



The new property boom

Putting property to work in
your portfolio

John Hughman

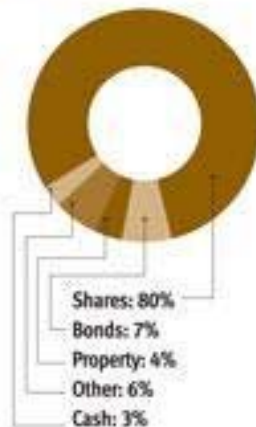
Nov 2013



THE PORTFOLIOS

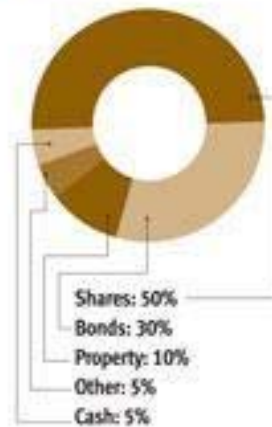
Adventurous: You want to achieve growth well above what's on offer from cash deposits and you've got either plenty of time, a high appetite for risk, or both. You recognise that pursuing this strategy involves a small risk of a big loss.

Adventurous



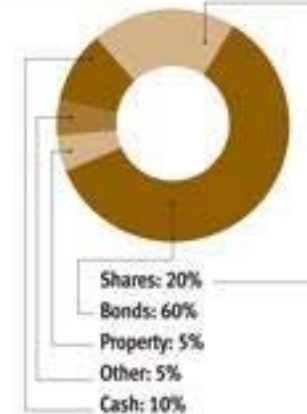
Balanced: You want to achieve better returns than you could from cash, but you don't have a long time horizon to recover from a setback, and/or you don't want to take on too much risk. You accept that this will limit the growth you can expect.

Balanced



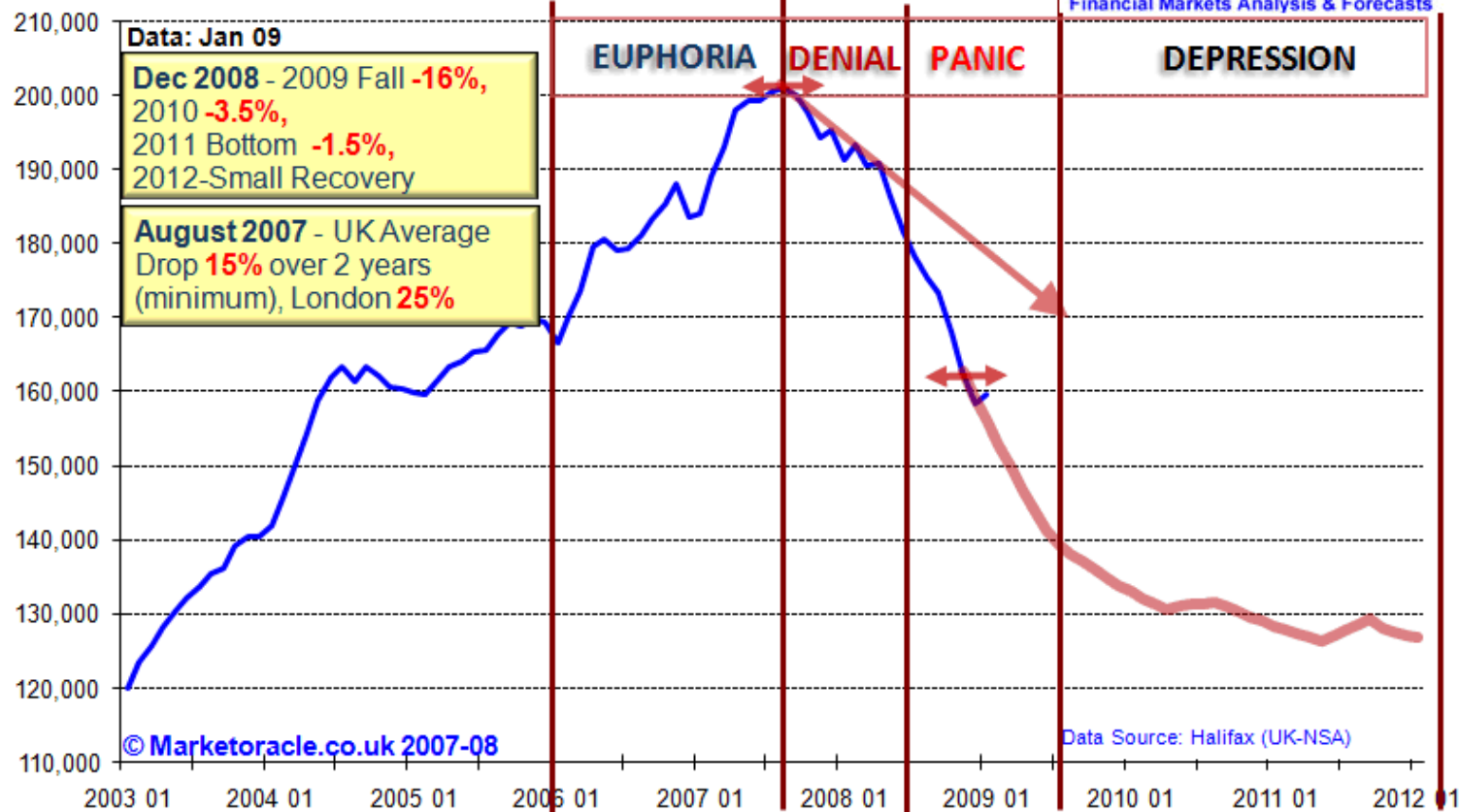
Cautious: Your main concern is the preservation of your wealth, and possibly the ability to generate an income. A major capital loss would be a very serious event, so you are unwilling to over-commit to asset classes that run even the small risk of such a loss.

