

# **Banks, Bricks, and Baby Boomers**

Savills Research 5 year outlook

Lawrence Bowles

**Sentiment**

in the short term

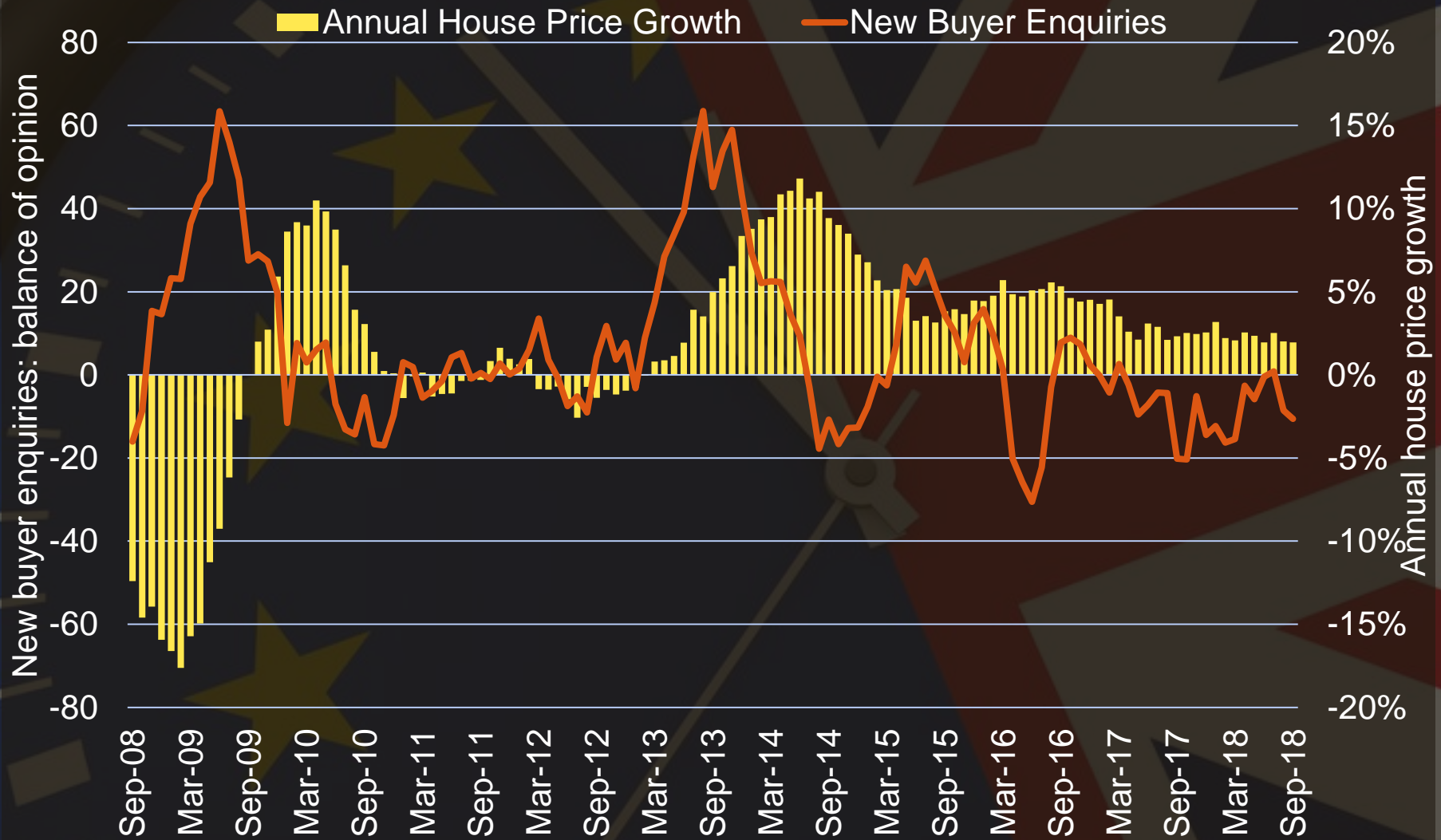
In the longer term

**Affordability**

# Sentiment & Brexit

