

# Housing Market Prediction for 2017

LONDON, UK, February 13, 2017 /EINPresswire.com/ -- So what does 2017 has in store for the housing market? Here at [Home House Buyers](#) we have been speaking to professionals in the property market, from estate agents across the country to economists who specialise in global market conditions which can affect our own housing market.

The [London housing market](#) had a hard 2016, for example, a year ago a four-bed family home in the capital a year ago you would need deep pockets to afford one. Now a year later these properties according to Rightmove fell by 8.7% in 2016.

Although in the West Midlands and eastern England prices grew faster than in London according to the search sit Zoopla.

The UK average house price growth was at 4.5% ahead of Londons housing market for the first time since 2008 which was only 3.7%.

So do you think the London housing market bubble has burst? Are vendors going to struggle to sell their houses fast? Well, all things are relative to market conditions, don't panic vendors I'm sure the bubble hasn't burst just yet and you will be able to sell your house fast.

We spoke to one developer who is building a flat development on Radstock Street in Battersea. He is expecting to achieve £3.65m for each of his eight large apartments which are being released in early 2017.

Now for most people, this purchase price is an astronomical amount of money for a 3 bedroom flat. The sales team are convinced that these flats will appeal to vendors looking at downsizing and they are confident to sell quickly, even in this current market.

This is surely a sign that the London housing market is on a whole different planet to the rest of the UK, where houses sell for ridiculous amounts of money and sell fast.

Although there has been a significant drop in house prices across London the capital is still averaging £474,000 which is more than double the typical average price of the rest of the UK.



We have been getting feedback as to why central London has seen such a significant fall in demand. The main reason from many estate agents has been the new stamp duty laws which came into effect in April last year.

So since April 16 anyone buying a second home or a buy-to-let has to pay an extra 3% stamp duty surcharge on top of the already existing stamp duty charge.

This means anyone buying a second home over £1.5m is subject to a 15% charge, which is killing the London property market.

#### Stamp Duty Bands

Price band Standard rate Buy-to-Let/Second home

Up to £125,000 0% 3%

£125,001 to £250,000 2% 5%

£250,001 to £925,000 5% 8%

£925,001 to £1.5m 10% 13%

£1.5m+ 12% 15%

Source: HMRC

March saw a burst of activity, buyers were trying to beat the surcharge which was being implemented in April. Vendors were happy as they were able to sell house fast. Then in April and May saw a massive drop in sales and the backlash has stuck with us with sales plummeting according to RICS.

#### Price changes

According to experts, the stamp duty costs for £1m homes since 2014 has had more of an effect on the property market than the Brexit vote which took place in June.

A chief property economist had said that the UK property market recovered very quickly after the Brexit vote which surprised him, as he thought the vote to leave the EU would create massive uncertainty in the housing market.

Other experts have said that the 2014 mansion tax hit the property market in London harder than the Brexit vote did.

They also say buyers are nervous about the economy and the fact that people are over-stretched financially has kept house prices from skyrocketing.

The lack of homes coming to the market, with demand still high has helped price steadily increase over the last 12 months, vendors looking at selling are still confident to sell house fast in this current climate.

This constraint on supply has experts predicting a 6% increase in house prices over the next 12 months, so 2017 should be a good year to sell your house fast.

First-time buyers won't like this news with rising prices they will find it hard to get a foothold onto the property ladder. But with the bank of mum and dad and the government's Help to Buy scheme they do have a helping hand.

UK house price forecasts for 2017

Commentator Forecast

Henry Pryor, property commentator 4% fall  
Ed Stansfield, Capital Economics 2% rise  
Ray Boulger, John Charcol mortgage brokers 1% rise  
Simon Rubinsohn, Rics 3% rise  
Robert Gardner, Nationwide building society 2% rise  
Martin Ellis, Halifax 1% to 4% rise

Fist-Time Buyers are the keystone to keeping our housing market going. As long as the government keeps supporting them then the housing market should keep quite solid.

Experts in the housing market are predicting many outcomes for 2017- from price rises to price falls.

The Halifax are predicting a hedge your bets prediction of an increase of between 1 and 4% increase. They say it's such a wide range because of the uncertainty around the UKs economy.

#### WHAT THE EXPERTS SAY

Property Prices have risen to dangerous levels in a few countries, which are in serious danger of overheating, according to OECD.

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