Cautious



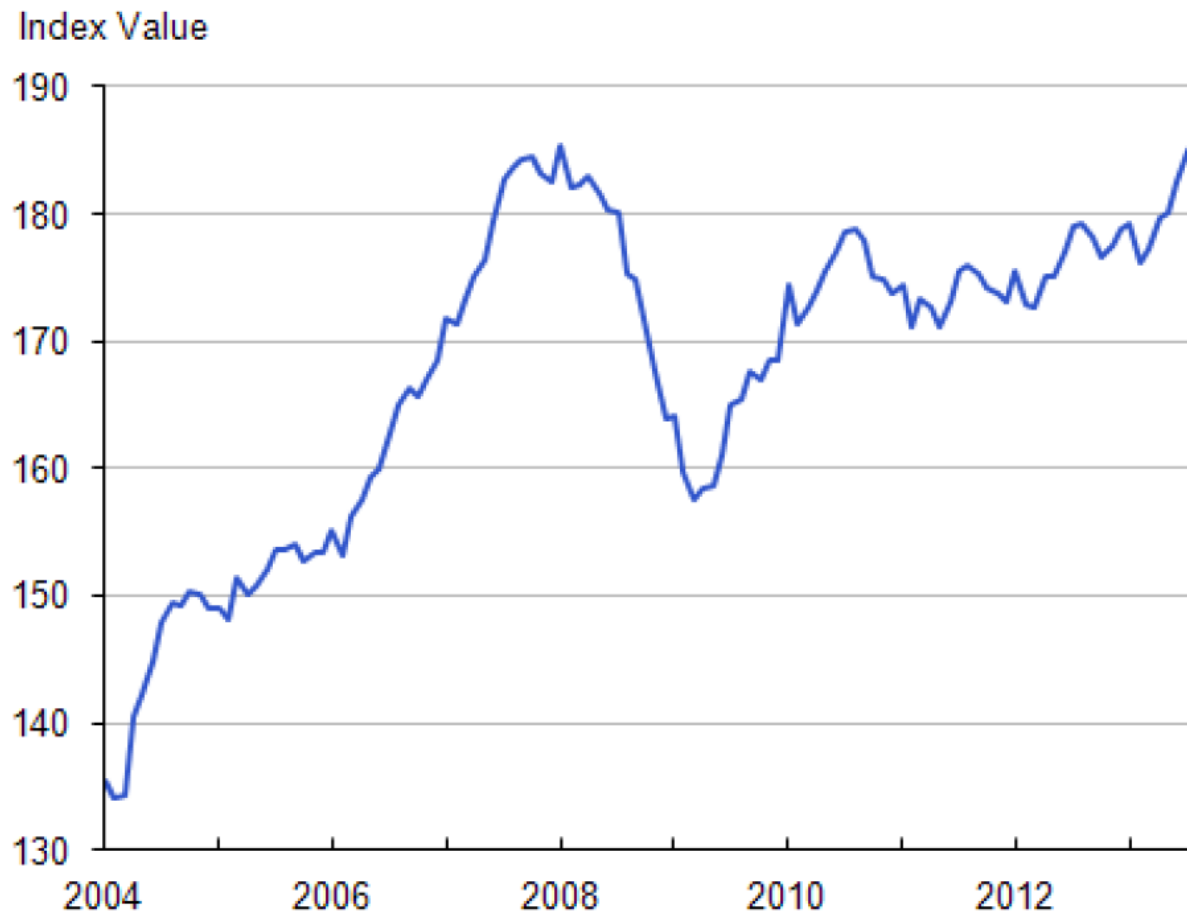


UK House Price Forecast - 2007 to 2012





Perhaps not...





London Evening Standard

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Rosamund Urwin: This housing market will ruin our city

Our housing market isn't just calamitous

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Housing bubble? Which one?

By Stephen Wi
25 September