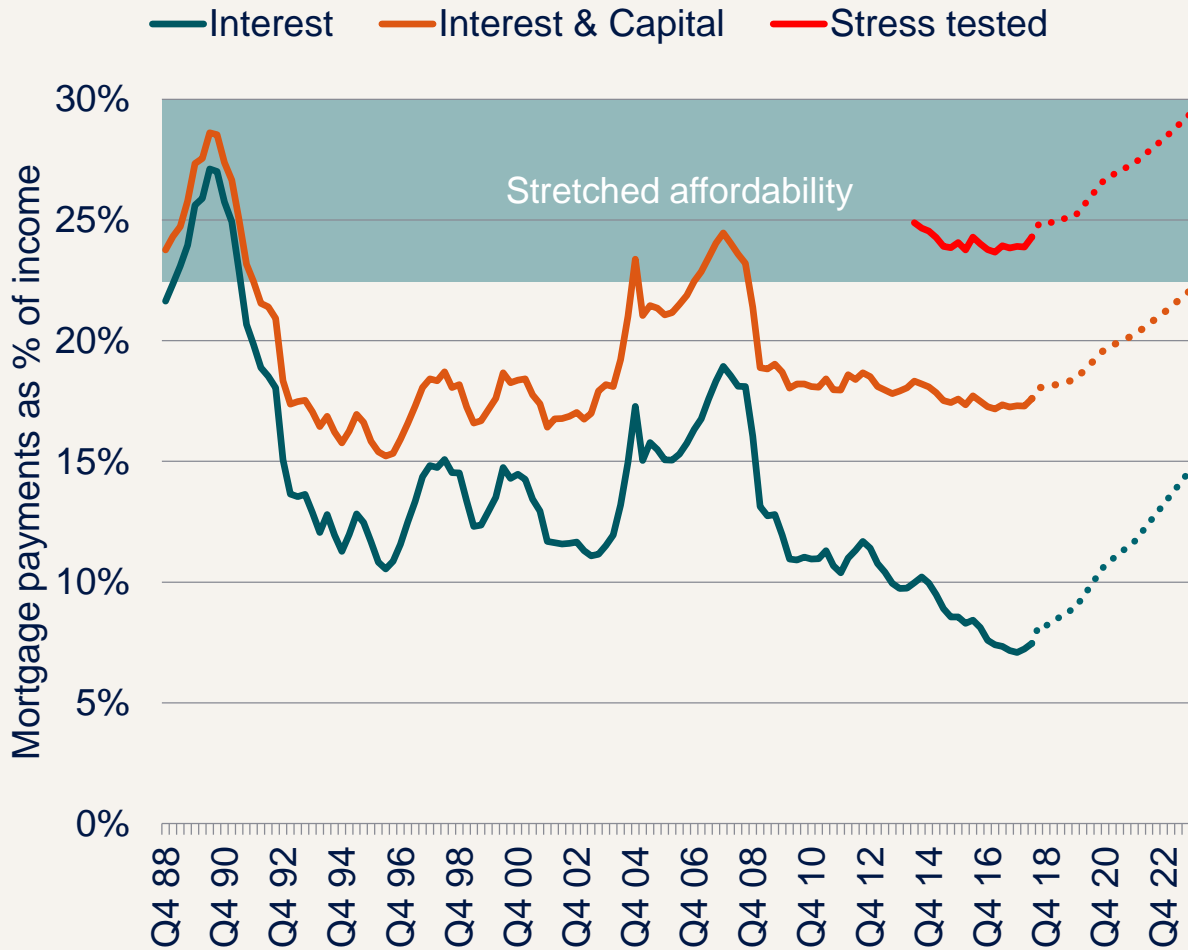


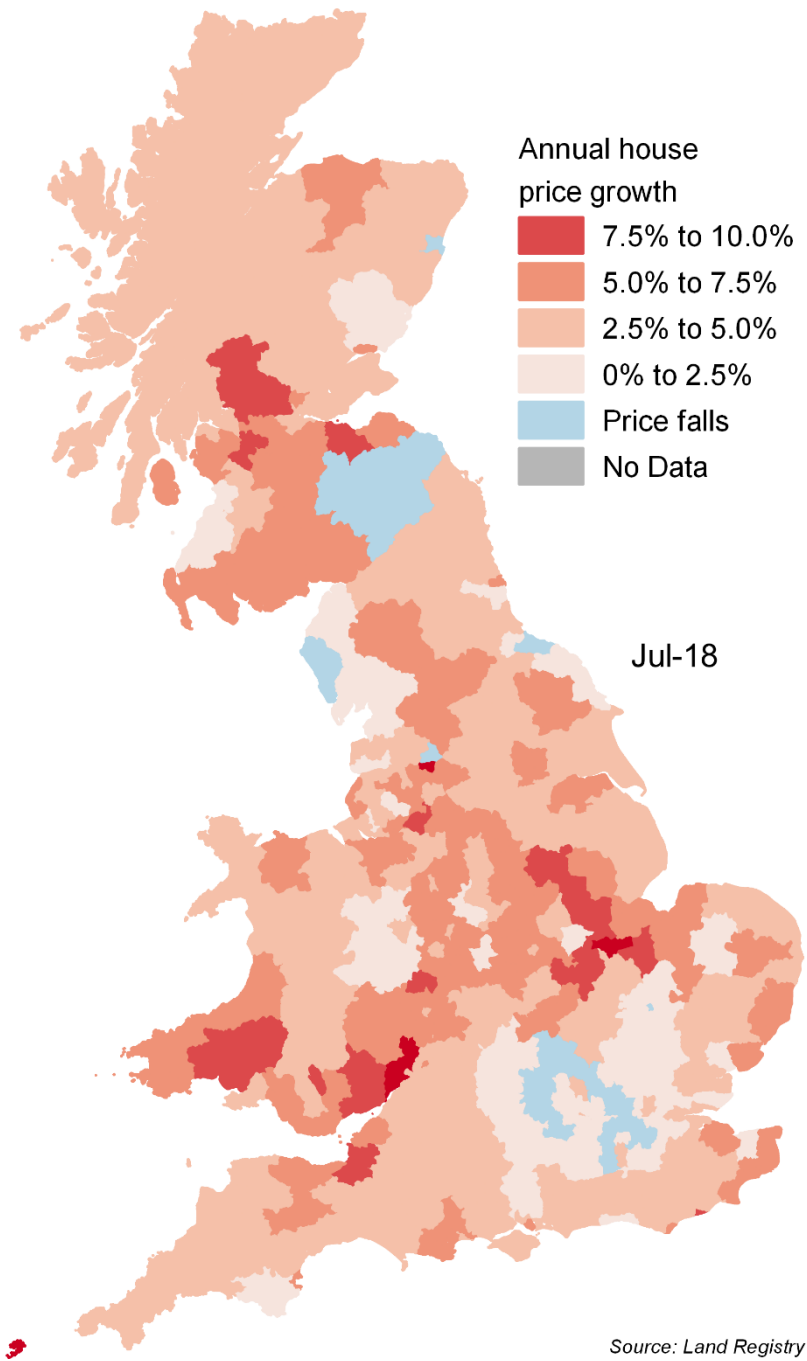
Source: RICS, Nationwide



# Interest rates