in Hucknall on Thursday 27 September. Ashfield District Council bought the derelict Beardall Street School building in 2011 to transform it into the Byron Business Centre. Covering 664 square metres, the centre will provide 16 offices varying in size, a meeting room for tenants, free car parking, kitchen and toilets on each floor, energy-efficient lighting and solar panels, and a cycle shelter.

this is Nottingham (26.9.12), [Lord Byron opening new £1.3m business centre](#), © 2012 Northcliffe Media Limited

The future of the 300-year-old Manor House in Market Square, Bingham, which is currently in disrepair, was the subject of a public meeting at which over 50 people gave their views about the building's potential uses. Mr Ashton, who is leading the community campaign, said: "The owner has said he is prepared to sell the property for the right price and the County Council have said they are fully behind the plans to develop it. If all that goes to plan, we would then apply for a National Lottery heritage grant for the upkeep of the building."

this is Nottingham (17.9.12), [Will Bingham's 300-year-old Manor House find new role for 21st century?](#), © 2012 Northcliffe Media Limited