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Housing market

Is Britain heading for another housing bubble?

House prices are soaring again, demand in the capital

November 6, 2013 6:12 pm

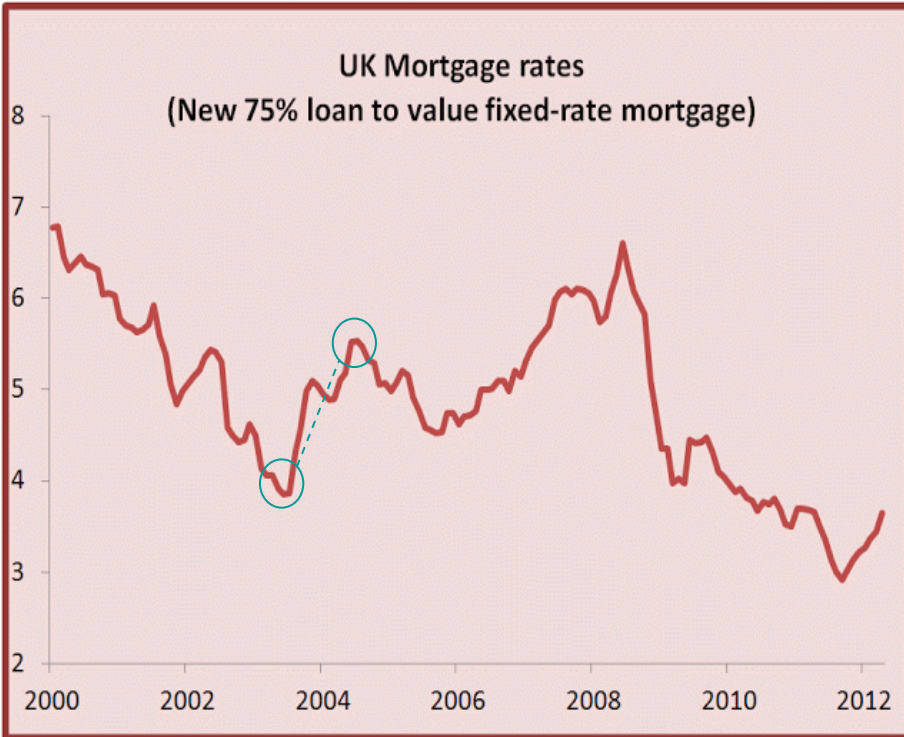
Bank of England policy housing bubble

By Sam Fleming

The Bank of England is keeping watch on developments in the housing market, but its job is not to manage fluctuations in asset prices.