and affordability

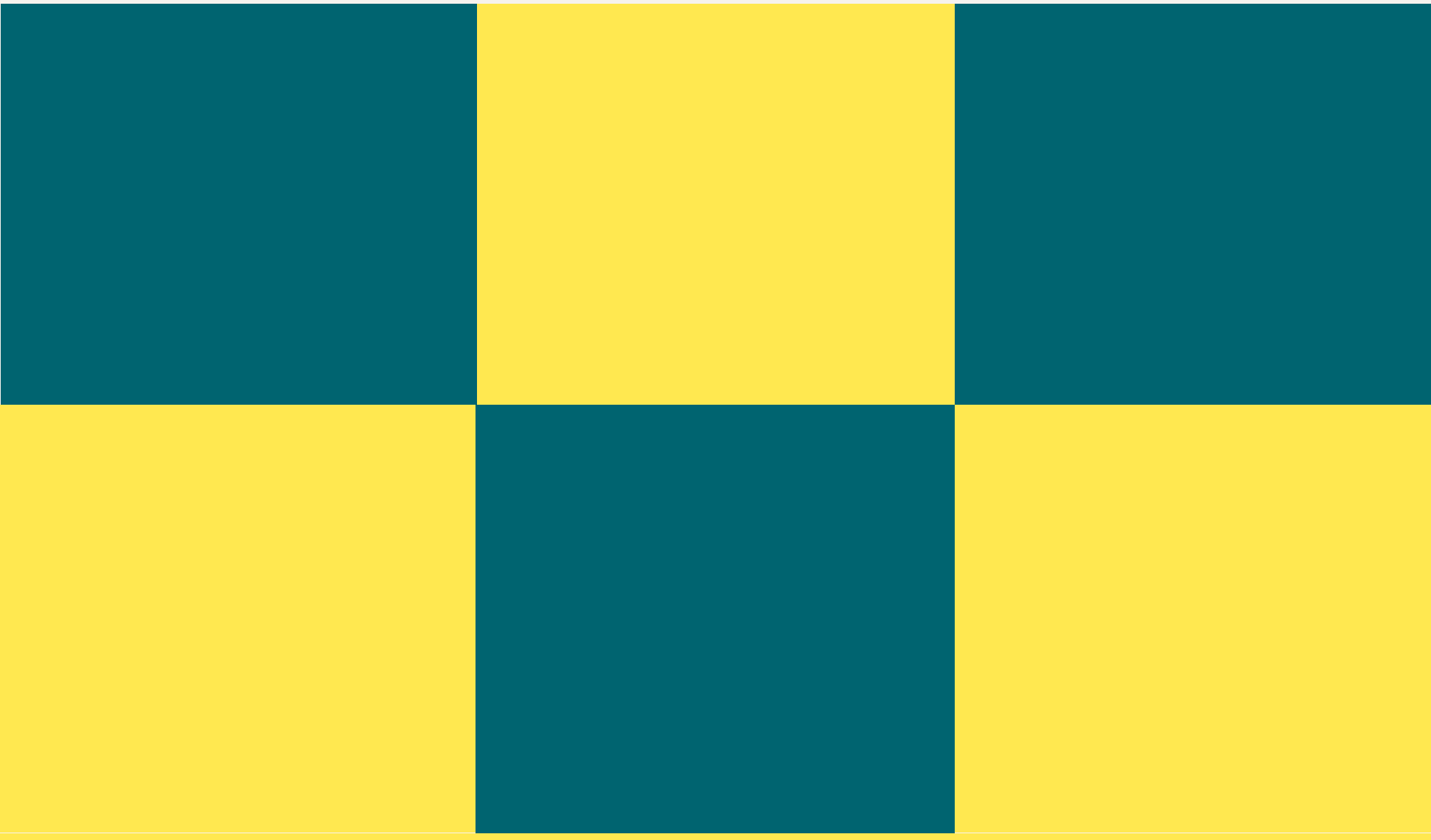
Source: Savills Research, UK Finance, Oxford Economics





