RIO Property closed the second quarter of 2024 with a profit, up 1.38%. The performance to date reflects the benefit of our three decades of experience and underlines that RIO Property is well-versed in this market. Since its launch RIO Property has filed eighteen consecutive gaining quarters, producing a net gain of 39.67%. The track record is bolstered by its risk-reward ratio of 13.11-1, which the investment industry ranks as excellent.

Looking further back, during 2022, this investment filed a net gain of 8.08% and had outperformed its benchmark return of just 4.77% in that year; more importantly, that year, RIO Property had served as a welcome shelter from the stock market mayhem of 2022, which had resulted in the FSTE 100 falling over 14%. This is the third edition of RIO Property, the previous versions, like this investment, had also outperformed the benchmark return and importantly did so in every year since their launch. RIO has had two previous property investments delivering net gains of over 60% at the end of their term

With only a few days to go before the general election, will house prices be affected?

When the PM went to the polls, the country was seeing a growing north-south divide in house price inflation, alongside a much-muted spring bounce. The House Price Index shows average house prices rose by 0.4% in May to £264,249. It comes after two consecutive months of house price declines, with values down 0.4% on average in April.

According to research by a non-partisan think tank, the proportion of home ownership among 25 to 34-year-olds has also only recently recovered to 2010 levels. As of the end of the 2022/23 financial year, the percentage of younger adults who owned their own home stood at 39%. This figure is 20 percentage points lower than what it was in the year 2000. A recent study by the Institute of financial studies indicated that the home ownership challenge was moving into higher age brackets, with the number of homeowners aged 45 to 59 down seven percentage points compared to 2010.

As far as the election affecting the housing market it doesn't appear to have been moved in the run up to general election. This is shown by the fact that following the election announcement on 22 May the number of properties listed as sold subject to contract (SSTC) was 51,025, a 9% rise on 46,802 from the same period in 2023. At the same time, the supply of new instructions was 70,049, a rise of 3.4% from 67,753 last year. Both the demand and supply metrics are more aligned with the same period in 2019, the last normal market prior to the pandemic.

Research seems to indicate that housing market trends have not traditionally been impacted around the time of general elections. Rightly or wrongly, for most homebuyers, elections are not foremost in their minds while buying or selling property.

What could change in the housing market following the general election?

Well, it depends on who wins the election. For example, Labour's plans for a Freedom to Buy scheme, a permanent version of the current Mortgage Guarantee, and the potential prime minister has promised to maintain stamp duty thresholds.

That said, Labour has not refused to rule out returning the first-time buyer stamp duty exemption from £425,000 to £300,000 as currently planned for the end of March 2025.

As for the Conservatives, they too have revealed plans to resurrect Help to Buy. The scheme had required a 5% deposit and provided a 20% government loan to purchase a new-build property was first launched in 2013 and ended in March 2023. The good news here is that the Tory election manifesto promises a new and improved Help to Buy scheme for first-time buyers, with an equity loan on interest terms that they can afford. The scheme will be part-funded by contributions from house builders.

If you're considering selling a property it may not be a good time in an election summer, the market is traditionally slower, but sales activity will almost certainly pick up after the election, as the election winner will be known, and way forward will then become clearer.

As for the general market condition today, this is a buyer's market meaning sellers should price their homes realistically if they want to achieve a sale.

Looking forward house prices could have renewed impetus next year if and when mortgage rates come down. So, in summary provided a decisive election victory is secured by either party, and if this was to be coupled with easing inflation and lower mortgage rates then we could finally see improving affordability for buyers.

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