

2018 Housing Forecast

The forecast for 2018 mortgaged housing is for modest growth over the year. Halifax suggest that housing price inflation will be between 0% and 3%.¹ Savills forecast less than 1.5% growth and negative growth for London.² The factors likely affect growth are outlined in the Halifax forecast as:

- *Continuing broad stability in house prices nationally in 2018*
- *Economic growth to continue below trend, but unemployment to remain low*
- *Continuing pressure on household finances together with affordability constraints likely to limit housing demand during 2018*
- *Shortage of homes for sale, low levels of housebuilding, and continuing low interest rates will support prices*
- *House price growth likely to be weakest in London and the South East*
- *Changes to Stamp Duty may boost first-time buyers*

The Nationwide February 2018 House Price Index³ highlights the month to month volatility in the market but nevertheless is forecasting an overall gain of 1% over the course of 2018.

The forecast for rented property is more positive with demand very strong. The impact of tax changes for some but to let properties has been realised in 2017. The rental market is offering a good return in all regions. Savills Spotlight report says:

“In the residential markets, the fact that the government has put housing at the centre of domestic policy should provide a platform for innovation, presenting significant opportunities for developers and investors. Despite extra funding for Help to Buy, demand for private rented properties will continue to increase. Together with the ongoing undersupply of affordable housing, this should underpin rental demand across a range of income groups.”²

The Governments planning and housing policies are being firmed up and will be implemented through 2018, although the impact of these new policies and legislation will only be realised after 2019.⁴ One area of these policies will be focussed on Build to Rent⁵ with support and encouragement for SMEs take a significant role. This is the market area where Ecovista will be concentrating it's efforts.