# Other drivers

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**2019**

UK:  
**1.5%**

Yorkshire  
& Humber:  
**2.5%**

**2020**

UK:  
**4.0%**

Yorkshire  
& Humber:  
**5.5%**

**2021**

UK:  
**3.0%**

Yorkshire  
& Humber:  
**4.0%**

**2022**

UK:  
**2.5%**

Yorkshire  
& Humber:  
**3.0%**

**2023**

UK:  
**3.0%**

Yorkshire  
& Humber:  
**4.0%**

# 5 year compound house price growth

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Source: Savills

**14.8%**

UK

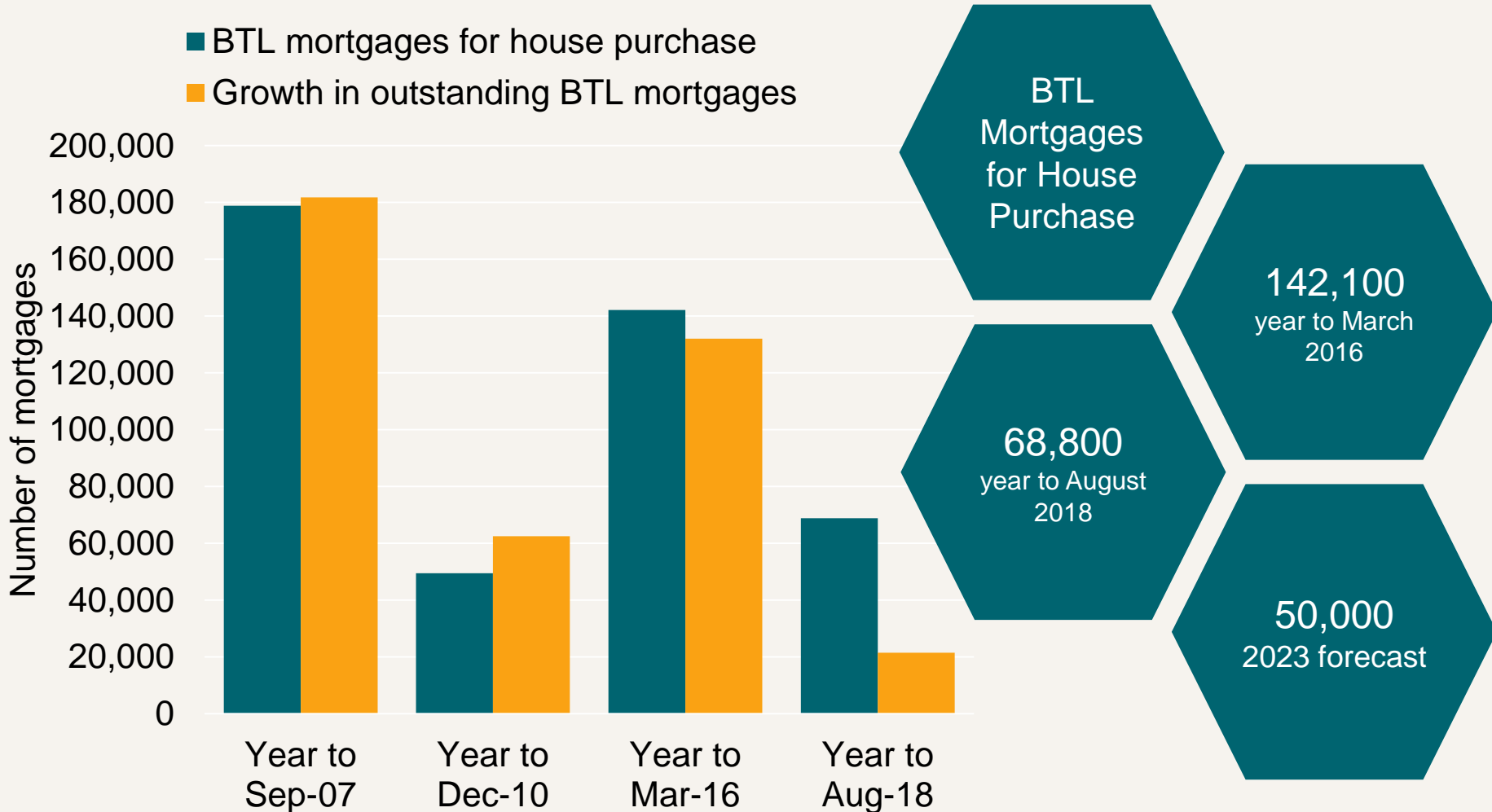
Yorkshire & Humber