UK Mortgage rates
(New 75% loan to value fixed-rate mortgage)

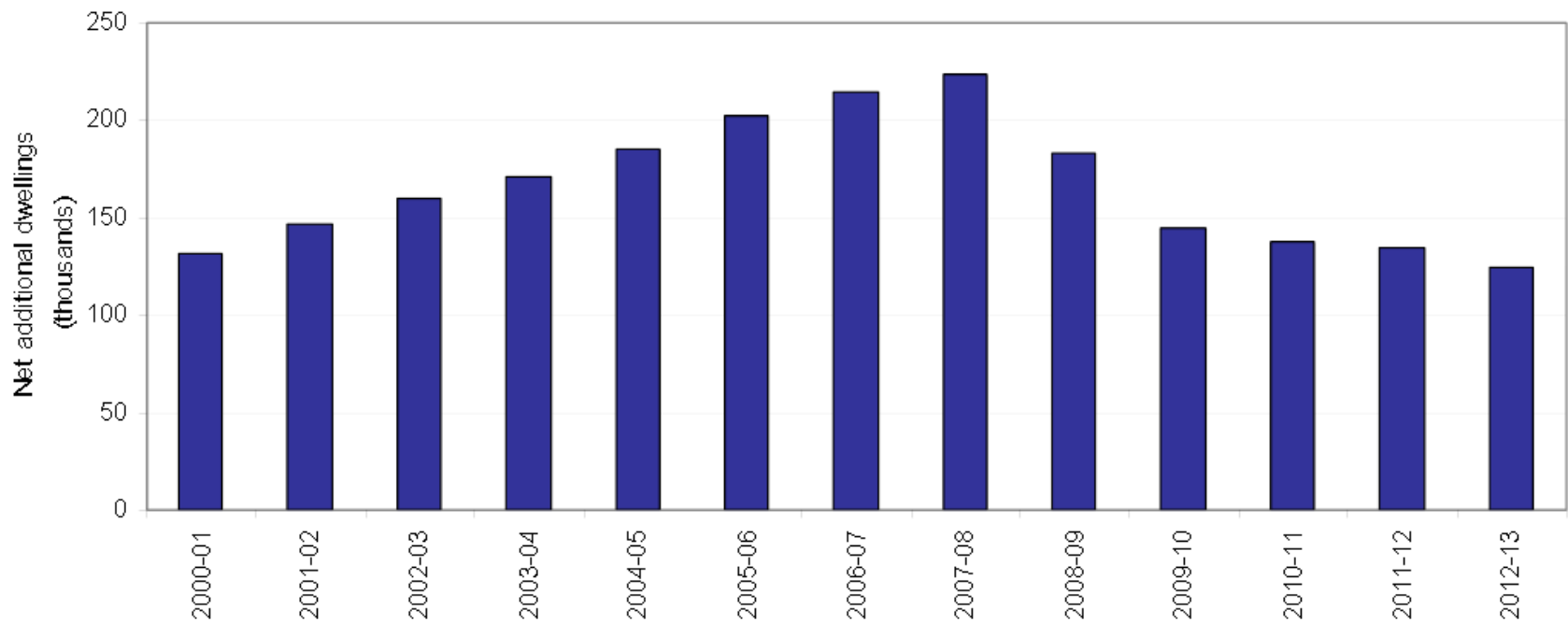


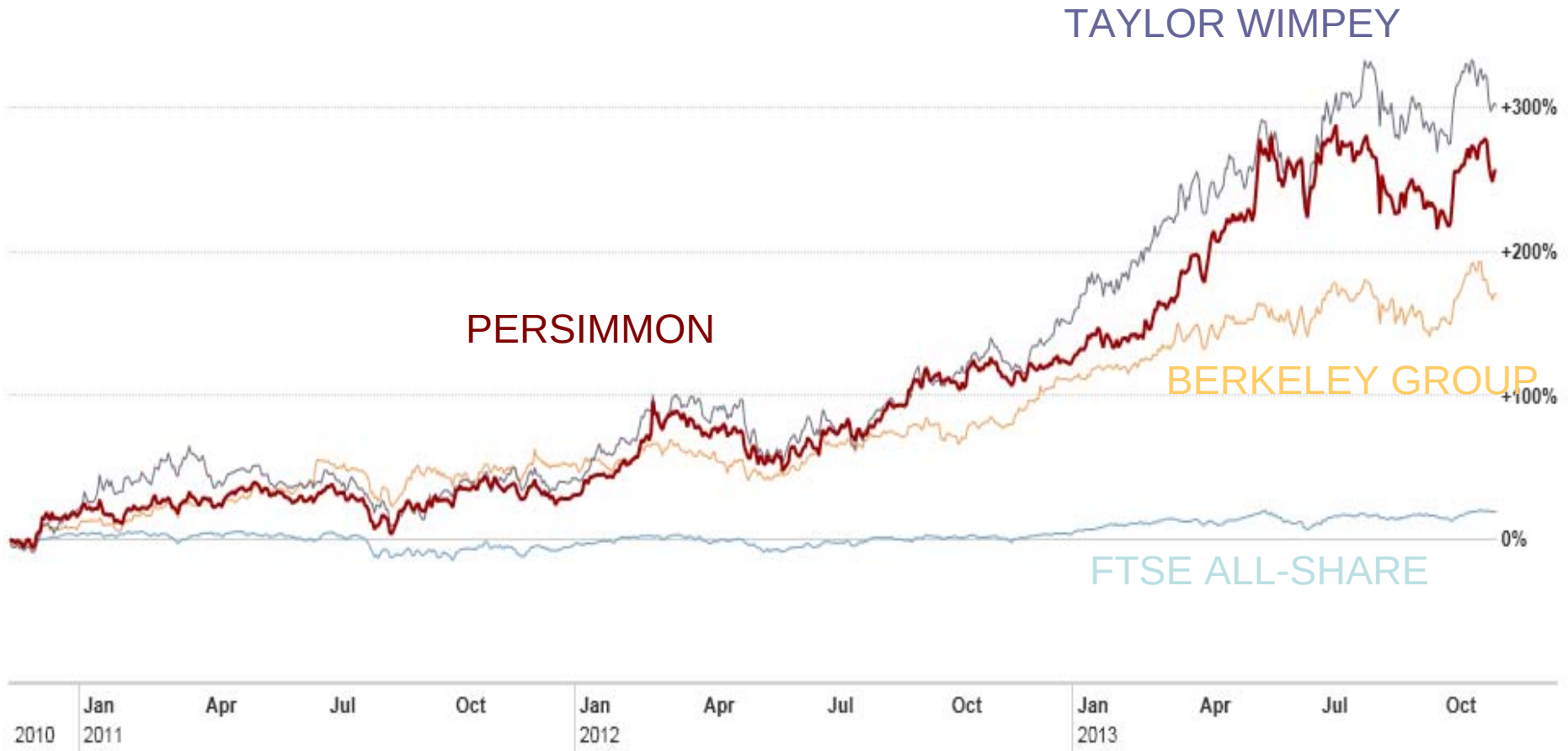
UK mortgage approvals, house prices





Figure 1: Trends in net additional dwellings 2000-01 to 2012-13, England







Mainstream forecasts

	Forecast					
	2013	2014	2015	2016	2017	5yrs to end 2017
UK	3.5%	4.5%	5.0%	3.0%	1.0%	18.1%
London	6.5%	6.0%	4.0%	4.5%	2.0%	25.1%
South East	5.0%	5.5%	6.0%	3.5%	2.0%	24.0%
South West	4.5%	5.0%	5.0%	3.0%	1.5%	20.4%
East	4.5%	5.5%	5.5%	3.5%	1.5%	22.2%
East Mids	4.0%	5.0%	5.0%	3.0%	1.0%	19.3%
West Mids	2.0%	4.0%	5.0%	3.0%	0.5%	15.3%
Wales	3.0%	4.0%	4.5%	3.0%	1.0%	16.5%
North East	1.5%	3.5%	4.0%	2.5%	0.5%	12.5%
North West	2.0%	3.5%	4.5%	2.5%	0.5%	13.6%
Yorks and Humber	1.5%	3.5%	4.0%	2.5%	0.5%	12.5%
Scotland	1.5%	3.0%	3.5%	3.0%	2.5%	14.2%

Source: Savills Research