**20.5%**



# The death of buy to let?

Source: UK Finance



HTB  
extended  
to  
**2023**

Regional  
value  
caps

From  
**£600k**

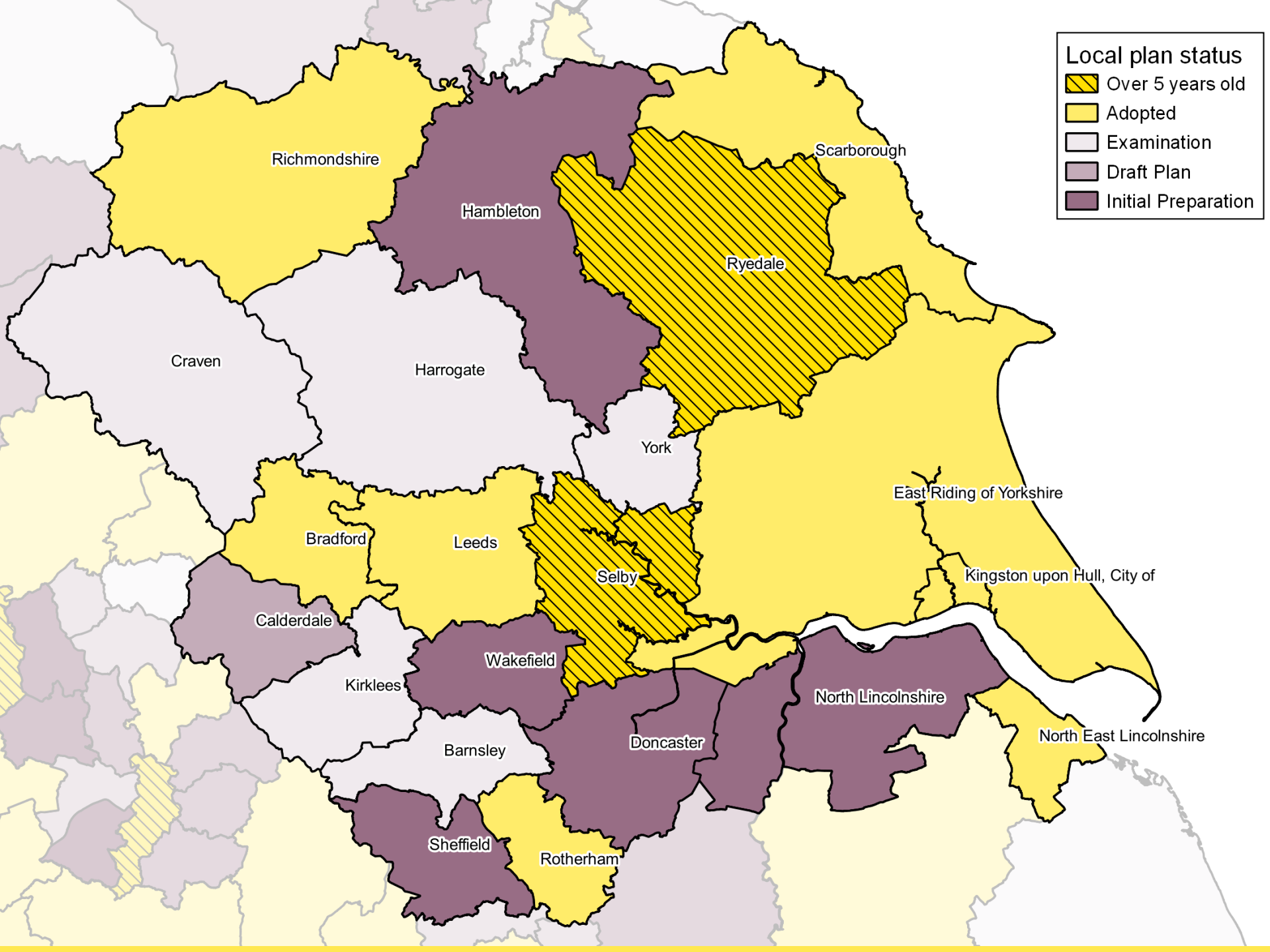
Restricted  
to  
**FTBs**

To  
**£228k**  
in Yorks &  
Humber

**No  
scheme  
after  
2023**

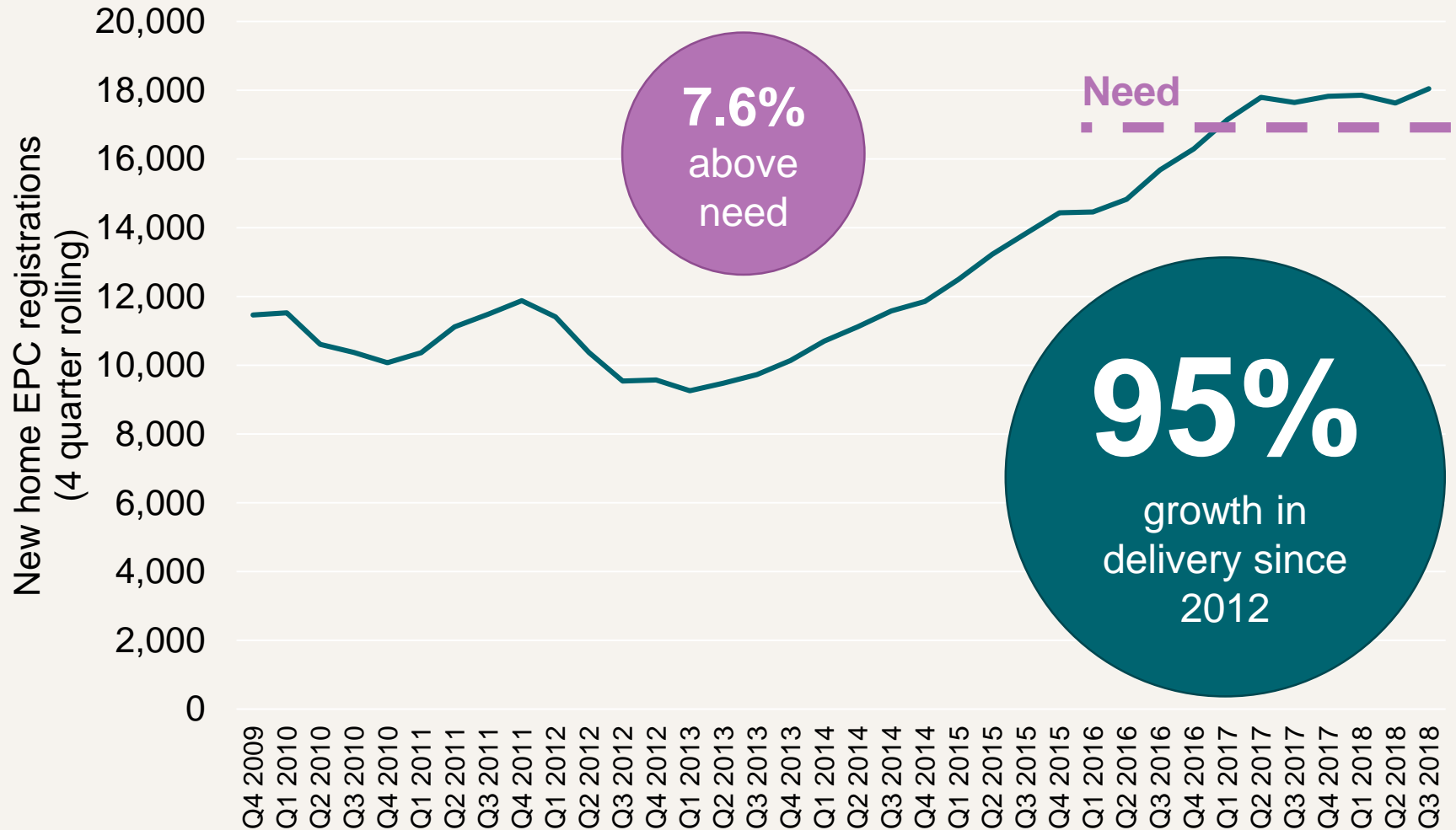
Local plan status

- Over 5 years old
- Adopted
- Examination
- Draft Plan
- Initial Preparation



# A new normal for housing delivery?

Source: MHCLG



**1** The problem is speed of delivery on large sites, not landbanking

**5** A backstop of arbitration is needed to determine the diversity needed on each site

**2** Higher market absorption requires more diversity of types and tenures

**6** As much diversity as supports a residual value of 10 x Existing Use Value (max)

**3** Sites over 1,500 units in areas of high demand need different planning rules.....

**7** Power for local planning authorities to CPO and masterplan

**4** ...to meet local housing demand for different groups in the community





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Thank you